

**J. ALEXANDER'S HOLDINGS, INC.**  
**3401 West End Avenue, Suite 260**  
**P.O. Box 24300**  
**Nashville, Tennessee 37202**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To the Shareholders of J. Alexander's Holdings, Inc.:

The Annual Meeting of Shareholders of J. Alexander's Holdings, Inc. (the "Company") will be held at Redlands Grill, 2609 West End Avenue, Nashville, Tennessee 37203 at 9:30 a.m., central time, on Thursday, June 20, 2019 for the following purposes:

- (1) To elect two Class I directors to hold office for a term of three years, or until their respective successors have been duly elected and qualified;
- (2) To ratify the appointment by the Company's Audit Committee of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2019;
- (3) To consider and act upon a proposal to approve the Company's Amended and Restated 2015 Equity Incentive Plan;
- (4) To vote on a shareholder proposal contained in the Proxy Statement accompanying this notice, if properly presented by the shareholder proponent at the meeting; and
- (5) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on April 26, 2019 are entitled to notice of and to vote at the meeting or any adjournment or postponement thereof. Your attention is directed to the Proxy Statement accompanying this notice for a more complete statement regarding the matters to be acted upon at the meeting.

We are furnishing our proxy materials to you under Securities and Exchange Commission rules that allow companies to deliver proxy materials to their shareholders on the Internet. On or about May 10, 2019, we began mailing a Notice of Internet Availability of Proxy Materials (the "Proxy Notice") and provided access to our proxy materials on the Internet. The proxy materials include our 2018 Annual Report to Shareholders and the accompanying Proxy Statement.

We hope very much that you will be able to be with us. However, it is important that your shares be represented whether or not you are personally able to attend. Even if you plan to attend the Annual Meeting, please vote as instructed in the Proxy Notice, via the Internet or the telephone as promptly as possible to ensure that your vote is recorded. Alternatively, you may follow the procedures outlined in the Proxy Notice to request a paper proxy card to submit your vote by mail, which will require no postage if mailed in the United States. If you attend the meeting and your shares are registered in your name, you may withdraw your previously submitted proxy at that time and vote your shares in person.

By Order of the Board of Directors,



Jessica L. Hagler  
*Corporate Secretary*

May 10, 2019

**J. ALEXANDER'S HOLDINGS, INC.**  
**3401 West End Avenue, Suite 260**  
**P.O. Box 24300**  
**Nashville, Tennessee 37202**

**PROXY STATEMENT**

**FOR ANNUAL MEETING OF SHAREHOLDERS**

**June 20, 2019**

The enclosed proxy is solicited by and on behalf of the Board of Directors (the "Board") of J. Alexander's Holdings, Inc. (the "Company") for use at the 2019 Annual Meeting of Shareholders (the "Annual Meeting") to be held on Thursday, June 20, 2019, at 9:30 a.m., central time, at Redlands Grill, 2609 West End Avenue, Nashville, Tennessee 37203 and at any adjournments or postponements thereof, for the purposes set forth in the foregoing Notice of Annual Meeting of Shareholders.

We are furnishing proxy materials to our shareholders primarily via the Internet under rules adopted by the U.S. Securities and Exchange Commission (the "Commission"), instead of mailing printed copies of those materials to each shareholder. On May 10, 2019, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the "Proxy Notice") containing instructions on how to access our proxy materials, including our Proxy Statement and our 2018 Annual Report to Shareholders. The Proxy Notice also instructs you on how to access your proxy card electronically to vote via the Internet or by telephone. Our proxy materials may be amended or supplemented in accordance with applicable law.

This process is designed to expedite the shareholders' receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources. Shareholders who would prefer to continue to receive printed proxy materials should follow the instructions included in the Proxy Notice.

Proxies may be solicited by mail or by telephone. All costs of this solicitation will be borne by the Company. The Company does not anticipate paying any compensation to any party other than its regular employees for the solicitation of proxies, but may reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation material to beneficial owners.

All valid proxies properly executed and received by the Company prior to the Annual Meeting will be voted in accordance with the choices specified thereon. If no choice is specified, the shares will (a) be voted FOR the election of the director nominees named herein, (b) be voted FOR ratification of the appointment of KPMG LLP ("KPMG") as the Company's independent registered public accounting firm for fiscal year 2019, (c) be voted FOR the approval of the Company's Amended and Restated 2015 Equity Incentive Plan, and (d) ABSTAIN from voting on the shareholder proposal contained in this Proxy Statement, if properly presented by the shareholder proponent at the meeting. The Board does not know of any other matters which will be presented for action at the meeting, but the persons named in the proxy intend to vote or act with respect to any other proposal which may be properly presented for action according to their best judgment in light of the conditions then prevailing.

A proxy may be revoked by a shareholder at any time before its exercise by attending the meeting and voting in person, by filing with the Corporate Secretary of the Company a written revocation, by duly executing a proxy bearing a later date or by casting a new vote by telephone or the Internet.

**METHOD OF COUNTING VOTES**

Each share of the Company's Common Stock, \$0.001 par value (the "Common Stock"), issued and outstanding on April 26, 2019 (the "Record Date"), will be entitled to one vote on all matters to come before the meeting. As of the Record Date, there were 14,695,176 shares of Common Stock outstanding.

Unless a contrary choice is indicated, all duly executed proxies will be voted in accordance with the instructions set forth on the proxy card. If you do not own your shares directly, but instead are the beneficial owner of shares held in "street name" by a broker, your broker, as the record holder of the shares, must vote those shares in accordance with your instructions. If you do not give instructions to your broker, your broker can vote shares only with respect to "discretionary" items, which include matters that are considered routine. On "non-discretionary" items for which you do not give instructions, your shares will be counted as "broker non-votes." Uncontested director elections (such as the election of directors at this Annual Meeting), the proposal to approve the Company's

Amended and Restated 2015 Equity Incentive Plan, and the shareholder proposal contained in this Proxy Statement (if properly presented by the shareholder proponent at the Annual Meeting) are not considered routine under the rules and regulations of the primary trading markets applicable to most brokers. As a result, most brokers do not have the ability to vote shares held in street name with respect to such proposals unless the broker has received voting instructions from the beneficial owner of the shares. It is therefore important that you provide instructions to your broker if your shares are held in street name by a broker so that your vote with respect to the election of directors is counted.

The proposal to ratify the appointment of KPMG as the Company's independent registered public accounting firm for fiscal year 2019 is considered routine and therefore may be voted upon by your broker if you do not give instructions for the shares held in street name by your broker.

Abstentions and broker non-votes will be counted as present for purposes of determining the existence of a quorum. Directors will be elected by a plurality of the votes cast in the election by the holders of Common Stock represented and entitled to vote at the Annual Meeting. Abstentions and broker non-votes will not be counted as votes for or against any director nominee. Ratification of the appointment of KPMG as the Company's independent registered public accounting firm for fiscal year 2019, the proposal to approve the Company's Amended and Restated 2015 Equity Incentive Plan, the shareholder proposal contained in this Proxy Statement (if properly presented by the shareholder proponent at the Annual Meeting) and any other matters that may properly come before the meeting or any adjournment or postponement thereof shall be approved by the affirmative vote of a majority of the votes cast by holders of Common Stock represented and entitled to vote at the Annual Meeting, and abstentions and non-votes will have no effect on the outcome of the vote.

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

The following table sets forth, as of April 26, 2019, certain information with respect to those persons known to the Company to be the beneficial owners (as defined by certain rules of the Commission) of more than five percent of the Common Stock, its only voting security, and with respect to the beneficial ownership of the Common Stock by all directors, each of the executive officers named in the Summary Compensation Table, and all executive officers and directors of the Company as a group (ten persons). Except as otherwise specified, the shares indicated are presently outstanding.

Name and Address of Beneficial Owner	Amount of Common Stock Beneficially Owned (1)	(2)	Percentage of Stock Common Outstanding
Ancora Advisors, LLC 6060 Parkland Blvd., Suite 200 Cleveland, OH 44124	1,266,490	(2)	8.62%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	1,390,914	(3)	9.47%
Marathon Partners Equity Management, LLC 60 East 42nd Street, Suite 2306 New York, NY 10165	975,000	(4)	6.63%
Newport Global Opportunities Fund I-A LP 21 Waterway Avenue, Suite 150 The Woodlands, TX 77380	1,657,991	(5)	11.26%
River Road Asset Management, LLC 462 South Fourth Street, Suite 2000 Louisville, KY 40202	929,551	(6)	6.33%
Douglas K. Ammerman**	37,754	(7)	*
Timothy T. Janszen**	1,657,991	(5)	11.26%
Ronald B. Maggard, Sr.**	71,177	(8)	*
Frank R. Martire**	130,000	(9)	*
Raymond R. Quirk**	122,798	(10)	*
Lonnie J. Stout II****	239,905	(11)	1.61%
Mark A. Parkey***	123,837	(12)	*
J. Michael Moore***	89,225	(13)	*
All directors and executive officers as a group	2,522,732	(14)	16.54%

\* Less than one percent.

\*\* Director.

\*\*\* Named executive officer.

\*\*\*\* Director and named executive officer.

- (1) Unless otherwise indicated, each shareholder has sole voting and dispositive power with respect to all shares shown. Unless otherwise noted, the address of each beneficial owner is c/o J. Alexander's Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, TN 37202.
- (2) Ancora Advisors, LLC ("Ancora") has sole voting power with respect to all 1,266,490 shares and sole dispositive power with respect to 1,261,810 shares. Information is based solely on the Schedule 13D/A filed with the Commission by Ancora on April 17, 2019.
- (3) BlackRock, Inc. ("BlackRock") has sole voting power with respect to 1,290,031 of these shares and sole dispositive power with respect to all 1,390,914 shares. Information is based solely on the Schedule 13G/A filed with the Commission by BlackRock on February 6, 2019.
- (4) Marathon Partners Equity Management, LLC ("Marathon") has shared voting power and shared dispositive power with respect to all 975,000 shares. Mario Cibelli is the Managing Partner of Marathon. As a result, Mr. Cibelli may be deemed to own beneficially, and holds voting and dispositive power with respect to, all 975,000 shares. Mr. Cibelli's address is c/o Marathon Partners Equity Management, LLC, One Grand Central Place, 60 East 42nd Street, Suite 2306, New York, NY 10165. Marathon's address is the same. Information is based solely on the Schedule 13D/A filed with the Commission by Marathon and Mario Cibelli on April 10, 2019.

- (5) Newport Global Opportunities Fund I-A LP (“Newport Fund”) has shared voting and dispositive power with respect to all 1,627,991 shares. Timothy T. Janszen is the Chief Executive Officer of Newport Global Advisors LLC, which is the general partner of Newport Global Advisors LP, the investment advisor to Newport Fund. As a result, Mr. Janszen may be deemed to own beneficially, and holds voting and dispositive power with respect to, all 1,627,991 shares. Mr. Janszen’s address is c/o Newport Global Advisors LP, 21 Waterway Avenue, Suite 150, The Woodlands, TX 77380. Includes 30,000 shares issuable upon the exercise of certain options held by Mr. Janszen. As a result of agreements between Mr. Janszen and Newport Fund, Newport Fund may be deemed to have beneficial ownership over these options, received by Mr. Janszen as compensation for service on our Board of Directors.
- (6) River Road Asset Management, LLC (“River Road”) has sole voting power with respect to 859,568 of these shares and sole dispositive power with respect to all 929,551 shares. Information is based solely on the Schedule 13G/A filed with the Commission by River Road on February 6, 2019.
- (7) Includes 30,000 shares issuable upon the exercise of certain options held by Mr. Ammerman.
- (8) Includes 30,000 shares issuable upon the exercise of certain options held by Mr. Maggard and 41,177 shares of Common Stock held by the Ronald B. Maggard Revocable Trust.
- (9) Includes 30,000 shares issuable upon the exercise of certain options held by Mr. Martire and 100,000 shares of Common Stock held by a family trust of which Mr. Martire and his spouse are co-trustees.
- (10) Includes 30,000 shares issuable upon the exercise of certain options held by Mr. Quirk, 84,737 shares of Common Stock held by Quirk 2002 Trust, 2,716 shares of Common Stock held by the Raymond Quirk 2004 Trust, and 27 shares held by Fidelity National Financial Inc.’s 401(k) plan that are attributable to Mr. Quirk.
- (11) Includes 187,500 shares issuable upon the exercise of certain options held by Mr. Stout.
- (12) Includes 86,250 shares issuable upon the exercise of certain options held by Mr. Parkey.
- (13) Includes 86,250 shares issuable upon the exercise of certain options held by Mr. Moore.
- (14) Includes 554,750 shares issuable upon the exercise of certain options held by the directors and executive officers.

**PROPOSAL NO. 1.  
ELECTION OF DIRECTORS**

Our Board is divided into three classes with one-third of the directors up for election each year. The class of each director and the year of their election is noted in their background information descriptions below. At the Annual Meeting, the shareholders will elect two Class I directors to serve a term of three years, or until their respective successors have been duly elected and qualified.

Our Amended and Restated Charter, as amended (the “Charter”) provides that a director elected by the Board to fill a vacancy will hold office until the end of the term for which such director’s predecessor was elected, or if the vacancy arises because of an increase in the size of the Board, until the end of the term specified at the time of such director’s election or selection, and until that director’s successor has been elected and qualified or until his or her earlier resignation, disqualification, disability or removal.

Election of directors requires a plurality of the votes cast in such election. It is intended that shares represented by the enclosed proxy will be voted **FOR** the election of the nominees named below unless a contrary choice is indicated. Each of the nominees is presently a director of the Company and has been nominated to serve on the Board as a result of his or her particular skills, attributes and professional experience. For additional discussion of the Company’s director nomination criteria, please see “*Nominating and Corporate Governance Matters*” below. Management believes that all of the nominees will be available and able to serve as directors, but if for any reason any should not be available or able to serve, it is intended that such shares will be voted for such substitute nominees as may be proposed by the Board.

The Class I nominees to be elected (serving a three-year term and then up for re-election in 2022) are:

Timothy T. Janszen  
Ronald B. Maggard, Sr.

Certain information with respect to each of these Class I nominees, as well as our other Class II and Class III directors, is set forth below, including their present positions, their principal occupations, current directorships held with other public companies, as well as directorships with other public companies during the past five years, their ages and the year first elected as a director. Individual qualifications, experiences and skills that contribute to the Board’s effectiveness as a whole, as determined by the Nominating and Corporate Governance Committee, are also described below.

**BACKGROUND INFORMATION FOR CLASS I NOMINEES**

Timothy T. Janszen  
*Class I – Re-election in 2022*  
Director Since 2015

Mr. Janszen, 55, has served as a director of the Company since September 2015, and prior to that time he served on the board of managers of our subsidiaries, J. Alexander’s Holdings, LLC (the “Operating LLC”) and J. Alexander’s, LLC, from February 2013 and January 2013, respectively, until September 2015. Mr. Janszen has been the Chief Executive Officer of Newport Global Advisors, L.P. (“Newport”), an investment management firm, since September 2005. He also serves as Principal Executive Officer and Operating Manager of NGA Holdco, LLC, which holds equity in entities related to the gaming industry. Prior to joining Newport, Mr. Janszen held a number of positions, including Managing Director, at AIG Global Investment Group, an investment management firm, which he joined in 2001. As a member of our Board, Mr. Janszen contributes strategic, financial and capital markets expertise and management experience through his career with investment advisory firms and service on the board of directors of several private companies in the restaurant and hospitality industry, including Fidelity Newport Holdings, LLC (“FNH”), in which Newport is a minority owner.

Ronald B. Maggard, Sr.  
*Class I – Re-election in 2022*  
Director Since 2015

Mr. Maggard, 69, has served as a director of the Company since September 2015. Mr. Maggard co-founded Maggard Enterprises, Inc., a former franchisee of Long John Silver’s and A&W restaurants, in 1970 and has been its Chairman of the Board and President since 1972. He was a franchisee of quick-service restaurants for over 30 years. Mr. Maggard served as a director of Santa Barbara Restaurant Group and former Chairman of Checkers Drive-In Restaurants, Inc., until 2002 and a former director of Carl Karcher Enterprises from 2003 to 2004. He served as a director of FNH until August 2017. As a member of our Board, Mr. Maggard contributes his extensive experience in restaurant operations.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” EACH OF THE NOMINEES. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS SHAREHOLDERS OTHERWISE SPECIFY IN THEIR PROXIES.**

BACKGROUND INFORMATION FOR CLASS II AND CLASS III DIRECTORS  
NOT STANDING FOR RE-ELECTION IN 2019

Frank R. Martire  
*Class II – Re-election in 2020*  
Lead Independent Director  
Director Since 2015

Mr. Martire, 71, has served as a director since September 2015 and served as Chairman of the Board of the Company from September 2015 to May 2019. Effective May 1, 2019, Mr. Martire’s position changed to Lead Independent Director upon Mr. Stout’s transition to Executive Chairman of the Board. Mr. Martire also presently serves as Executive Chairman of NCR Corporation, a leading software and service-led enterprise provider in the financial, retail, hospitality and telecommunications and technology industries, and he has held this position since May 2018. From 2017 until May of 2018, Mr. Martire served as Non-Executive Chairman of Fidelity National Information Services, Inc. (“FIS”), an international provider of financial technology and outsourcing services. From 2015 to 2017 Mr. Martire served as Executive Chairman of FIS, and he has held management positions within FIS since 2009 when FIS acquired Metavante Technologies, Inc., a provider of financial technology services and software, regulatory advice and consulting, where he had served as Chairman of the Board and CEO from March 2003 to October 2009. Mr. Martire also serves on the board of directors of Cannae Holdings, Inc. (“Cannae”), following the completion of the split-off of Cannae from Fidelity National Financial, Inc., a provider of commercial and residential mortgage and diversified services (“FNF”), in November 2017. Mr. Martire is also a former director of FNH until August 2017. Mr. Martire’s qualifications to serve on our Board include his leadership roles in business management, strategy and innovation, and his strong track record of building and maintaining shareholder value and successfully negotiating and implementing mergers and acquisitions.

Raymond R. Quirk  
*Class II – Re-election in 2020*  
Director Since 2015

Mr. Quirk, 72, has served as a director of the Company since September 2015. Mr. Quirk also presently serves as the Chief Executive Officer of FNF since December 2013 and as a director of FNF since February 2017. Previously, Mr. Quirk served as President of FNF beginning in April 2008. Mr. Quirk served as Co-President of FNF from May 2007 until April 2008, and as Co-Chief Operating Officer of FNF from October 2006 until May 2007. Since joining FNF in 1985, Mr. Quirk has served in numerous executive and management positions, including Executive Vice President, Co-Chief Operating Officer and Division Manager and Regional Manager, with responsibilities for managing direct and agency operations nationally. As a member of our Board, Mr. Quirk contributes his significant expertise in executive management oversight related to a broad range of key responsibilities.

Douglas K. Ammerman  
*Class III – Re-election in 2021*  
Director Since 2015

Mr. Ammerman, 67, has served as a director of the Company since September 2015. Mr. Ammerman has also served as a director of FNF, since July 2005. Mr. Ammerman is a retired partner of KPMG, where he became a partner in 1984. Mr. Ammerman formally retired from KPMG in 2002. He currently serves as a director of FNF, William Lyon Homes, Inc. and Stantec Inc. Within the past five years, Mr. Ammerman also has served as a director of Remy International and El Pollo Loco, Inc. As a member of our Board, Mr. Ammerman contributes his significant financial and accounting background and expertise, including his 18 years as a partner with KPMG and his experience as a director on the boards of directors of other companies.

Lonnie J. Stout II  
*Class III – Re-election in 2021*  
Executive Chairman of the Board  
Director Since 2015

Mr. Stout, 72, has been a director of the Company since its formation in September 2015 and served as President and Chief Executive Officer of the Company from September 2015 to May 2019. Effective May 1, 2019, Mr. Stout's position changed to Executive Chairman of the Board. Prior to September 2015, he was a director/manager (as applicable), President and Chief Executive Officer of J. Alexander's Corporation ("JAC"), the Operating LLC and J. Alexander's, LLC (the successor entity to JAC), positions he has held since May 1986. Mr. Stout joined JAC in 1979 and held various leadership roles, including Executive Vice President and Chief Financial Officer of JAC from October 1981 to May 1984, a member of the board of directors of JAC from 1982 until October 2012 and as Chairman from July 1990 until October 2012. From November 2016 to October 2017, Mr. Stout served as Executive Vice Chairman of FNH, the owner and operator of O'Charley's, 99 Restaurants and other restaurant concepts. Mr. Stout has over 35 years of experience in the hospitality, food services and restaurant business. His industry knowledge and experience make him a vital component to our Board.

## CORPORATE GOVERNANCE

### General

The Company believes that good corporate governance is important to ensure that J. Alexander's Holdings, Inc. is managed for the long-term benefit of its shareholders. The Company regularly reviews its corporate governance policies and practices and compares them to those suggested by various authorities on corporate governance and the practices of other public companies. The Company also continues to review the provisions of the Sarbanes-Oxley Act of 2002, the new and proposed rules of the Commission and the applicable listing standards of the New York Stock Exchange (the "NYSE").

### Board of Directors

The Company is managed under the direction of the Board, which oversees and delegates the conduct of the business to the Company's executive officers and senior management. The Board held 10 meetings in 2018. Each of the incumbent directors of the Company attended at least 75% of the meetings held during 2018 by the Board while he was a director and at least 75% of the meetings held during 2018 by all committees of the Board while he was a member of such committees.

The Board is currently led by Mr. Stout as the Executive Chairman of the Board ("Executive Chairman") and Mark A. Parkey currently serves as Chief Executive Officer of the Company. Our Corporate Governance Guidelines permit the roles of chairman of the board and chief executive officer to be filled by the same or different individuals. This allows the Board flexibility to determine whether the two roles should be combined or separated based upon our needs and the Board's assessment of its leadership from time to time. Because the position of Executive Chairman has been filled by Mr. Stout, who is a non-independent director, the Board has appointed Mr. Martire as Lead Independent Director.

At this time, the Board believes that our shareholders are best served by having Mr. Stout serve as Executive Chairman and Mr. Martire serve as Lead Independent Director. Our Board believes this leadership structure effectively allocates authority, responsibility, and oversight between management and the independent members of our Board. Our structure gives primary responsibility for the operational leadership and strategic direction of the Company to our Chief Executive Officer, Mr. Parkey, while Mr. Stout, our Executive Chairman, advises our leadership team, develops longer-term business initiatives, engages with shareholders, and evaluates strategic opportunities to improve shareholder value, and Mr. Martire, our Lead Independent Director, facilitates our Board's independent oversight of management, promotes communication between senior management and other Board members about issues such as management development and succession planning, executive compensation, and Company performance, and leads our Board's consideration of key governance matters.

The Board includes three standing committees: an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee. Each of these committees operates under a written committee charter, all of which can be accessed on the Company's website at [investor.jalexandersholdings.com](http://investor.jalexandersholdings.com), under the corporate governance section.

### Director Independence

Our Corporate Governance Guidelines and the NYSE require that our Board consist of a majority of independent directors.

The Board has determined that each of the following directors and nominees, constituting a majority of our Board, qualifies as an "independent director" within the meaning of the NYSE listing standards, and that such persons do not otherwise have any relationship that, in the opinion of the Board, would interfere with the exercise of such person's independent judgment in carrying out the responsibilities of a director:

Douglas K. Ammerman  
Timothy T. Janszen  
Ronald B. Maggard, Sr.  
Frank R. Martire

The Nominating and Corporate Governance Committee of the Board has evaluated the Company's relationships with each director and nominee and has recommended to our Board to make an affirmative determination that such director or nominee is independent. Under the Company's Corporate Governance Guidelines, an "independent" director is one who meets the qualification requirements for being independent under applicable laws and the corporate governance listing standards of the NYSE.

Mr. Ammerman currently serves on the audit committee of more than three publicly traded companies, including, in addition to the

Company: William Lyon Homes, Inc. (NYSE), FNF (NYSE) and Stantec Inc. (NYSE). Our Board has determined that Mr. Ammerman's simultaneous service on the audit committees of more than three public companies does not impair his ability to serve effectively as a member of our Audit Committee.

The Nominating and Corporate Governance Committee and the Board evaluate the independence of directors and director nominees under the criteria established by the Commission and the NYSE for director independence and for Audit Committee membership, including Rule 10A-3 under the Exchange Act.

### **Role of the Board in Risk Oversight**

One of the key functions of the Board is informed oversight of our risk management process. The Board administers this oversight function directly, with support from its three standing committees, the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee, each of which addresses risks specific to its respective areas of oversight. In particular, the Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements. The Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. The Nominating and Corporate Governance Committee monitors the effectiveness of our Corporate Governance Guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. The Nominating and Corporate Governance Committee also makes the initial determination as to whether directors are independent for purposes of relevant rules.

The independent directors meet regularly in executive session at the conclusion of Board meetings to review and discuss the Company's management, operations, financial performance and material risks to the Company. Our Lead Independent Director acts as the presiding director of these executive sessions.

### **Board Member Attendance at Annual Meeting**

The Company encourages each member of the Board to attend the Annual Meeting. Mr. Stout attended the 2018 Annual Meeting of Shareholders.

## Board Committee Composition and Committee Functions

### Committee/Current Members

#### **Audit Committee**

##### *Current Members*

Mr. Ammerman (Chair)

Mr. Janszen

Mr. Martire

*Number of Meetings held in  
fiscal year 2018: Five*

### Summary of Material Committee Functions

- Evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- Reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- Reviewing our annual and quarterly financial statements and reports and discussing the statements and reports with our independent auditors and management;
- Reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation, and matters concerning the scope, adequacy and effectiveness of our financial controls;
- Reviewing with management and our auditors any earnings announcements and other public announcements regarding material developments;
- Establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and other matters;
- Preparing the report of the Audit Committee that the Commission requires in our annual proxy statement;
- Overseeing risks associated with financial matters such as accounting, internal controls over financial reporting and financial policies;
- Reviewing and providing oversight with respect to any related party transactions and monitoring compliance with our code of ethics; and
- Reviewing and evaluating, at least annually, the performance of the Audit Committee, including compliance of the Audit Committee with its charter.

## **Compensation Committee**

### *Current Members:*

Mr. Martire (Chair)  
Mr. Ammerman  
Mr. Maggard

*Number of Meetings held in  
fiscal year 2018: Three*

- Reviewing and recommending to our Board the compensation and other terms of employment of our executive officers;
- Reviewing and recommending to our Board performance goals and objectives relevant to the compensation of our executive officers;
- Evaluating and approving the equity incentive plans, compensation plans and similar programs advisable for us, as well as modification or termination of existing plans and programs;
- Evaluating and recommending to our Board the type and amount of compensation to be paid or awarded to Board members;
- Administering our equity incentive plans;
- Reviewing and recommending to our Board policies with respect to incentive compensation and equity compensation arrangements;
- Reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;
- Evaluating and overseeing risks associated with compensation policies and practices;
- Reviewing and recommending to our Board the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers and other members of senior management;
- Reviewing the adequacy of its charter on an annual basis; and
- Reviewing and evaluating, at least annually, the performance of the Compensation Committee, including compliance of the Compensation Committee with its charter.

## **Nominating and Corporate Governance Committee**

*Current Members:*  
Mr. Maggard (Chair)  
Mr. Ammerman

*Number of Meetings held in fiscal year 2018: One*

- Reviewing and making recommendations to the Board regarding our board size and other corporate governance functions;
- Identifying, evaluating, nominating and recommending individuals for membership on our Board;
- Considering nominations by shareholders of candidates for election to our Board;
- Considering and assessing the independence of members of our Board;
- Evaluating director performance on our Board and applicable committees of our Board;
- Reviewing the corporate governance guidelines and making any changes to such guidelines;
- Periodically reviewing our policy statements; and
- Evaluating, at least annually, the performance of the committees of the Board.

## **Nominating and Corporate Governance Matters**

The Nominating and Corporate Governance Committee acts on behalf of the Board to identify individuals qualified to become Board members and to recommend to the Board nominees for each annual meeting of shareholders.

The policy of the Nominating and Corporate Governance Committee is to consider the qualifications of all properly submitted shareholder recommendations of candidates for membership on the Board. In its assessment of a candidate for Board membership, including properly submitted shareholder recommendations, the Nominating and Corporate Governance Committee may consider whatever factors it deems appropriate, including: personal qualities and characteristics, accomplishments and reputation, knowledge within the Company's industry or industries relevant to the Company's business, skills and personality that would promote an effective, collegial and responsive Board, and diversity of viewpoints, background, experience and other demographics. At a minimum, in the judgment of the Nominating and Corporate Governance Committee, a director nominee must:

- be able to represent the interests of the Company and all of its shareholders and not be disposed by affiliation or interest to favor any individual, group or class of shareholders or other constituency;
- possess relevant background, skills and abilities, and characteristics that fulfill the needs of the Board at that time;
- possess the background and demonstrated ability to contribute to the Board's performance of its collective responsibilities, through senior executive management experience, relevant professional or academic distinction, and/or a record of relevant civic and community leadership;
- contribute important opinions and perspectives to Board deliberations as a result of diverse professional experience and personal background;
- have the highest ethical character and share the core values of the Company as reflected in the Company's Code of Business Conduct and Ethics;
- have a reputation, both personal and professional, consistent with the image and reputation of the Company;
- have relevant expertise and experience, and be able to offer advice and guidance to the chief executive officer based on that expertise and experience; and
- have the ability and the willingness to devote the necessary time and energy to exercise sound business judgment.

The Nominating and Corporate Governance Committee will preliminarily assess each candidate's qualifications and suitability. If it is the consensus of the Nominating and Corporate Governance Committee that a candidate is likely to meet the criteria for Board membership, the Nominating and Corporate Governance Committee will advise the candidate of the Nominating and Corporate Governance Committee's preliminary interest and, if the candidate expresses sufficient interest, will arrange interviews of the candidate with one or more members of Nominating and Corporate Governance Committee and other members of the Board and will request such additional information from the candidate as the Nominating and Corporate Governance Committee deems appropriate.

If a majority of the Nominating and Corporate Governance Committee determine that the candidate is suitable and meets the criteria for Board membership, the candidate will be invited to meet with senior management of the Company, both to allow the candidate to obtain further information about the Company and to give management a basis for input to the Board regarding the candidate. On the basis of its assessment, and taking into consideration input from senior management, the Nominating and Corporate Governance Committee will formally consider whether to recommend the candidate's nomination for election to the Board. Approval by a majority of the independent directors will be required to recommend the candidate's nomination.

Upon recommendation from the Nominating and Corporate Governance Committee of a slate of directors for nomination at the Company's annual meeting of shareholders, the Board will consider each candidate's qualifications, the assessment of each individual's background, skills and abilities, and whether such characteristics fulfill the needs of the Board at that time, and will confer and reach a collective assessment as to the qualifications and suitability of each candidate for Board membership. Approval by a majority of the Board will be required to nominate a candidate for election to the Board.

#### *Shareholder Recommendations*

Any shareholder recommendations submitted for consideration by the Nominating and Corporate Governance Committee must be made in accordance with the Company's Amended and Restated Bylaws (the "Bylaws") and applicable law, and include verification of the shareholder status of the person submitting the recommendation and the recommended candidate's name and qualifications for Board membership and should be addressed to:

Corporate Secretary  
J. Alexander's Holdings, Inc.  
3401 West End Avenue, Suite 260  
P.O. Box 24300  
Nashville, Tennessee 37202

#### **Compensation Committee Matters**

The Compensation Committee acts on behalf of the Board to establish the compensation of executive officers of the Company and to provide oversight of the Company's compensation philosophy. The Compensation Committee also acts as the oversight committee with respect to the Company's deferred compensation, stock and bonus plans covering executive officers and other senior management. In overseeing those plans, the Compensation Committee has the sole authority for administration and interpretation of the plans. The Compensation Committee has the authority to engage outside advisors to assist the Compensation Committee in the performance of its duties; however, the Compensation Committee may not delegate its authority to others.

The Compensation Committee is composed solely of non-employee directors of the Company. All compensation awards made by the Compensation Committee are approved by directors who are (i) independent as defined under the NYSE listing standards, and (ii) non-employee directors for purposes of Section 16b-3 of the Exchange Act. The Compensation Committee has been given the responsibility to assist the Board in the discharge of its fiduciary duties with respect to the compensation of the executives and other employees of the Company, including the named executive officers, and the Company's retirement and other benefit plans. As part of the Compensation Committee's duties, the Compensation Committee, among other things, periodically reviews the Company's philosophy regarding executive compensation and assesses the three main elements of the Company's compensation. The Compensation Committee reports to the Board on its activities.

Generally, the Compensation Committee reviews the performance and compensation of the Chief Executive Officer and, following discussions with him and other advisors, if appropriate, establishes his compensation level. For the remaining named executive officers, the Chief Executive Officer makes recommendations for salary and bonus levels to the Compensation Committee that are generally approved. With respect to equity compensation awards, the Compensation Committee typically grants options based upon the initial recommendation of the Chief Executive Officer, and with additional or different terms deemed appropriate by the Compensation Committee.

The Compensation Committee generally will consider making equity awards periodically after the Compensation Committee has had an opportunity to review the Company's financial results for the prior fiscal year and consider the Company's expectations and projections for the current fiscal year. The Compensation Committee may grant awards or may determine not to grant any awards to some executives, based on its conclusion that the awards then currently outstanding effectively serve to properly incentivize the executive officers.

The Board sets non-management directors' compensation at the recommendation of the Compensation Committee. See "*Director Compensation*" for more information.

The Company did not engage any outside compensation consultant during 2018. However, prior to the termination of the Management Consulting Agreement on November 30, 2018, Black Knight Advisory Services, LLC (the "Management Consultant") provided strategic advice regarding the Company's compensation and benefits programs from time to time. For further description of the Management Consulting Agreement and other services provided by the Management Consultant, as well as the fees paid to the Management Consultant by the Company, see "*Certain Relationships and Related Party Transactions—Management Consulting Agreement with Black Knight Advisory Services, LLC.*" In February 2019, the Compensation Committee engaged Mercer (US) Inc. to evaluate the Company's management transition, which became effective on May 1, 2019, and in March 2019, the Compensation Committee again engaged Mercer (US) Inc. to evaluate the Company's compensation practices in connection with the proposed amendment of the Company's 2015 Equity Incentive Plan.

### **Governance Documents**

The Board has adopted a Code of Business Conduct and Ethics applicable to the members of the Board and the officers of the Company, including the Chief Executive Officer and Chief Financial Officer (who also serves as the Company's principal accounting officer). We also have adopted Corporate Governance Guidelines, which, in conjunction with our Charter, Bylaws and the respective charters of the Board committees, form the framework for our governance.

All of these documents may be accessed on the Company's website at [investor.jalexandersholdings.com](http://investor.jalexandersholdings.com), under the corporate governance section, or copies may be requested by writing to the following address: J. Alexander's Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics on its website.

### **Communications with Members of the Board**

Any party interested in communicating directly with our Board, our Executive Chairman, our Lead Independent Director, other individual independent directors or the independent directors as a group may do so by writing to Board of Directors, c/o Corporate Secretary, J. Alexander's Holdings, Inc., 3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202.

## EXECUTIVE COMPENSATION

### SUMMARY COMPENSATION TABLE

The following table sets forth certain summary information for the year indicated with respect to the compensation awarded to, earned by, or paid to the named executive officers for fiscal years 2018 and 2017 for their service as employees and officers of us and our subsidiaries.

Name and Principal Position	Fiscal Year	Salary (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)(5)	Total (\$)
Lonnie J. Stout II	2018	592,949	427,500	394,421	46,020 (7)	1,460,890
President and Chief Executive Officer (6)	2017	550,000	—	420,267	73,880 (7)	1,044,147
Mark A. Parkey	2018	255,393	205,200	84,942	45,844	591,379
Executive Vice President and Chief Financial Officer (6)	2017	241,833	—	92,395	148,847	483,075
J. Michael Moore	2018	255,393	205,200	84,942	48,471	594,006
Executive Vice President and Chief Operating Officer	2017	241,833	—	92,395	127,602	461,830

- (1) Amounts shown are not reduced to reflect the named executive officers' contributions to the Company's 401(k) and deferred compensation plans. Amounts shown are amounts actually earned by the named executive officer during the year.
- (2) Represents the aggregate grant date fair value of the J. Alexander's Holdings, Inc. stock option awards granted to the named executive officers determined in accordance with Accounting Standards Codification ("ASC") Topic 718 "Compensation – Stock Compensation". For additional information on the assumptions made in the valuation for the awards reflected in this column, please see Note 15 to the Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2018 (the "Form 10-K").
- (3) Represents cash bonus payments made pursuant to the Company's 2015 Equity Incentive Plan.
- (4) Amounts shown reflect the value to each of the named executive officers of: the expense recognized by the Company relating to the vested benefit under their Amended and Restated Salary Continuation Agreements, as applicable, contributions allocated by the Company pursuant to the Company's 401(k) and deferred compensation plans, an auto allowance, reimbursements for certain auto-related expenses, the Company's reimbursement of employee medical insurance contributions, premiums paid for a supplemental medical reimbursement insurance plan, payments of supplemental disability insurance premiums, tax preparation and planning services and certain other modest benefits.
- (5) The following table details for each named executive officer the expense recognized by the Company relating to the named executive officer's vested Amended and Restated Salary Continuation Agreement benefits. No amounts were actually paid to the employee.

#### Non-Cash Expense Recognized Relating to the Vested Benefit Under the Amended and Restated Salary Continuation Agreements

Name	(\$)
Lonnie J. Stout II	-
	39,599 (2017) (a)
Mark A. Parkey	-
	108,454 (2017) (a)
J. Michael Moore	-
	87,067 (2017) (a)

- (a) As a result of forecasted interest rates for the 15-year period during which Messrs. Stout, Parkey and Moore are eligible to receive their respective vested benefit, we recognized income for the 2018 fiscal year relating to our obligations with respect to these officers' Amended and Restated Salary Continuation Agreements. Consequently, no amount of expense is reported in the "All Other Compensation" column of the Summary Compensation Table with respect to these officers' Amended and Restated Salary Continuation Agreements for this period.

- (6) Effective May 1, 2019, Mr. Stout was appointed Executive Chairman, and Mr. Parkey was appointed President and Chief Executive Officer.
- (7) Does not include any portion of the management fee paid to the Management Consultant, with respect to which Mr. Stout may be an indirect beneficiary as a result of his ownership in the Management Consultant. For additional information, see “*Certain Relationships and Related Party Transactions—Management Consulting Agreement with Black Knight Advisory Services, LLC.*”

## NARRATIVE DISCLOSURE TO SUMMARY COMPENSATION TABLE

**Compensation Philosophy.** The Company's executive compensation program is administered by the Compensation Committee and compensates management primarily through a combination of base salary and annual cash incentives. The goal of the executive compensation program is to attract and retain talent through incentives that reward outstanding Company and individual performance and the creation of shareholder value. Base salaries are intended to provide cash compensation at a level appropriate for the named executive officers' experience and responsibilities. The Company's incentive compensation, which has historically taken the form of a cash incentive program, is designed to align a portion of the management incentives with the interests of our equity holders.

**Base Salary.** Base salaries are reviewed annually and may be adjusted in light of individual past performance, tenure, any change in the named executive officer's position or responsibilities within our organization, or rates of inflation. The Compensation Committee reviews the base salary of the Chief Executive Officer and receives recommendations from the Chief Executive Officer regarding base salaries for the other named executive officers. Mr. Stout's base salary was changed in February of 2018, and base salaries were adjusted for Messrs. Parkey and Moore in August of 2018 to the rates set forth in the table below.

Named Executive Officer	2018 Base Salary (\$)(1)
Lonnie J. Stout II	600,000
Mark A. Parkey	260,000
J. Michael Moore	260,000

- (1) Effective May 1, 2019, the base salaries for Messrs. Stout, Parkey and Moore were adjusted to \$400,000, \$400,000 and \$285,000, respectively.

**Cash-Based Incentive Compensation.** Part of our compensation philosophy is to incentivize the named executive officers using cash-based incentive compensation tied primarily to our business objectives. We approve the payment of annual cash incentive compensation, if earned, because we believe it rewards executives for achieving our shorter-term business objectives.

In fiscal year 2018, all named executive officers received a cash incentive bonus pursuant to the Company's 2015 Equity Incentive Plan under which they were eligible to receive a cash payment based on the achievement of certain performance targets. Performance targets are set annually by the Compensation Committee of the Board and communicated to participants. The amount of the cash payment is a percentage of the officer's annual base salary earned by the officer during the applicable fiscal year. Each participant in the 2015 Equity Incentive Plan is assigned an annual award target expressed as a percentage of the participant's base salary earned during the applicable fiscal year. This annual award target is generally determined based on seniority, level of responsibility within our organization, and such person's ability to influence profitability, meet our stated objectives of operational excellence and ensure the integrity of our financial statements and our reputation in the business community. In addition, our Compensation Committee has the discretionary authority to modify the annual award target based on its assessment of the individual participant's performance.

The 2015 Equity Incentive Plan is designed to provide 100% of a participant's annual award target for achieving targeted performance, 50% of a participant's annual award target for achieving a minimum acceptable (threshold) level of performance (typically, 90% of the targeted performance level), and up to a maximum of 200% of a participant's annual award target for achieving maximum performance (typically, 120% of the targeted performance level). Payouts between the threshold and maximum amounts are interpolated in increments in relation to the performance level achieved. No payments will be made for performance below the threshold level.

The performance targets for fiscal year 2018 were calculated based on our achievement of designated levels of earnings before net interest expense, income taxes, depreciation, amortization, any pre-opening expenses, certain impairment charges, if applicable, along with adjustments for other items that do not reflect our performance for a given fiscal year ("Plan Adjusted EBITDA"). The following table summarizes the potential cash incentives for each of our named executive officers based on our achievement of the threshold, target and maximum Plan Adjusted EBITDA goals for fiscal year 2018.

<b>Named Executive Officer</b>	<b>Threshold Plan Adjusted EBITDA</b>	<b>Target Plan Adjusted EBITDA (1)</b>	<b>Maximum Plan Adjusted EBITDA</b>
Lonnie J. Stout II	50% of Base Salary	100% of Base Salary	200% of Base Salary
Mark A. Parkey	25% of Base Salary	50% of Base Salary	100% of Base Salary
J. Michael Moore	25% of Base Salary	50% of Base Salary	100% of Base Salary

- (1) Effective May 1, 2019, the cash bonus targets as a percentage of base salaries for Messrs. Stout, Parkey and Moore are 100%, 100% and 50%, respectively.

As a result of our achievement of Plan Adjusted EBITDA between the threshold and target goals, each named executive officer received an award equal to approximately 66.5% of their targeted award level for fiscal year 2018, using the interpolation method described above. Consequently, Mr. Stout received a cash award pursuant to the 2015 Equity Incentive Plan equal to 66.5% of his base salary earned in fiscal year 2018, and Messrs. Parkey and Moore each received a cash award pursuant to the 2015 Equity Incentive Plan equal to 33.3% of their respective base salaries earned in fiscal year 2018.

**Cash Bonuses.** On occasion, we may award discretionary cash bonus payments to the named executive officers to reward superior individual performance during a fiscal year. No discretionary cash bonus payments were made during fiscal year 2018.

**Profits Interest Incentive Awards.** On January 1, 2015, the Operating LLC adopted a Management Incentive Plan and issued equity incentive awards consisting of Class B Units of the Operating LLC (the “Class B Units”) to certain members of our management team, including our named executive officers, and other key employees. Each Class B Unit represents a non-voting equity interest in the Operating LLC that entitles the holder to a percentage of the profits and appreciation in the equity value of the Operating LLC arising after the date of grant and after such time as an applicable hurdle amount is met. The hurdle amount for the Class B Units issued to our management in January 2015 was set at \$180 million, which at such time was a reasonable premium to the estimated liquidation value of the equity of the Operating LLC. The Class B Units issued to management vested with respect to 50% of the granted Class B Units on the second anniversary of the date of grant and with respect to the remaining 50% on the third anniversary of the date of grant and required a six-month holding period post-vesting.

Mr. Stout received 442,500 Class B Units, and Messrs. Parkey and Moore each received 132,750 Class B Units on January 1, 2015. In the third quarter of fiscal year 2015, the Board of Directors of FNF approved the legal and structural separation of the Company from FNF, pursuant to which the Company became an independent, publicly-traded company (the “Spinoff”). For additional information, see “*Separation of the Company from Fidelity National Financial, Inc.*” In conjunction with the Spinoff, the Operating LLC was recapitalized, and the Class B Units were adjusted on a pro-rata basis to 416,673 for Mr. Stout and 125,002 for each of Messrs. Parkey and Moore. These have a grant date fair value of \$778,800 for Mr. Stout and \$233,640 for each of Messrs. Parkey and Moore.

Vested Class B Units may be exchanged for, at the option of the Operating LLC, either (i) cash in an amount equal to the amount that would be distributed to the holder of those Class B Units by the Operating LLC upon a liquidation of the Operating LLC assuming the aggregate amount to be distributed to all members of the Operating LLC was equal to the implied valuation of the Company based upon its market capitalization on the date of exchange, (net of any assets and liabilities of the Company that are not assets or liabilities of the Operating LLC) or (ii) shares of our Common Stock with a fair market value equal to the cash payment under (i) above.

The Class B Units issued to our management have been classified as equity awards, and compensation expense based on the grant date fair value has been recognized over the applicable vesting period of the grant in our Consolidated Financial Statements. No additional Class B Units have been issued to any named executive officer since January 1, 2015.

**Equity-Based Incentive Compensation.** The Company awards non-qualified or incentive stock options to its executive officers under shareholder-approved plans on a periodic basis. The Compensation Committee has indicated that it awards stock options because it believes that stock options closely align employees’ interests with those of other shareholders because when the price of the Company’s stock increases from the price on the date of grant, the employee realizes value commensurate with increases to shareholder value generally.

The 2015 Equity Incentive Plan provides for the grant of non-statutory or incentive stock options, restricted shares, restricted share units, and other stock-based awards to the Company’s employees, officers, directors or consultants. 1,500,000 shares are reserved for issuance under the 2015 Equity Incentive Plan. The Compensation Committee administers the 2015 Equity Incentive Plan, selects the individuals to whom options will be granted, determines the number of options to be granted, and the term and exercise price of each option. The number of options granted is based on the Compensation Committee’s conclusions on the sufficiency of the Company’s

cash compensation and other benefits available to officers. Because the Compensation Committee has indicated that it believes a larger portion of more senior executives' compensation should be tied to the Company's performance, a larger number of options are granted to the more senior executive officers, decreasing incrementally based on position. Stock options granted pursuant to the terms of the 2015 Equity Incentive Plan generally cannot be granted with an exercise price of less than 100% of the fair market value on the date of the grant. The term of the options granted under the 2015 Equity Incentive Plan cannot be greater than 10 years.

In February 2018, the Company made grants of 125,000 stock options to Mr. Stout, and grants of 60,000 stock options to each of Messrs. Parkey and Moore, respectively, all at an exercise price of \$9.55 (the market price of the Company's stock on the date of the grant). All of the options granted to the named executive officers in fiscal year 2018 vest ratably over four years and have a seven-year term.

**Employment Agreements.** On December 26, 2008, JAC entered into employment agreements with Messrs. Stout, Parkey and Moore, which were each subsequently amended on July 30, 2012. Mr. Parkey's employment agreement was amended again on July 1, 2014. The agreements provide that each of the named executive officers will continue to serve in their current offices and such other office or offices to which he may be appointed or elected by the Board of Directors of JAC for the term of the agreement. Following the initial three-year term, each agreement has been subject to successive one-year automatic renewals unless either party gives written notice to the other party not less than 90 days prior to the end of the then-current term that it is electing not to extend the agreement. Each agreement provides for the named executive officer to continue to receive his current annual base salary as well as customary benefits, including remuneration pursuant to the Company's cash compensation incentive plans (assuming applicable performance targets are met) or any long-term incentive award plans offered generally to executives of the Company and health insurance. Pursuant to the terms of each agreement, JAC also agreed to reimburse the named executive officer for all reasonable business expenses incurred by such named executive officer in performance of his duties. Compensation payable under the agreements is subject to annual review by the Compensation Committee of the Board and may be increased as the Compensation Committee deems advisable.

Each agreement provides for certain payments upon the termination of the named executive officer's employment. Details of these payments and obligations are discussed below under the heading "*Potential Payments Upon Termination or Change in Control.*" In addition to these payments, if (i) the named executive officer is terminated other than as a result of death or for "cause" and (ii) the named executive officer does not obtain substantially similar health insurance coverage as provided for in his employment agreement, then once the period for which we are obligated to provide health insurance coverage under the employment agreement ends, we must use commercially reasonable efforts to make available to the named executive officer health insurance benefits for the named executive officer and his dependents under our then-existing health insurance plan at the named executive officer's expense (and at no additional cost to the Company). Further, pursuant to the terms of each of the agreements, each named executive officer is prohibited from (i) competing with the Company (A) during the term of his employment and (B) for a period of one year following termination of employment if the named executive receives payments under the employment agreements in connection with termination without "cause" or by the named executive for "good reason" and (ii) soliciting, without our written consent, the services of the Company's executive officers (or otherwise soliciting our executive officers to terminate their employment or agency with us) for a period of one year following termination of employment if the named executive officer receives payments under the employment agreements in connection with termination without "cause" or by the named executive officer for "good reason." The named executive officer is also subject to certain confidentiality and non-disclosure obligations.

**Retirement Benefits.** The Company provides a vested salary continuation benefit as the primary retirement benefit for certain senior executives, including the Company's named executive officers. Each named executive officer receives this retirement benefit through Amended and Restated Salary Continuation Agreements between the Company and such named executive officer. A description of the vested salary continuation benefits provided to each named executive officer under these agreements is described below under "*Potential Payments Upon Termination or Change in Control.*" In addition, the Company provides the named executive officers certain other retirement benefits, including participation in the Company's 401(k) plan and a non-qualified deferred compensation plan. Each plan allows the named executive officer to defer a portion of his compensation income on a pre-tax basis through contributions to the plan. The Company will match 25% of the named executive officer's total elective contributions up to 3% of the named executive officer's compensation for the plan year (taking into account elective contributions to both plans). Earnings, gains and losses on deferral accounts under the non-qualified deferred compensation plan are determined quarterly and credited to participant accounts based on the gains or losses of hypothetical measurement funds selected by the plan's administrative committee. The Company does not provide above-market or preferential earnings on deferred compensation.

## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

The following table summarizes the number of outstanding equity awards held by each of the named executive officers as of December 30, 2018.

Name	Option Awards (1)					Stock Awards (3)			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Grant Date (2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(4)(6)	Market Value of or Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Lonnie J. Stout II						0	0(5)	N/A	N/A
	93,750	31,250	10.39	10/13/2015	10/13/2022				
	62,500	62,500	8.90	11/8/2016	11/8/2023				
	0	125,000	9.55	2/21/2018	2/21/2025				
Mark A. Parkey						0	0(5)	N/A	N/A
	41,250	13,750	10.39	10/13/2015	10/13/2022				
	30,000	30,000	8.90	11/8/2016	11/8/2023				
	0	60,000	9.55	2/21/2018	2/21/2025				
J. Michael Moore						0	0(5)	N/A	N/A
	41,250	13,750	10.39	10/13/2015	10/13/2022				
	30,000	30,000	8.90	11/8/2016	11/8/2023				
	0	60,000	9.55	2/21/2018	2/21/2025				

- (1) Represents options granted pursuant to the Company's equity incentive plans. All currently outstanding options have a term of seven years from the grant date.
- (2) Options vest in four equal installments on the first, second, third and fourth anniversaries of the grant date.
- (3) The numbers included in this column represent outstanding profits interest awards of Class B Units in the Operating LLC and do not represent shares of Common Stock. The actual number of shares of Common Stock that may be issuable upon exercise of units will be determined at the time of exercise.
- (4) On January 1, 2015, Messrs. Stout, Parkey and Moore received a Class B Unit award, half of which vested January 1, 2017 and the remaining half of which vested on January 1, 2018.
- (5) The market value of the Operating LLC Class B Units is based on the estimated per unit liquidation value of each Class B Unit over the volume weighted average closing price of the J. Alexander's Holdings, Inc. Common Stock as of the last day of the most recently completed fiscal year. As of December 30, 2018, the per unit liquidation value of each Class B Units was \$0.00.
- (6) This table does not include any portion of the J. Alexander's Holdings, LLC profits interest award granted to the Management Consultant on October 6, 2015, with respect to which Mr. Stout may have been an indirect beneficiary as a result of his ownership in the Management Consultant prior to the profits interest award being cancelled and forfeited for no consideration on February 28, 2019. For additional information, see "*Certain Relationships and Related Party Transactions—Management Consulting Agreement with Black Knight Advisory Services, LLC.*"

## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

### Overview

**Payments Pursuant to the Employment Agreements.** Under each of the employment agreements discussed above under “*Narrative Disclosure to Summary Compensation Table*,” if the Company terminates the employment of the named executive officer with “cause,” or the named executive officer terminates employment without “good reason,” the Company is required to pay the named executive officer his salary, prior year bonus (if any) and benefits, in each case, already earned but unpaid through the date of such termination (“Accrued Obligations”). If the Company terminates the employment of Mr. Stout without “cause,” including non-renewal by the Company or if Mr. Stout resigns for “good reason,” Mr. Stout will receive the Accrued Obligations and will also be entitled to receive (i) a lump sum cash payment equal to 2.99 times his base salary then in effect, (ii) a lump sum cash payment equal to 2.99 times the greater of (a) the cash bonus paid, or earned but not yet paid, in respect of the previous fiscal year or (b) the average bonus paid, or earned but not yet paid, in respect of the last three years, and (iii) health insurance benefits substantially commensurate with the Company’s standard health insurance benefits for Mr. Stout and his spouse and dependents for a period of two years, with such benefits terminating prior to the end of such two-year period if he receives substantially similar coverage and benefits from a subsequent employer. For each of Messrs. Parkey and Moore, the applicable severance amounts payable under their respective employment agreements in the event of a termination of employment by us without “cause” or a resignation by the named executive officer for “good reason” include (i) the Accrued Obligations, (ii) a lump sum cash payment equal to 2.00 times his base salary then in effect, (iii) a lump sum cash payment equal to 2.00 times the greater of (a) the cash bonus paid, or earned but not yet paid, in respect of the previous fiscal year or (b) the average bonus paid, or earned but not yet paid, in respect of the last three fiscal years, and (iv) health insurance benefits substantially commensurate with our standard health insurance benefits for the named executive officers and his spouse and dependents for a period of up to two years, with such benefits terminating prior to the end of such two-year period if he receives substantially similar coverage and benefits from a subsequent employer. For Mr. Stout, who is also a party to a Severance Benefits Agreement (more fully described below under “— *Payments Made Pursuant to the Severance Benefits Agreement*”) entitling him to 18 months’ salary upon termination of employment by the Company without “cause” or resignation by him for “good reason,” the applicable severance amounts payable under the employment agreements in the event of termination without “cause” and for “good reason” are reduced by amounts actually paid under his Severance Benefits Agreement.

Under the employment agreements, in the event of termination without “cause” or if the named executive officer resigns for “good reason,” each within the 36-month period following a “change in control,” each named executive officer will be entitled to receive the severance payments and benefits described above; however, for Messrs. Moore and Parkey the severance multiple is increased from 2.00 to 2.99, and for each of Messrs. Stout, Moore and Parkey the duration of the health insurance benefits continuation is increased from a period of up to two years to a continuation of up three years. In addition, all unvested equity incentive plan awards held by the named executive officer will vest upon a termination without “cause” or if the named executive officer resigns for “good reason” within the 36-month period following a change in control. Further, pursuant to the terms of each of the agreements, each named executive officer is prohibited from (i) competing with the Company (A) during the term of his employment and (B) for a period of one year following termination of employment if the named executive receives payments under the employment agreements in connection with termination without “cause” or by the named executive for “good reason” and (ii) soliciting, without our written consent, the services of the Company’s executive officers (or otherwise soliciting our executive officers to terminate their employment or agency with us) for a period of one year following termination of employment if the named executive officer receives payments under the employment agreements in connection with termination without “cause” or by the named executive officer for “good reason.” The named executive officer is also subject to certain confidentiality and non-disclosure obligations.

Under the employment agreements, the Company may terminate the employment of the named executive officers with “cause” upon the occurrence of any of the following events (after the Company has provided proper notice and given the named executive officer the opportunity to remedy the condition in accordance with the procedures set forth in his respective employment agreement): (i) conviction of a felony or a crime involving misappropriation or embezzlement; (ii) willful and material wrongdoing on the part of the named executive officer, including, but not limited to, acts of dishonesty or fraud, which have a material adverse effect on us or any of our subsidiaries; (iii) repeated material failure of the named executive officer to follow our direction or the direction of our Board regarding the material duties of employment; or (iv) material breach by the named executive officer of a material obligation under his employment agreement. Under the employment agreements, the named executive officers may terminate their employment for “good reason” within two years of the occurrence of any of the following events (after the named executive officers have provided proper notice and given us the opportunity to remedy the condition in accordance with the procedures set forth in his respective employment agreement): (i) a material reduction by us in the named executive officer’s title or position, or a material reduction by us in the named executive officer’s authority, duties or responsibilities (which, in the case of Mr. Stout, includes no longer serving on our Board or being employed as Executive Chairman of the Board) or the assignment by us to the named executive officers of any duties or responsibilities that are materially inconsistent with such title, position, authority, duties or responsibilities; (ii) a material reduction

in the named executive officer's base salary; (iii) any material breach of the named executive officer's employment agreement by us; or (iv) our requiring the named executive officer to relocate his office location more than 50 miles from Nashville, Tennessee.

In the employment agreements, "change in control" is defined to include (i) the acquisition of 35% or more of the combined voting power of our then outstanding securities by any person, entity or group; (ii) the change in ownership of a majority of the combined voting power of our then outstanding securities as the result of, or in connection with, any cash tender or exchange offer, merger or other business combination transaction, sales of all or substantially all assets or contested election, or any combination of the foregoing; or (iii) a change, during any period of two consecutive years, in a majority of our directors, unless such newly elected directors were approved by a vote of at least two-thirds of the directors in office at the beginning of such period.

Each of the named executive officers' employment agreements provides for certain tax reimbursement payments to the extent any payment made under the employment agreement becomes subject to excise taxes imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties incurred by the named executive officer with respect to such excise tax.

***Payments Made Pursuant to the Severance Benefits Agreement.*** In 1989, JAC entered into a Severance Benefits Agreement with Mr. Stout (the "Severance Benefits Agreement") pursuant to which Mr. Stout would receive lump sum payments representing 18 months of his salary upon termination by us without "cause" or resignation by Mr. Stout for "reason" following a change in control (for purposes of this agreement a change in control has previously occurred). Under the Severance Benefits Agreement as amended by a July 30, 2012 letter agreement, Mr. Stout has "reason" to terminate his employment if his present job responsibilities change or there is a decrease in his compensation or some other economic loss; provided, however, that the assignment of Mr. Stout to a position at FNH in its main corporate office or upscale division office in Nashville, Tennessee with similar duties and responsibilities and substantially similar salary and benefits or their equivalent value as Mr. Stout's salary and benefits prior to the acquisition of JAC by FNF will not give rise to his right to terminate his employment for "reason." Under the Severance Benefits Agreement, Mr. Stout would not be entitled to severance benefits if he were terminated for "cause." Under the Severance Benefits Agreement, we will have "cause" only if termination was the result of an act or acts of dishonesty by Mr. Stout constituting a felony and resulting in or intended to result in substantial gain or personal enrichment at our expense. As described above, any payments actually made under the Severance Benefits Agreement to Mr. Stout will offset and reduce any amounts that become payable under his employment agreement.

***Payments Made Pursuant to the Amended and Restated Salary Continuation Agreements.*** The Company is a party to Amended and Restated Salary Continuation Agreements with each of the named executive officers that provide for annual retirement benefits payable upon termination of employment. The amounts described below assume that terminations occurred as of December 30, 2018.

The Amended and Restated Salary Continuation Agreements, which were amended in connection with, and prior to, the 2012 acquisition of JAC by FNF, provide for an annual retirement benefit of 50% of the employee's base salary on the date of the termination of service with the Company for any reason other than death if such termination occurs on or after attaining the age of 65. Pursuant to 2012 letter agreements that amended the terms of the Amended and Restated Salary Continuation Agreements, for the purpose of calculating benefits under the Amended and Restated Salary Continuation Agreements, Messrs. Stout's and Moore's base salary is set at their respective base salaries on the date of the acquisition of JAC by FNF, which was \$430,400 and \$176,700, respectively; for Mr. Parkey, base salary is set at \$200,000 pursuant to a July 1, 2014 letter agreement. The retirement benefit is payable over 15 years commencing within 30 days of the employee's retirement. The same benefit is available to the beneficiaries of an employee who dies while in office, but after age 65. The Amended and Restated Salary Continuation Agreements also provide that in the event an employee dies while in the employ of the Company before attaining the age of 65, his beneficiaries will receive specified benefit payments for a period of ten years, or until such time as the employee would have attained age 65, whichever period is longer. The payments in this instance are 100% of the employee's base salary, in the amounts set forth above, for the first year after death and 50% of the employee's base salary, in amounts set forth above, each year thereafter in the death benefits period. The annual payment for the first year after death for Messrs. Stout, Parkey and Moore would be \$430,400, \$200,000 and \$176,700, respectively.

In connection with the 2012 acquisition of JAC by FNF, the Amended and Restated Salary Continuation Agreements with each of the named executive officers were also amended to suspend the Company's obligation and that of our successors to establish and fund a "rabbi trust" with respect to certain retirement benefits upon a change in control of JAC (which occurred when FNF acquired JAC in 2012), in exchange a guarantee by FNF and certain of its affiliates of these obligations. Under the 2012 letter agreements, our obligation to fund a "rabbi trust" would resume once FNF no longer held direct or indirect beneficial ownership of at least 40% of JAC or its successors and permitted assigns. Since, following the Spinoff, FNF did not retain a direct or indirect beneficial ownership of at least 40% of the Operating LLC, which is the successor to JAC, the Spinoff triggered our obligation to fund a "rabbi trust" under the Amended and Restated Salary Continuation Agreements. Upon the establishment and funding by us of the "rabbi trust" on

October 19, 2015, FNF’s guarantee terminated, and each of the named executive officers have released FNF and its affiliates from the guarantee established by the 2012 letter agreements.

The Company’s obligations under the Amended and Restated Salary Continuation Agreements, if termination had occurred on December 30, 2018, are described in the table below. None of our non-employee directors are party to a Salary Continuation Agreement.

If a termination of service had occurred on December 30, 2018, the annual retirement benefit for each of Messrs. Stout, Parkey and Moore under the Amended and Restated Salary Continuation Agreements would have been \$215,200, \$100,000 and \$88,350, respectively. Payments to Mr. Stout would have commenced 30 days following his termination. Pursuant to an election made in accordance with the terms of their respective Amended and Restated Salary Continuation Agreements, payments to Messrs. Parkey and Moore would have been scheduled to commence once the named executive officer attained the age of 65.

The following table summarizes the Company’s obligations under the employment agreements, Mr. Stout’s Severance Benefits Agreement and the Amended and Restated Salary Continuation Agreements to the named executive officers upon (i) a termination of employment or (ii) a termination of employment without cause or a resignation for good reason within the 36-month period following a change in control assuming, in each case, that such termination and change in control occurred on December 30, 2018:

Name	Termination by Company for Cause; by Executive Without Good Reason; or the Result of Disability (\$)	Termination by Company Without Cause or by Executive for Good Reason not Following a Change in Control (\$)	Termination by Company Without Cause or by Executive for Good Reason Following a Change in Control (\$)
Lonnie J. Stout II			
Employment Agreement	- (1)	2,077,378 (5)	2,091,340 (7)
Salary Continuation Agreement	2,470,234 (3)	2,470,234 (3)	2,470,234 (3)
Severance Agreement	- (1)	900,000 (4)	900,000 (4)
Subtotal	2,470,234	5,447,612	5,461,574
Mark A. Parkey			
Employment Agreement	- (1)	713,667 (6)	1,067,071 (7)
Salary Continuation Agreement	779,632 (3)	779,632 (3)	779,632 (3)
Severance Agreement	N/A (2)	N/A (2)	N/A (2)
Subtotal	779,632	1,493,299	1,846,703
J. Michael Moore			
Employment Agreement	- (1)	713,667 (6)	1,067,071 (7)
Salary Continuation Agreement	790,473 (3)	790,473 (3)	790,473 (3)
Severance Agreement	N/A (2)	N/A (2)	N/A (2)
Subtotal	790,473	1,504,140	1,857,544
Total	4,040,339	8,445,051	9,165,821

- (1) No benefits are payable if terminated for cause as defined in the applicable agreements.
- (2) Messrs. Moore & Parkey do not have Severance Agreements.
- (3) Represents the accrued retirement benefit liability as of December 30, 2018.
- (4) Represents 18 months of base salary.
- (5) Represents base salary (plus applicable bonus amount) x 2.99, plus an estimate of the health insurance benefits Mr. Stout would be entitled to for a period of 24 months following the termination date, less any benefits calculated under Mr. Stout’s Severance Benefit Agreement.
- (6) Represents base salary (plus applicable bonus amount) x 2.0, plus an estimate of the health insurance benefits the executive would be entitled to for a period of 24 months following the termination date.

- (7) Represents base salary (plus applicable bonus amount) x 2.99, plus an estimate of the health insurance benefits the executive would be entitled to for a period of 36 months following the termination date, less, for Mr. Stout, any benefits calculated under his Severance Benefit Agreement.

Upon termination by the Company “without cause” or by the named executive officer for “good reason”, or upon termination as the result of disability, each named executive officer would be eligible for certain continued health insurance benefits for him and his dependents, for a period of up to two years or for a period of up to three years upon a termination in connection with a change in control. No payments would be made upon a change in control not involving a termination.

## DIRECTOR COMPENSATION

Director compensation is comprised of a cash component and an equity component. The cash component of the Company's director compensation program consists of an annual cash retainer for non-employee directors and an annual cash retainer for directors serving as chair of any standing committee of the Board.

The Company will also reimburse directors for their travel and related out-of-pocket expenses in connection with attending board, committee and shareholders' meetings. Directors who are also employees, such as Mr. Stout, do not receive any additional compensation for their services as director. Directors are also entitled to the protection provided by their indemnification agreements and the indemnification provisions in the Company's Charter and Bylaws.

The following table summarizes director compensation for fiscal year 2018:

Name	Fees Earned or Paid in Cash (\$)(1)	Option Awards \$(2)	Total (\$)
Douglas K. Ammerman	60,000	68,400	128,400
Timothy T. Janszen	45,000	68,400	113,400
Ronald B. Maggard, Sr.	52,500	68,400	120,900
Frank R. Martire	55,000	68,400	123,400
Raymond R. Quirk	45,000	68,400	113,400

- (1) As described below in the narrative, amounts represent cash payments made for a \$3,750 monthly retainer fee paid to each non-employee director plus an additional retainer for each director serving as chair of a standing Board committee.
- (2) Represents the aggregate grant date fair value of the stock option award granted to the director determined in accordance with ASC Topic 718 "Compensation – Stock Compensation." For additional information on the assumptions made in the valuation for the current year awards reflected in this column, please see Note 15 to the Consolidated Financial Statements contained in the Form 10-K.

The above table reflects fees earned or paid in cash during fiscal year 2018. Currently, each director who is not an employee of the Company receives an annual retainer fee of \$45,000, plus an additional annual retainer fee for directors serving as chair of any standing committee of the Board. The additional retainer fee for committee chairs are \$15,000 for the Audit Committee, \$10,000 for the Compensation Committee and \$7,500 for the Nominating and Corporate Governance Committee.

Each director who is not also an employee of the Company is eligible for grants of non-qualified stock options under the 2015 Equity Incentive Plan. In 2018, non-employee directors were awarded options to purchase 20,000 shares of Common Stock, with an exercise price of \$9.55 which equaled the market price of the Company's stock on the date of grant. All of the options granted to the non-employee directors in fiscal year 2018 vest ratably over four years and have a seven-year term. No non-employee director is eligible for a grant of incentive stock options under the 2015 Equity Incentive Plan.

**SECURITIES AUTHORIZED FOR ISSUANCE  
UNDER EQUITY COMPENSATION PLANS**

Information about the Company’s equity compensation plans at December 30, 2018 was as follows:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation plans approved by security holders	1,495,750	\$ 9.57	4,250
Equity compensation plans not approved by security holders	- (2)	N/A	833,346 Operating LLC Class B Units (1)
<b>Total (3)</b>	<b>1,495,750</b>	<b>\$ 9.57</b>	<b>4,250</b>

- (1) On January 1, 2015, the Operating LLC adopted a 2015 Management Incentive Plan (the “Profits Interest Plan”) that provided for the issuance of up to 1,770,000 Class B Units awards that represent profits interest in the Operating LLC. In conjunction with the Spinoff, the Operating LLC was recapitalized, and the 885,000 Class B Units issued on January 1, 2015 were adjusted on a pro-rata basis to 833,346. The remaining Class B Units authorized for grant were likewise adjusted on a pro-rata basis to 833,346. Vested Class B Unit awards may be exchanged for, at the option of the Operating LLC, either (i) cash in an amount equal to the amount that would be distributed to the holder of those Class B Units by the Operating LLC upon a liquidation of the Operating LLC assuming the aggregate amount to be distributed to all members of the Operating LLC were equal to the implied valuation of the Company based upon its market capitalization on the date of exchange, (net of any assets and liabilities of the Company that are not assets or liabilities of the Operating LLC) or (ii) shares of our Common Stock with a fair market value equal to the cash payment under (i) above.
- (2) As of December 30, 2018, there were 833,346 outstanding Class B Units that had been issued pursuant to the Profits Interest Plan, all of which were vested as of such date. As of such date, the per unit liquidation value was \$0.00 for each outstanding Class B Unit issued pursuant to the Profits Interest Plan. As result, none of the outstanding Class B Units issued pursuant to the Profits Interest Plan could have been exchanged for shares of Common Stock as of such date. This number does not include the award of Class B Units granted to the Management Consultant under a separate arrangement which were outstanding at December 30, 2018. See “*Certain Relationships and Related Party Transactions—Management Consulting Agreement with Black Knight Advisory Services, LLC.*”
- (3) Total amounts reflect only awards and remaining securities under the J. Alexander’s Holdings, Inc. 2015 Equity Incentive Plan. See notes (1) and (2) above for a discussion of the Profits Interest Plan and outstanding awards thereunder.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### Policies and Procedures for Related Party Transactions

Our Code of Business Conduct and Ethics states that a “conflict of interest” (or “conflict”) occurs when an individual’s private interests interfere in any way, or appear from the perspective of a reasonable person to interfere in any way, with our interests as a whole, and provides further that a conflict situation can arise when an employee or director takes actions or has interests that may make it difficult to perform his or her responsibilities objectively and effectively. We believe that a conflict exists whenever an outside interest could actually or potentially influence the judgment or actions of an individual in the conduct of our business and that conflicts of interest may arise when an employee or director, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our Code of Business Conduct and Ethics provides that directors and employees must avoid conflicts or the appearance of conflicts, and that employees should avoid any outside financial interests that might conflict with our interests. Such outside interests could include, among other things:

- personal or family financial interests in, or indebtedness to, enterprises that have business relations with us, such as relatives who are employed by or own an interest in consultants or suppliers;
- acquiring any interest in outside entities, properties, etc., in which we have an interest or potential interest;
- conduct of any business not on our behalf with any consultant, contractor, supplier, or distributor doing business with us or any of their officers or employees, including service as a director or officer of, or employment or retention as a consultant by, such persons; or
- serving on the board of directors of an outside entity whose business competes with our business.

Under our Code of Business Conduct and Ethics, employees are required to report any material transaction or relationship that could result in a conflict of interest to our compliance officer.

The Audit Committee is responsible for the review, approval, or ratification of any potential conflict of interest transaction involving any of our directors or executive officers, director nominees, any person known by us to be the beneficial owner of more than five percent of any class of our voting securities, or any family member of or related party to such persons, including any transaction required to be reported under Item 404(a) of Regulation S-K promulgated by the Commission.

In reviewing any such proposed transaction, the Audit Committee is tasked to consider all relevant facts and circumstances, including the commercial reasonableness of the terms, the benefit or perceived benefit, or lack thereof, to us, opportunity costs of alternate transactions, the materiality and character of the related person’s direct or indirect interest and the actual or apparent conflict of interest of the related person.

### Certain Related Person Transactions

In addition to the compensation arrangements with directors and executive officers described elsewhere in this Proxy Statement, the following is a description of each transaction in fiscal years 2018 and 2017, and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or will exceed the lesser of \$120,000 or 1% of the average of the Company’s total assets for the most recently completed two fiscal years; and
- any of our directors, executive officers, beneficial holders of more than 5% of our capital stock, or any member of their immediate family or person sharing their household had or will have a direct or indirect material interest.

### Separation of the Company from Fidelity National Financial, Inc.

In the third quarter of fiscal year 2015, the Board of Directors of FNF approved the Spinoff. In the Spinoff, which was completed on September 29, 2015, FNF distributed to all holders of its then-outstanding FNFV Group common stock (FNF’s tracking stock related to its former wholly-owned subsidiary, Fidelity National Financial Ventures, LLC (“FNFV”), which is now part of a separate publicly traded company known as Cannae), all of the shares of the Company’s Common Stock owned by it at a ratio of approximately 0.17271 shares of the Company’s Common Stock for every one share of FNFV Group common stock held by each such holder as of September 22, 2015, the record date for the Spinoff.

## **Agreements with FNF**

In order to govern the ongoing relationships between us and FNF after the Spinoff and to facilitate an orderly transition, we and FNF entered into agreements providing for various services and rights following the Spinoff, and under which we and FNF will indemnify each other against certain liabilities arising from our respective businesses. The following summarizes the terms of the material agreements we entered into with FNF.

Because the separation and distribution involved our separation from FNF's existing businesses, we entered into these agreements with FNF while we were still a majority-owned subsidiary of FNF. Accordingly, during this time, certain of our directors and officers were directors, officers and employees of FNF or its subsidiaries and, as such, had an obligation to serve the interests of FNF.

### ***Separation and Distribution Agreement***

We entered into a Separation and Distribution Agreement with FNF before the Spinoff. The Separation and Distribution Agreement sets forth our agreements with FNF regarding the principal actions to be taken in connection with the Spinoff. It also sets forth other agreements that govern aspects of our relationship with FNF following the Spinoff. The Separation and Distribution Agreement identifies certain transfers of assets and assumptions of liabilities that were necessary in advance of our separation from FNF so that we and FNF retained the assets of, and the liabilities associated with, our respective businesses.

The parties agreed to use commercially reasonable efforts, on and after the date of the Spinoff, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the Separation and Distribution Agreement and the Ancillary Agreements.

In addition, the Company and FNF agreed to provide each other with information reasonably necessary to comply with reporting, disclosure, filing or other requirements of any national securities exchange or government authority, for use in judicial, regulatory, administrative and other proceedings and to satisfy audit, accounting, litigation and other similar requests. We and FNF also agreed that until the end of the first full fiscal year following the Spinoff, each party will use its commercially reasonable efforts, consistent with past practice, to assist the other party with its financial reporting and audit obligations.

The Company and FNF each agreed to release the other and its affiliates, successors and assigns, and all persons that prior to the Spinoff had been the other's shareholders, directors, officers, agents or employees and each of the heirs, executors, trustees, administrators, successors and assigns, against any and all liabilities existing or arising in connection with the implementation of the separation of the Company and FNF. These releases are subject to exceptions set forth in the Separation and Distribution Agreement.

Finally, the Company and FNF each agreed to indemnify the other and each of the other's current, former and future directors, officers and employees, and each of the heirs, administrators, executors, successors and assigns of any of them, against certain liabilities incurred in connection with the Spinoff and our and FNF's respective businesses. The amount of either FNF's or our indemnification obligations will be reduced by any insurance proceeds the party being indemnified receives. The Separation and Distribution Agreement also specifies procedures regarding claims subject to indemnification.

### ***Tax Matters Agreement***

We also entered into a Tax Matters Agreement with FNF prior to the Spinoff that governs the respective rights, responsibilities and obligations of FNF and us after the Spinoff with respect to all tax matters (including tax liabilities, tax attributes, tax returns and tax contests).

Under the Tax Matters Agreement, FNF generally is required to indemnify us for any income taxes attributable to its operations or our operations and for any non-income taxes attributable to its operations, in each case for all pre-distribution periods as well as any taxes arising from transactions effected to consummate the separation and distribution, and we generally are required to indemnify FNF for any non-income taxes attributable to our operations for all pre-distribution periods and for any taxes attributable to our operations for post-distribution periods.

We are generally required to indemnify FNF against any tax resulting from the distribution (and against any claims made against FNF in respect of any tax imposed on its shareholders), in each case if that tax results from (i) an issuance of a significant amount of our equity securities, a redemption of a significant amount of our equity securities or our involvement in other significant acquisitions of our equity securities (excluding the Spinoff distribution), (ii) other actions or failures to act by us (such as those described in the following paragraph) or (iii) any of our representations or undertakings referred to in the Tax Matters Agreement being incorrect or violated. FNF is generally required to indemnify us for any tax resulting from the distribution.

The Tax Matters Agreement imposed certain restrictions on us and our subsidiaries (including restrictions on share issuances, sales of assets, and voluntarily dissolving or liquidating) that were designed to preserve the tax-free nature of the Spinoff. These restrictions lapsed on September 16, 2017.

Though valid as between the parties, the Tax Matters Agreement is not binding on the IRS and does not affect the several liability of FNF and us for all U.S. federal taxes of the consolidated group relating to periods before the distribution date.

### **Management Consulting Agreement with Black Knight Advisory Services, LLC**

Prior to the Spinoff, the Operating LLC entered into the Management Consulting Agreement with the Management Consultant pursuant to which the Management Consultant provided corporate and strategic advisory services to us.

As compensation for services rendered to us under the Management Consulting Agreement, on October 6, 2015, the Operating LLC issued the Management Consultant 1,500,024 non-voting Class B Units representing an amount equal to 8.7% of the outstanding units of the Operating LLC. In addition, we agreed to pay to the Management Consultant an annual fee equal to 3.0% of our Adjusted EBITDA for each fiscal year during the term of the Management Consulting Agreement. We also reimbursed the Management Consultant for its direct out-of-pocket costs incurred for management services provided to us. Under the Management Consulting Agreement, "Adjusted EBITDA" means our net income (loss) before interest expense, income tax (expense) benefit, depreciation and amortization, and adding asset impairment charges and restaurant closing costs, loss on disposals of fixed assets, transaction and integration costs, non-cash compensation, loss from discontinued operations, gain on debt extinguishment, pre-opening costs and certain unusual items.

Each Class B Unit represented a non-voting equity interest in the Operating LLC that entitled the holder thereof to a percentage of the profits and appreciation in the equity value of the Operating LLC arising after the date of grant. The Management Consultant would only participate in distributions by the Operating LLC following such time as a specified hurdle amount had been previously distributed to holders of Class A Units of the Operating LLC (i.e., the Company and its wholly-owned subsidiary, JAX Investments, Inc.). The hurdle amount with respect to the Class B Units issued to the Management Consultant was equal to \$151,052,366, which was determined based on the volume weighted average of the closing price of our Common Stock over the five trading days following the completion of the Spinoff. None of the Class B Units were vested upon issuance. Instead, the Class B Units issued to the Management Consultant vested with respect to one-third of such Class B Units on each of the first, second and third anniversaries of the date of grant.

The vesting of the Class B Units issued to the Management Consultant was subject to acceleration upon a change in control of us, our termination of the Management Consulting Agreement without cause or the termination of the Management Consulting Agreement by the Management Consultant as a result of our breach of the Management Consulting Agreement.

On November 30, 2018, Management Consultant and the Operating LLC entered into a termination agreement (the "Termination Agreement") whereby the Management Consulting Agreement was terminated effective on that date ("Termination Date"). At the Termination Date all of the Class B Units held by Management Consultant had already previously vested, and there was no acceleration of vesting as a result of the Termination Agreement. Pursuant to the provisions of the Termination Agreement and the Management Consulting Agreement, the Class B Units held by Management Consultant had to be exchanged for Common Stock within ninety (90) days following the Termination Date or such units would be cancelled and forfeited for no consideration.

Vested Class B Unit awards held by the Management Consultant could have been exchanged for shares of J. Alexander's Holdings, Inc. Common Stock with an aggregate fair market value equal to the amount of cash that would be distributed to the Management Consultant in respect of those Class B Units by the Operating LLC upon a liquidation of the Operating LLC assuming the aggregate amount to be distributed to all members of the Operating LLC were equal to the implied valuation of the Company based upon its market capitalization on the date of exchange, (net of any assets and liabilities of the Company that are not assets or liabilities of the Operating LLC). As of December 30, 2018, the implied per unit liquidation value for each outstanding Class B Unit held by the Management Consultant was \$0.00. As a result, assuming all of the previously outstanding Class B Units issued to the Management Consultant were exchanged on such date, we would not have issued additional shares of Common Stock to the Management Consultant. Note that as of December 30, 2018, all of the Class B Units held by the Management Consultant were vested. Upon termination of the Management Consulting Agreement, Management Consultant had to exchange the outstanding 1,500,024 profits interest units held by Management Consultant for Common Stock within 90 days following the effective date of the Termination Agreement or such profits interest units would be immediately and automatically cancelled and forfeited for no consideration. As of February 28, 2019, the hurdle rate for the Management Consultant profit interest units had not been met. Therefore, the profits interest units were not exercised, and were cancelled and forfeited for no consideration.

The Management Consulting Agreement was to continue in effect for an initial term of seven years and be renewed for successive one-year periods thereafter unless earlier terminated (i) by the Operating LLC upon at least six months' prior notice to Management Consultant or (ii) by Management Consultant upon 30 days' prior notice to us. Under the terms of the Management Consulting Agreement, in the event that it was terminated by the Operating LLC prior to the tenth anniversary thereof, the Operating LLC would be obligated to pay to Management Consultant an early termination payment equal to the product of (i) the annual base fee for the most recent fiscal year and (ii) the difference between 10 and the number of years that elapsed under the Management Consulting Agreement, provided that in the event of such a termination following a change of control event, the multiple of the annual base fee to be paid would not exceed three. The early termination of the agreement by the Operating LLC required the cash payment of \$4,560,000 to Management Consultant, which, per the Termination Agreement, was to be paid on January 31, 2019. On such date, the Company made this payment in accordance with the Termination Agreement.

The principal member of the Management Consultant was William P. Foley, II, non-Executive Chairman of the board of directors of FNF, Chairman of the board and Chief Executive Officer of Cannae, and a director of FNH. The other members of the Management Consultant consist of other current and former officers of FNF, Cannae and FNH, and Lonnie J. Stout II, our Executive Chairman.

Mr. Stout currently holds an 11.76% interest in the Management Consultant and, as a result, may be an indirect beneficiary of the management fees paid to the Management Consultant and may have been an indirect beneficiary of the Class B Units issued to the Management Consultant prior to the cancellation and forfeiture of such Class B Units for no consideration on February 28, 2019.

From the inception of the Management Consulting Agreement through April 29, 2019, we have paid approximately \$76,000 in reimbursements for their out of pocket expenses incurred by or on behalf of the Management Consultant. On March 30, 2016, we paid the Management Consultant a management fee of approximately \$207,000 with respect to the period ended January 3, 2016. On March 3, 2017, we paid the Management Consultant a management fee of approximately \$729,000 with respect to the period ended January 1, 2017. On March 7, 2018, we paid the Management Consultant a management fee of approximately \$749,000 with respect to the period ended December 31, 2017. On March 15, 2019, we paid the Management Consultant a management fee of approximately \$705,000 with respect to the period ended December 30, 2018. As stated above, on January 31, 2019 we paid the Management Consultant a termination fee of approximately \$4,560,000.

### **Indemnification Agreements**

We are party to indemnification agreements with each of our current directors and executive officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Tennessee law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

**PROPOSAL NO. 2.  
RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY'S  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

KPMG has been appointed to serve as the Company's independent registered public accounting firm for fiscal year 2019 and has served as independent registered public accounting firm for the Company and its predecessors since 2004.

The Company has been informed that representatives of KPMG plan to attend the Annual Meeting. Such representatives will have the opportunity to make a statement if they desire to do so and will be available to respond to shareholders' questions.

The following table presents the aggregate fees billed for professional services rendered by KPMG for the audit and review of our financial statements for 2018 and 2017 and the aggregate fees for other services rendered by KPMG billed in those periods:

<b>Type of Fees</b>	<b>2018 (\$)</b>	<b>2017 (\$)</b>
Audit Fees <sup>(1)</sup>	401,616	424,320
Audit-related Fees	—	—
Tax Fees	—	—
All Other Fees <sup>(2)</sup>	1,780	1,780
<b>Total</b>	<b>403,396</b>	<b>426,100</b>

(1) Audit fees are related to professional services rendered for the audit of the Company's consolidated annual financial statements, for the reviews of the Company's condensed consolidated financial statements included in the quarterly reports on Form 10-Q, for reviews of registration statements and certain periodic reports filed with the Commission and issuances of consents as well as proposed merger proxy procedures.

(2) All other fees for each of 2018 and 2017 relates to research software subscription fees.

The fees reported above were approved by our Audit Committee. The Company's current policies and procedures require that all audit and audit-related services be pre-approved by the Audit Committee, except for fees approved in advance by the Audit Committee chair and disclosed to and ratified by the Audit Committee pursuant to the Audit Committee's pre-approval policy for audit and permitted non-audit services.

Approval of this proposal requires the affirmative vote of a majority of the votes cast by holders of Common Stock represented and entitled to vote at the Annual Meeting.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF KPMG AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

## AUDIT COMMITTEE REPORT

The audit committee of the board of directors submits the following report on the performance of certain of its responsibilities for the Company's 2018 fiscal year:

The primary function of our audit committee is oversight of (i) the quality and integrity of our annual and quarterly consolidated financial statements and related disclosures, (ii) our compliance with legal and regulatory requirements, (iii) the independent registered public accounting firm's qualifications and independence, and (iv) the performance of our internal audit function, internal control over financial reporting and independent registered public accounting firm. Our audit committee acts under a written charter, which was adopted in October 2015 and approved by our board of directors. We review the adequacy of our charter at least annually. Our audit committee is comprised of the three directors named below, each of whom has been determined by the board of directors to be independent as defined by New York Stock Exchange independence standards. In addition, our board of directors has determined that Mr. Ammerman is an audit committee financial expert as defined by the rules of the Securities and Exchange Commission.

In performing our oversight function, we reviewed and discussed with management and KPMG, our independent registered public accounting firm, our audited consolidated financial statements as of and for the year ended December 30, 2018. Management and KPMG reported to us that our Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position and results of operations and cash flows of the Company and its subsidiaries in conformity with generally accepted accounting principles. We also discussed with and received the required written communication from KPMG matters covered by the Public Company Accounting Oversight Board Auditing Standard No. 1301 (Communications With Audit Committees).

We have received and reviewed the written disclosures and the letter from KPMG required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and have discussed with them their independence. In addition, we have considered whether KPMG's provision of non-audit services to us is compatible with their independence.

Finally, we met and discussed with those responsible for our internal audit function and with KPMG the overall scope and plans for their respective audits. Management was present for some, but not all, of these discussions. We met with KPMG separately at each meeting at which KPMG was present. Our discussions with KPMG addressed the results of their examinations and the overall quality of our financial reporting.

Based on the reviews and discussions referred to above, we recommended to our board of directors that the audited consolidated financial statements referred to above be included in our Annual Report on Form 10-K for the fiscal year ended December 30, 2018, and that KPMG be appointed independent registered public accounting firm for the Company for fiscal year 2019.

In carrying out our responsibilities, we look to management and the independent registered public accounting firm. Management is responsible for the preparation and fair presentation of our consolidated financial statements and for maintaining effective internal control. Management is also responsible for assessing and maintaining the effectiveness of internal control over the financial reporting process. The independent registered public accounting firm is responsible for auditing our annual consolidated financial statements and expressing an opinion as to whether the consolidated financial statements are fairly stated in conformity with generally accepted accounting principles. The independent registered public accounting firm performs its responsibilities in accordance with the standards of the Public Company Accounting Oversight Board.

The foregoing report is provided by the following independent directors, who constitute the committee:

Douglas K. Ammerman (Chair)  
Timothy T. Janszen  
Frank R. Martire

**PROPOSAL NO. 3.**  
**APPROVAL OF THE COMPANY’S AMENDED AND RESTATED**  
**2015 EQUITY INCENTIVE PLAN**

**Overview**

The J. Alexander’s Holdings, Inc. 2015 Equity Incentive Plan, as amended (the “2015 Plan”) provides for the grant of non-statutory and incentive stock options, stock appreciation rights (“SARs”), restricted shares, restricted share units, incentive compensation cash awards, and other stock-based awards to the Company’s employees, officers, directors or consultants. 1,500,000 shares of Common Stock were reserved for issuance under the 2015 Plan, of which 4,250 shares are available for grant. Prior to the separation of the Company from FNF, the 2015 Plan was approved by the pre-Spinoff shareholders of the Company. The 2015 Plan was amended in 2017 to make non-material updating changes, which amendment was approved by the Board, including each independent director. On May 1, 2019, our Board approved the J. Alexander’s Holdings, Inc. Amended and Restated 2015 Equity Incentive Plan (the “Amended and Restated 2015 Plan”), subject to the approval of our shareholders, and is now asking shareholders to approve the Amended and Restated 2015 Plan. The Amended and Restated 2015 Plan would, among other things, (i) increase the number of shares available for issuance under the 2015 Plan by 1,350,000 shares, (ii) make certain revisions to the 2015 Plan that are intended to strengthen the alignment of the Amended and Restated 2015 Plan with the interests of our shareholders, and (iii) remove provisions intended to facilitate compliance with certain exceptions to Section 162(m) of the Code. If the Amended and Restated 2015 Plan is not approved by our shareholders, the 2015 Plan shall continue as in effect on April 30, 2019 with 4,250 shares remaining available for grant.

The terms of the Amended and Restated 2015 Plan are substantially similar to the 2015 Plan, and the proposal to approve the Amended and Restated 2015 Plan does not imply that either the Company or the Compensation Committee has any present intentions to materially alter the Company's compensation practices, although, as is the case under the 2015 Plan, the Company or the Compensation Committee maintain the ability to do so. The key revisions to the 2015 Plan as reflected in the Amended and Restated 2015 Plan (as qualified in its entirety by reference to the full text of the Amended and Restated 2015 Plan, which is attached to this proxy statement as *Appendix A*) are as follows:

- Increase the number of shares available for issuance under the 2015 Plan by 1,350,000 shares or roughly 9.19% of our current shares outstanding;
- Provide for a “fungible share pool” pursuant to which full value awards, such as restricted shares and restricted share units, will deplete the Amended and Restated 2015 Plan share reserve at a rate of two (2) shares for every share subject to the full value award, and appreciation awards, such as options and stock appreciation rights, will deplete the share reserve at a rate of one (1) share for every share subject to the appreciation award;
- Extend the minimum vesting provisions to all forms of awards under the Amended and Restated 2015 Plan. Equity awards (other than substitute awards) under the Amended and Restated 2015 Plan are generally required to have a vesting period of not less than one year from the date of grant, subject to certain exceptions. Under the 2015 Plan, the minimum vesting provisions applied only to grants of restricted shares and restricted share units;
- Eliminate the ability to reuse shares withheld or delivered to satisfy tax withholding requirements with respect to restricted shares and restricted share units. The Amended and Restated 2015 Plan continues to prohibit the reuse of shares withheld or delivered to satisfy the exercise price of an option or stock appreciation right, and extends the prohibition on the reuse of shares withheld to satisfy tax withholding requirements with respect to all awards;
- Remove the Compensation Committee’s discretion to allow dividends or dividend equivalents to be paid with respect to awards that are not vested, unless and until the underlying awards are earned and/or vest;
- Remove the Compensation Committee’s discretion, to exempt certain awards from any claw-back policy implemented by the Company at any time, even if allowed by applicable law or Company policy; and
- Remove provisions intended to facilitate compliance with the requirements of “performance based compensation” under Section 162(m) of the Code, as in effect prior to the effectiveness of the Tax Cuts and Jobs Act of 2017.

The Amended and Restated 2015 Plan provides the Company with the ability to offer equity-based compensation to its employees, consultants and non-employee directors in the form of stock options, stock appreciation rights, restricted shares, restricted share units, other stock-based awards and performance awards. These awards are designed to achieve long-term objectives of the Company that the Board believes will benefit shareholders through the additional incentives inherent in awards granted under the Amended and Restated 2015 Plan. The Company has granted 510,000; 548,750; and 437,000 stock options under the 2015 Plan in fiscal years 2018, 2017, and 2016, respectively, which are outstanding as of April 26, 2019.

### **Background for Request to Submit the Amended and Restated 2015 Plan for Approval by Shareholders**

In determining to adopt the Amended and Restated 2015 Plan and recommend the Amended and Restated 2015 Plan for shareholder approval, the Board and the Compensation Committee considered various factors, including the following:

- As of April 26, 2019, 4,250 shares remained available for grant under the 2015 Plan. Based on historical usage and expected practices, and noting that future circumstances may require the Company to make changes to its expected practices, the existing shares available for grant under the 2015 Plan are not sufficient to make equity grants in respect of the 2019 equity-based incentive compensation component of our compensation program.
- If the Amended and Restated 2015 Plan is approved, the Company would have 1,350,000 additional shares authorized for issuance for future awards under the plan.
- The Company estimates that the additional 1,350,000 shares to be authorized for grant under the Amended and Restated 2015 Plan, if approved by the Company's shareholders, would be sufficient for the Company to make equity grants for 2019 - 2021, assuming the Company continues to grant awards consistent with its historical usage and expected practices, and noting that future circumstances may require us to make changes to our expected practices. If the Company's shareholders do not approve the Amended and Restated 2015 Plan, the Company will have only 4,250 shares remaining available for grant under the 2015 Plan.

### **Important Provisions**

The Amended and Restated 2015 Plan contains a number of provisions that the Company believes are consistent with the interests of the Company's shareholders and sound corporate governance practices, including:

- **Shares Available Under the Amended and Restated 2015 Plan.** Shareholder approval will be required before any additional shares can be authorized for issuance under the Amended and Restated 2015 Plan.
- **No Repricing of Stock Options or Stock Appreciation Rights.** The Amended and Restated 2015 Plan prohibits the repricing of stock options or stock appreciation rights without shareholder approval. This restriction applies to both direct repricing (lowering the exercise price of a stock option) and indirect repricing (canceling an outstanding stock option in exchange for cash or another award) other than in connection with a change in control or a substitute award.
- **Full-Value Awards Reduce the Share Reserve More Heavily.** The Amended and Restated 2015 Plan uses a "fungible share" concept, under which options and stock appreciation rights reduce the share reserve on a one-for-one basis, but full-value awards, such as restricted shares and restricted share units, reduce the reserve on a two-for-one basis.
- **No Liberal Share Counting.** The Amended and Restated 2015 Plan prohibits the reuse of shares withheld or delivered to satisfy the exercise price of an option or to satisfy tax withholding requirements with respect to options or stock appreciation rights.
- **No Discounted Stock Options or Stock Appreciation Rights.** All stock options and stock appreciation rights (other than substitute awards) must have an exercise price or base price equal to or greater than the fair market value of the underlying Common Stock on the date of grant.
- **Minimum Vesting Period.** Equity awards (other than substitute awards) under the Amended and Restated 2015 Plan are generally required to have a vesting period of not less than one year from the date of grant, subject to certain exceptions, including an overall exception that allows up to five percent (5%) of the share reserve to be subject to awards to which the minimum vesting period does not apply.

- **Dividends and Dividend Equivalents Subject to Vesting.** The Amended and Restated 2015 Plan grants discretion to the Compensation Committee to provide participants with dividends or dividend equivalents with respect to awards other than options and stock appreciation rights. All dividend or dividend equivalents shall be paid to the participant only if, when and to the extent that the underlying award vests.
- **Annual limits on non-employee director awards.** The Amended and Restated 2015 Plan limits the number of shares that may be granted under non-employee director awards, including shares in lieu of cash meeting fees, each fiscal year.
- **Limited transferability.** In general, awards may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, unless otherwise approved by the Compensation Committee. In no event are transfers for value permissible.
- **Definition of Change in Control.** The Amended and Restated 2015 Plan defines “change in control” in a manner such that a change in control would not be deemed to occur until the actual consummation of the event that results in the change in control, and similarly provides that no award agreement will define a change in control in such a manner that a “change in control” could occur prior to the actual consummation of the event or transaction that results in a change in control of the Company.
- **No tax gross-ups.** The Amended and Restated 2015 Plan does not provide for any tax gross-ups.
- **Independent Committees.** The Amended and Restated 2015 Plan will be administered by the Compensation Committee, except for non-employee director awards which will be administered by the Board. Each of the members of the Compensation Committee qualifies as “independent” under the listing standards of the New York Stock Exchange.

### Summary of the Amended and Restated 2015 Plan

The principal features of the Amended and Restated 2015 Plan are summarized below. The following summary of the provisions of the Amended and Restated 2015 Plan does not purport to be a complete description of all of the provisions of the Amended and Restated 2015 Plan. It is qualified in its entirety by reference to the complete text of the Amended and Restated 2015 Plan, which has been filed with the Commission as *Appendix A* to this proxy statement.

*General.* The purpose of the Amended and Restated 2015 Plan is to promote the interests of the Company, its subsidiaries and its shareholders by (i) attracting and retaining key officers, employees and directors of, and consultants to, the Company, its subsidiaries and affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals; (iii) enabling such individuals to participate in the long-term growth and financial success of the Company; (iv) encouraging ownership of stock in the Company by such individuals; and (v) linking such individuals’ compensation to the long-term interests of the Company and its shareholders.

*Eligibility and Administration.* Officers and other key employees of, and consultants to, the Company and its subsidiaries and affiliates and outside directors are eligible to be granted awards under the Amended and Restated 2015 Plan. As of April 26, 2019, approximately five executive officers, 3,800 employees, five outside directors and five consultants were eligible to participate in the Amended and Restated 2015 Plan. The Amended and Restated 2015 Plan shall be administered by the Compensation Committee; provided, however, with respect to awards to non-employee directors, the Board shall administer the Amended and Restated 2015 Plan. Subject to the terms of the Amended and Restated 2015 Plan and applicable law, and in addition to other express powers and authorizations conferred on the Compensation Committee by the Amended and Restated 2015 Plan, the Compensation Committee shall have full power and authority in its discretion to take all actions, including, without limitation, designate participants and determine eligibility for participation in the Amended and Restated 2015 Plan, make decisions with respect to terms and types of awards to be granted under the Amended and Restated 2015 Plan, interpret, administer the Amended and Restated 2015 Plan and make any other determination and take any other action that the Compensation Committee deems necessary or desirable for the administration of the Amended and Restated 2015 Plan, subject to the exclusive authority of the Board to amend or terminate the Amended and Restated 2015 Plan.

*Shares Available.* If approved by the Company’s shareholders, the Amended and Restated 2015 Plan will authorize the delivery of 2,850,000 shares of Common Stock, which consists of 1,500,000 shares originally authorized for issuance under the 2015 Plan and an additional 1,350,000 shares authorized under the Amended and Restated 2015 Plan adopted by the Board on May 1, 2019. This number represents approximately 19.39% of the Company’s 14,695,176 outstanding shares as of April 26, 2019. Of the 2,850,000 shares that will be authorized under the Amended and Restated 2015 Plan if approved by the Company’s shareholders, 1,354,250 shares remain available for future grants as of the date of this Proxy Statement. For the fiscal year ended December 30, 2018, the

Company made grants representing a total of 510,000 shares as stock option grants to the participants, with a total grant date fair value of approximately \$1,744,200.

As of December 30, 2018, there were a total of 1,495,750 outstanding stock options under the 2015 Plan. The weighted-average exercise price of all options outstanding under the 2015 Plan is \$9.57, and the weighted-average remaining term for these options as of December 30, 2018 was 4.98 years. No other types of share awards have been granted pursuant to the 2015 Plan.

Any shares subject to options or stock appreciation rights are counted against the Amended and Restated 2015 Plan share reserve as one share for every one share subject to the award. Any shares subject to awards granted under the Amended and Restated 2015 Plan other than options or stock appreciation rights (i.e., full value awards, including restricted shares, restricted share units, and certain performance awards) are counted against the Amended and Restated 2015 Plan share reserve as two (2) shares for every one share subject thereto.

If any award granted under the Amended and Restated 2015 Plan is forfeited or expires or if an award is settled in cash (in whole or in part), the shares subject to such award shall, to the extent of such forfeiture, expiration or cash settlement, again be available for awards under the Amended and Restated 2015 Plan and a number of shares shall be added to the share reserve equal to the number of shares that were deducted from the share reserve upon grant of such forfeited, expired or cash-settled award.

Notwithstanding the foregoing, the following shares shall not be added to the share reserve of the Amended and Restated 2015 Plan: (i) shares tendered by a participant or withheld by the Company in payment of the option price of an option or to satisfy any tax withholding obligation with respect to any award, (ii) shares subject to a stock appreciation right that are not issued in connection with the stock settlement of the stock appreciation right on exercise thereof, and (iii) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of options. The payment of dividend equivalents in cash in conjunction with any outstanding awards shall not be counted against the shares available for issuance under the Amended and Restated 2015 Plan.

*Substitute Awards; Future Pre-Existing Plans.* Substitute awards are awards granted solely in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines. Substitute awards shall not reduce the shares authorized for grant under the Amended and Restated 2015 Plan or the applicable grant limitations thereunder, nor shall shares subject to a substitute award again be available for awards under the Amended and Restated 2015 Plan to the extent of any forfeiture, expiration or cash settlement. Additionally, in the event that a company acquired by the Company or with which the Company combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination) may be used for awards under the Amended and Restated 2015 Plan and shall not reduce the share reserve of the Amended and Restated 2015 Plan; provided that awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not eligible participants prior to such acquisition or combination.

*Minimum Vesting Period.* Awards (other than cash-based awards) granted under the Amended and Restated 2015 Plan shall vest no earlier than the first anniversary of the date on which the award is granted; provided, that the following awards shall not be subject to the foregoing minimum vesting requirement: any (i) substitute awards, (ii) shares delivered in lieu of fully vested cash awards, (iii) awards to non-employee directors that vest on the earlier of the one-year anniversary of the date of grant and the next annual meeting of shareholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iv) any additional awards the Compensation Committee may grant, up to a maximum of five percent of the share reserve authorized for issuance under the Amended and Restated 2015 Plan; and, provided, further, that the foregoing restriction does not apply to the Compensation Committee's discretion to provide for the acceleration of previously issued awards under certain circumstances.

*Terms and Conditions of Options and Stock Appreciation Rights.* Subject to the provisions of the Amended and Restated 2015 Plan and other applicable legal requirements, the Compensation Committee shall have sole and complete authority to determine the participants to whom options and SARs shall be granted, the number of shares subject to each award, the exercise price and the conditions and limitations applicable to the exercise of each option and SAR. An option may be granted with or without a related SAR. A SAR may be granted with or without a related option. The Compensation Committee in its sole discretion shall establish the option price at the time each option is granted and the grant price at the time each SAR is granted. Except in the case of substitute awards, the option price of an option, and the grant price of an SAR, may not be less than one hundred percent (100%) of the fair market value of a share on the date of grant of such option or SAR.

*Exercise of Options and Stock Appreciation Rights; Exercise Price.* The Compensation Committee determines when options or stock appreciation rights become exercisable and in its discretion may accelerate the vesting of any outstanding grant. The means of payment for shares issued upon exercise of an option are specified in each option agreement. The Amended and Restated 2015 Plan permits payment to be made by cash or cash equivalents, other shares of Common Stock of the Company (with some restrictions), broker assisted cashless exercise, withholding shares otherwise deliverable to the holder, or any combination of the foregoing.

*Term of Option or Stock Appreciation Right.* Each option and SAR and all rights and obligations thereunder shall expire on the date determined by the Compensation Committee and specified in the award agreement. To date, all stock option awards granted under the Amended and Restated 2015 Plan have seven-year terms.

*Terms and Conditions of Restricted Shares and Restricted Share Units.* Subject to the provisions of the Amended and Restated 2015 Plan and other applicable legal requirements, the Compensation Committee may determine the participants to whom restricted shares and restricted share units shall be granted, the number of restricted shares and/or the number of restricted share units to be granted, the duration of the period during which, and the conditions under which, the restricted shares and restricted share units may be forfeited to the Company, and the other terms and conditions of such awards. Each restricted share unit shall have a value equal to the fair market value of a share. Restricted share units shall be paid in cash, shares, other securities or other property, as determined in the sole discretion of the Compensation Committee, upon the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable award agreement.

*Terms and Conditions of Performance Awards.* The Compensation Committee has the authority to determine the participants who shall receive a performance award, which is a right that is (i) denominated in cash, shares or other property, (ii) valued, as determined by the Compensation Committee, in accordance with the achievement of such performance goals during such performance periods as the Compensation Committee establishes, and (iii) payable at such time and in such form as the Compensation Committee determines. The Compensation Committee may in its discretion, waive any performance goals and/or other terms and conditions relating to a performance award. Except as otherwise provided in an award agreement, in the event of a participant's termination of service prior to the close of the applicable performance period, the participant's rights in unvested performance awards then subject to restrictive conditions shall lapse, and such performance awards shall be forfeited.

Following the completion of each performance period, the Compensation Committee shall determine in accordance with the Amended and Restated 2015 Plan whether the applicable performance targets have been achieved and the amounts, if any, payable to participants for such performance period. In determining the amount earned by a participant for a given performance period, the Compensation Committee shall have the right to adjust the amount payable at a given level of performance to take into account additional factors that the Compensation Committee may deem relevant in its sole discretion to the assessment of individual or corporate performance for the performance period.

*Dividends.* In the sole and complete discretion of the Compensation Committee, an award may provide the participant with dividends or dividend equivalents, payable in cash, shares, other securities or other property. All dividend or dividend equivalents may, at the Compensation Committee's discretion, accrue interest or be reinvested into additional shares. All dividend or dividend equivalents shall be paid to the participant only if and when, and to the extent that, the underlying award vests. Except as would otherwise constitute an adjustment on account of a corporate transaction pursuant to the terms of the Amended and Restated 2015 Plan, no dividends or dividend equivalent rights shall be granted with respect to options or SARs.

*Non-Employee Director Grants.* The Board may provide that all or a portion of a non-employee director's annual retainer, meeting fees and/or other awards or compensation as determined by the Board, be payable (either automatically or at the election of a non-employee director) in the form of non-qualified stock options, restricted shares, restricted share units and/or other stock-based awards under the Amended and Restated 2015 Plan, including unrestricted shares. The Board shall determine the terms and conditions of any such awards, including the terms and conditions which shall apply upon a termination of the non-employee director's service as a member of the Board, and shall have full power and authority in its discretion to administer such awards, subject to the terms of the Amended and Restated 2015 Plan and applicable law. Notwithstanding anything in the Amended and Restated 2015 Plan to the contrary, the maximum number of shares subject to awards granted during a calendar year to any non-employee director (including shares granted in lieu of cash meeting fees at the election of the non-employee director) shall not exceed \$500,000 in total value. The Board may not, without the approval of the shareholders, increase this limit.

*Termination of Service Generally.* Except as otherwise provided by the Compensation Committee at or after grant of an award, in the event of a participant's termination of service, the participant's rights in unvested awards (and any accrued dividends or dividend equivalent rights associated therewith) then subject to restrictive conditions shall lapse and be forfeited. Notwithstanding the foregoing, but subject to the Amended and Restated 2015 Plan, the Compensation Committee shall have the full power and authority to determine the terms and conditions that shall apply to any award upon a termination of service with the Company under various

circumstances, including a termination by the Company with or without cause, by a participant voluntarily (including by retirement), or by reason of death or disability, and may provide such terms and conditions in the award agreement or in such rules and regulations as it may prescribe.

*Nontransferability.* Each award shall be exercisable only by a participant during the participant's lifetime, or, if permissible under applicable law, by the participant's legal guardian or representative. Notwithstanding the foregoing, the Compensation Committee may permit awards other than incentive stock options to be transferred by a participant, without consideration, subject to such rules as the Compensation Committee may adopt consistent with any applicable award agreement to preserve the purposes of the Amended and Restated 2015 Plan, to any person who is a "family member" of the participant; certain related entities or trusts; or any other transferee as may be approved by the Compensation Committee, provided that no transfer for consideration shall be allowed.

*Amendment and Termination of the Amended and Restated 2015 Plan.* The Board may at any time and from time to time, alter, amend, suspend, or terminate the Amended and Restated 2015 Plan, in whole or in part. However, no amendment that requires shareholder approval in order to comply with tax or regulatory requirements will be made without shareholder approval. The Compensation Committee may waive any conditions or rights under, amend any terms of or alter, suspend, discontinue, cancel or terminate, any award theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any award theretofore granted shall not to that extent be effective without the consent of the affected participant, holder or beneficiary.

*Change in Control.* Unless otherwise provided in an award agreement or by the Compensation Committee at any time, in the event of a change in control of the Company in which the successor company assumes or substitutes for an award (or in which the Company is the ultimate parent corporation and continues the Award), the original terms of such award shall continue in effect; *provided*, that if the surviving or successor corporation terminates a participant's employment or service without "cause" within 12 months following such change in control: (i) such participant's options and stock appreciation rights outstanding as of the date of such termination will immediately vest, become fully exercisable, and may thereafter be exercised for 12 months, (ii) restrictions, limitations and other conditions applicable to such participant's restricted shares and restricted share units outstanding as of the date of such termination shall lapse and the restricted shares and restricted share units shall become free of all restrictions, limitations and conditions and become fully vested, (iii) the performance provisions of any performance awards may be adjusted or eliminated by the Compensation Committee and such award may revert to a solely time-based vesting award at such level as determined by the Compensation Committee, and (iv) the restrictions, limitations and other conditions applicable to such participant's other stock-based awards or any other awards shall lapse, and such awards shall become free of all restrictions, limitations and conditions and become fully vested and transferable to the full extent of the original grant. Unless otherwise provided in an award agreement or by the Compensation Committee at any time, in the event of a change in control of the Company to the extent the successor company does not assume or substitute for an award, any such outstanding awards shall immediately vest, become exercisable and participate in the Change in Control.

*Clawback Policies.* Pursuant to its general authority to determine the terms and conditions applicable to awards under the Amended and Restated 2015 Plan, the Compensation Committee shall provide in an award agreement, or require a participant to agree by separate written or electronic instrument, that all awards (including any proceeds, gains or other economic benefit actually or constructively received by the participant upon any receipt or exercise of any award or upon the receipt or resale of any shares underlying the award) of such participant shall be subject to the provisions of any claw-back policy implemented by the Company at any time, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy. The Company will require such agreements when and to the extent necessary to implement any claw-back policy so required.

## **Plan Benefits**

Because benefits under the Amended and Restated 2015 Plan will depend on the Compensation Committee's and the Board's actions and the fair market value of Common Stock at various future dates, it is not possible to determine the benefits that will be received by directors, executive officers and other employees if the Amended and Restated 2015 Plan is approved by the shareholders. As the Amended and Restated 2015 Plan is substantially similar to the 2015 Plan, the table below sets forth (i) the equity-based awards that were made during the 2018 fiscal year to non-employee directors under the 2015 Plan and (ii) the equity-based awards that were made during the 2018 fiscal year to each of our named executive officers, all of our executive officers as a group, and all of our employees who are not executive officers as a group under the 2015 Plan.

<b>Name and Position</b>	<b>Stock Option Grants<sup>(1)</sup> (#)</b>
Lonnie J. Stout II <i>President, Chief Executive Officer and Director</i> (2)	125,000
Mark A. Parkey <i>Executive Vice President, Chief Financial Officer and Treasurer</i> (2)	60,000
J. Michael Moore <i>Executive Vice President and Chief Operating Officer</i>	60,000
All executive officers as a group (5 persons)	295,000
All current directors who are not executive officers as a group (5 persons)	100,000
All employees who are not executive officers as a group (8 persons)	115,000

(1) Reflects stock options granted on February 21, 2018 with an exercise price of \$9.55 per share.

(2) Effective on May 1, 2019, Mr. Stout was appointed Executive Chairman, and Mr. Parkey was appointed President and Chief Executive Officer.

### **U.S. Federal Income Tax Consequences**

*Incentive Stock Options.* A grantee who is granted an incentive stock option does not recognize taxable income at the time the option is granted, upon vesting, or upon exercise, although the difference between the exercise price and the fair market value on the date of exercise is an adjustment item for alternative minimum tax purposes and may subject the grantee to the alternative minimum tax. Upon a disposition of the shares more than two years after grant of the option and one year after exercise of the option, the grantee will recognize long-term capital gain or loss equal to the difference between the sale price and the exercise price. If the holding periods are not satisfied, then: (1) if the sale price exceeds the exercise price, the grantee will recognize capital gain equal to the excess of the sale price over the fair market value of the shares on the date of exercise and will recognize ordinary income equal to the difference, if any, between the fair market value of the shares on the exercise date and the exercise price; or (2) if the sale price is less than the exercise price, the grantee will recognize a capital loss equal to the difference between the exercise price and the sale price. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in the same amount as and at the time the grantee recognizes ordinary income.

*Non-Statutory Stock Options.* A grantee does not recognize any taxable income at the time a non-statutory stock option is granted or upon vesting. Upon exercise, the grantee recognizes taxable income generally measured by the excess of the then fair market value of the shares over the exercise price. Any taxable income recognized in connection with an option exercise by an employee of the Company is subject to tax withholding by the Company. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in the same amount as and at the time the grantee recognizes ordinary income. Upon a sale or other disposition of the shares at arm's length by the grantee, any difference between the sale price and the exercise price, to the extent not recognized as taxable income as provided above, is treated as long-term or short-term capital gain or loss, depending on the holding period.

*Stock Appreciation Rights.* Stock appreciation rights will generally be taxed in the same manner as non-statutory stock options. Unless limited by Section 162(m) of the Code, the Company is entitled to a corresponding deduction.

*Restricted Share Grants.* A restricted share grant is subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code to the extent the grant will be forfeited in the event that the grantee ceases to provide services to the Company. As a result of this substantial risk of forfeiture, the grantee will not recognize ordinary income at the time of grant. Instead, the grantee will recognize ordinary income on the dates when the shares are no longer subject to a substantial risk of forfeiture, or when the shares become transferable, if earlier (the "vesting date"). The grantee's ordinary income is measured as the difference between the amount paid for the shares, if any, and the fair market value of the shares on the vesting date.

The grantee may accelerate his or her recognition of ordinary income, if any, and begin his or her capital gains holding period by timely filing an election pursuant to Section 83(b) of the Code. In that case, the ordinary income recognized, if any, is measured as the difference between the amount paid for the shares, if any, and the fair market value of the shares on the date of grant. Any share grants that are fully vested on the grant date will generally be taxable to the grantee as ordinary income (based on the excess of the fair market value over the purchase price, if any) on the grant date.

The ordinary income recognized by an employee in connection with a share grant will be subject to tax withholding by the Company. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in respect of share grants in the same amount as and at the time the grantee recognizes ordinary income.

Upon a sale or other disposition of shares at arm's length by the grantee, any difference between the sale price and the grantee's tax basis (usually the value of the shares at the time of vesting), is treated as long-term or short-term capital gain or loss, depending on the holding period.

*Restricted Share Units and Performance-based Units.* A grantee does not recognize any taxable income at the time a restricted share unit, including a performance-based unit, is granted. Generally, such restricted share units will be subject to income taxation based upon the fair market value of the shares underlying the units on each date shares are delivered or made available to the grantee. The ordinary income recognized by an employee will be subject to tax withholding by the Company. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in the same amount as and at the time the grantee recognizes ordinary income. Upon a sale or other disposition of shares at arm's length by the grantee, any difference between the sale price and the grantee's tax basis (usually the value of the shares at the time of settlement), is treated as long-term or short-term capital gain or loss, depending on the holding period. A Section 83(b) election is not permitted in connection with the grant of restricted share units or performance-based units.

*Cash Awards.* The recipient will have taxable ordinary income, in the year of receipt, equal to the amount of cash received. Any cash received by an employee of the Company will be subject to tax withholding by the Company. Unless limited by Section 162(m) of the Code, the Company will be entitled to a tax deduction in the amount and at the time the grantee recognizes compensation income.

**The foregoing is only a summary of the effect of U.S. federal income taxation upon grantees and the Company with respect to the grant and the exercise thereof under the Amended and Restated 2015 Plan based on the U.S. federal income tax laws in effect as of the date of this proxy statement. It does not intend to be exhaustive and does not discuss the tax consequences arising in the context of a grantee's death, or the income tax laws of any municipality, state or foreign country in which the grantee's income or gain may be taxable or the gift, estate, excise (including application of Sections 409A, 280G or 4999 of the Code), or any tax law other than U.S. federal income tax law. Because individual circumstances may vary, the Company advises all recipients to consult their own tax advisors concerning the tax implications of grants made under the Amended and Restated 2015 Plan.**

#### **Vote Required to Approve the Amended and Restated 2015 Plan**

The proposal to approve the Amended and Restated 2015 Plan requires the affirmative vote of a majority of the votes cast by holders of Common Stock represented and entitled to vote at the Annual Meeting. Abstentions and broker non-votes will have no effect on the outcome of the vote for this proposal. Failure of the Company's shareholders to approve this proposal will not affect the rights of existing award holders under the 2015 Plan or under any previously granted awards under the 2015 Plan.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF THE COMPANY'S AMENDED AND RESTATED 2015 EQUITY INCENTIVE PLAN. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS SHAREHOLDERS OTHERWISE SPECIFY IN THEIR PROXIES.**

## PROPOSAL NO. 4.

### SHAREHOLDER PROPOSAL: ELECTION OF THE BOARD OF DIRECTORS BY A MAJORITY VOTE STANDARD

In accordance with SEC rules, we have set forth below a shareholder proposal, along with the supporting statement of the shareholder proponent, for which we and our Board accept no responsibility. The shareholder proposal is required to be voted upon only if properly presented at that Annual Meeting. As explained below, our Board makes no recommendation with regards to the shareholder proposal set forth below.

The Company has been notified that the California Public Employees' Retirement System ("CalPERS"), P.O. Box 2749, Sacramento, California 95812-2749, the beneficial owner of at least \$2,000 in market value of the Company's Common Stock on the date the proposal was submitted and for at least the preceding eighteen months, intends to present the following proposal at the Annual Meeting:

RESOLVED, that the shareowners of J. Alexander's Holdings, Inc. (Company) hereby request that the Board of Directors initiate the appropriate process to amend the Company's articles of incorporation and/or bylaws to provide that directors shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareowners in uncontested elections. A plurality vote standard, however, will apply to contested director elections; that is, when the number of director nominees exceeds the number of board seats.

#### Supporting Statement from Shareholder:

Is accountability by the Board of Directors important to you? As a long-term shareowner of the Company, CalPERS thinks accountability is of paramount importance. This is why we are sponsoring this proposal. This proposal would remove a plurality vote standard for uncontested elections that effectively disenfranchises shareowners and eliminates a meaningful shareowner role in uncontested director elections.

Under the Company's current voting system, a director may be elected with as little as one affirmative vote because "withheld" votes have no legal effect. This scheme deprives shareowners of a powerful tool to hold directors accountable because it makes it impossible to defeat directors who run unopposed. Conversely, a majority voting standard allows shareowners to actually vote "against" candidates and to defeat reelection of a management nominee who is unsatisfactory to the majority of shareowners who cast votes.

A substantial number of companies have already adopted this form of majority voting. More than 90% of the companies in the S&P 500 have adopted a form of majority voting for uncontested director elections. We believe the Company should join the growing number of companies that have adopted a majority voting standard requiring incumbent directors who do not receive a favorable majority vote to submit a letter of resignation, and not continue to serve, unless the Board declines the resignation and publicly discloses its reasons for doing so.

Majority voting in director elections empowers shareowners to clearly say "no" to unopposed directors who are viewed as unsatisfactory by a majority of shareowners casting a vote. Incumbent board members serving in a majority vote system are aware that shareowners have the ability to determine whether the director remains in office. The power of majority voting, therefore, is not just the power to effectively remove poor directors, but also the power to heighten director accountability through the threat of a loss of majority support. That is what accountability is all about.

CalPERS believes that corporate governance procedures and practices, and the level of accountability they impose, are closely related to financial performance. It is intuitive that, when directors are accountable for their actions, they perform better. We therefore ask you to join us in requesting that the Board of Directors promptly adopt the majority voting standard for uncontested director elections. We believe the Company's shareowners will substantially benefit from the increased accountability of incumbent directors and the power to reject directors shareowners believe are not acting in their best interests. Please vote FOR this proposal.

#### Board Recommendation; Vote Required to Approve Shareholder Proposal on Majority Voting

Our Board has considered the shareholder proposal set forth above relating to majority voting for uncontested director elections, and has determined to make no voting recommendation to shareholders. The proposal, which is advisory in nature, would constitute a recommendation to the Board if approved by shareholders. The Board recognizes that there are valid arguments in favor of, and in

opposition to, majority voting. The Board wants to use this proposal as an opportunity for shareholders to express their views on this subject.

If shareholders return a validly executed proxy, the shares represented by the proxy will be voted on this proposal in the manner specified by the shareholder. If shareholders do not specify the manner in which their shares represented by a validly executed proxy solicited by the Board are to be voted on this proposal, such shares will be counted as abstentions.

Approval of this proposal, if properly presented at the Annual Meeting, will require the affirmative vote of a majority of the votes cast by holders of Common Stock represented and entitled to vote at the Annual Meeting.

Shareholders should note that approval of this proposal would not, by itself, implement majority voting. In order to implement majority voting, the Company would need to amend its Charter. Amending the relevant provision of the Company's Charter would require the affirmative vote of holders of  $66\frac{2}{3}$  percent of the voting power of the shares entitled to vote at an election of directors, voting together as a single class. If this shareholder proposal is approved by the shareholders, the Board will consider whether to present the necessary proposal to amend the Company's Charter at the 2020 Annual Meeting of Shareholders.

**THE BOARD, AFTER CAREFUL CONSIDERATION, IS NOT MAKING A RECOMMENDATION EITHER IN FAVOR OF OR OPPOSED TO THIS SHAREHOLDER PROPOSAL CONCERNING MAJORITY VOTING. THE BOARD LOOKS FORWARD TO RECEIVING INPUT FROM OUR SHAREHOLDERS ON THIS IMPORTANT ISSUE.**

**DEADLINE FOR SUBMISSION OF SHAREHOLDER PROPOSALS TO BE  
PRESENTED AT THE 2020 ANNUAL MEETING OF SHAREHOLDERS**

Shareholders may present proper proposals for inclusion in our proxy statement and for consideration at the 2020 Annual Meeting of Shareholders by submitting their proposals in writing to the Company in a timely manner.

Any proposal intended to be presented for action at the 2020 Annual Meeting of Shareholders and included in the Company's Proxy Statement and proxy relating to its 2020 Annual Meeting of Shareholders must be received by the Corporate Secretary of the Company not later than the close of business on January 11, 2020 and must otherwise comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended. Nothing in this paragraph shall be deemed to require the Company to include any shareholder proposal that does not meet all the Commission's requirements for inclusion in effect at the time.

For other shareholder proposals to be timely (but not considered for inclusion in the Company's Proxy Statement under Rule 14a-8), a shareholder's notice must be received by the Corporate Secretary of the Company at our principal executive offices after the close of business on February 21, 2020 but before the close of business on March 22, 2020. The proposal must be in writing and must comply with the advance notice provisions and other requirements of Section 12 of the Company's Bylaws, a copy of which is on file with the Commission and may be obtained from the Company upon request. For proposals that are not timely filed, the Company retains discretion to vote proxies it receives. For proposals that are timely filed, the Company retains discretion to vote proxies it receives provided (1) it includes in the Proxy Statement advice on the nature of the proposal and how the Company intends to exercise its voting discretion and (2) the proponent does not issue a proxy statement.

**MISCELLANEOUS**

**Householding of Proxy Materials**

Certain shareholders who share the same address may receive only one copy of the Proxy Notice or other proxy materials in accordance with a notice delivered from such shareholders' bank, broker or other holder of record, unless the applicable bank, broker or other holder of record received contrary instructions. This practice, known as "householding," is designed to reduce printing and postage costs. Shareholders owning their shares through a bank, broker or other holder of record who wish to either discontinue or commence householding may request or discontinue householding, or may request a separate copy of the proxy materials, either by contacting their bank, broker or other holder of record at the telephone number or address provided in the above referenced notice, or contacting the Company by telephone at (615) 269-1900 or in writing at J. Alexander's Holdings, Inc., P.O. Box 24300, Nashville, Tennessee 37202, Attention: Corporate Secretary. Shareholders who are requesting to commence or discontinue householding should provide their name, the name of their broker, bank or other record holder and their account information.

**Attending the Annual Meeting**

If you plan to attend the Annual Meeting in person, please visit our website at [www.jalexandersholdings.com](http://www.jalexandersholdings.com) for directions to Redlands Grill, 2609 West End Avenue, Nashville, Tennessee 37203.

**A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 30, 2018 (WITHOUT EXHIBITS) IS INCLUDED IN THE ANNUAL REPORT THAT IS FURNISHED ON THE INTERNET, AND A COPY WITH EXHIBITS MAY BE OBTAINED, WITHOUT CHARGE, BY ANY SHAREHOLDER TO WHOM THIS PROXY STATEMENT IS SENT, UPON WRITTEN REQUEST TO CORPORATE SECRETARY, J. ALEXANDER'S HOLDINGS, INC., P.O. BOX 24300, NASHVILLE, TENNESSEE 37202.**

Date: May 10, 2019

## APPENDIX A

### J. ALEXANDER'S HOLDINGS, INC. AMENDED AND RESTATED 2015 EQUITY INCENTIVE PLAN

#### Section 1. Purpose.

This plan shall be known as the “J. Alexander’s Holdings, Inc. Amended and Restated 2015 Equity Incentive Plan” (the “Plan”). The purpose of the Plan is to promote the interests of J. Alexander’s Holdings, Inc., a Tennessee corporation (the “Company”), its Subsidiaries and its shareholders by (i) attracting and retaining key officers, employees, and directors of, and consultants to, the Company, its Subsidiaries and Affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals; (iii) enabling such individuals to participate in the long-term growth and financial success of the Company; (iv) encouraging ownership of stock in the Company by such individuals; and (v) linking such individuals’ compensation to the long-term interests of the Company and its shareholders.

#### Section 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

(a) “**Affiliate**” means each of the following: (a) any Subsidiary; (b) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company or one of its Affiliates; (c) any trade or business (including, without limitation, a partnership or limited liability company) which directly or indirectly controls 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; and (d) any other entity in which the Company or any of its Affiliates has a material equity interest, and, in the case of (b), (c) and (d), which is designated as an “Affiliate” by resolution of the Committee.

(b) “**Award**” means any Option, Stock Appreciation Right, Restricted Share Award, Restricted Share Unit, Performance Award, Other Stock-Based Award or any other right, interest or option relating to Shares or other property (including cash) granted pursuant to the provisions of the Plan.

(c) “**Award Agreement**” means any written agreement, contract or other instrument or document evidencing any Award, which shall have been duly executed and delivered on behalf of the Company, but which may, but need not, be executed or acknowledged by a Participant. For avoidance of doubt, Award Agreements include any employment agreement or change in control agreement between the Company and any Participant that refers to Awards and any letter or electronic mail notifying a Participant that he or she has received an Award.

(d) “**Board**” means the Board of Directors of the Company.

(e) “**Change in Control**” means, unless otherwise defined in the applicable Award Agreement, any of the following events:

(i) an event or series of events (other than an offering of Shares to the general public through a registration statement filed with the Securities and Exchange Commission) by which any person, entity or “group,” within the meaning of Section 13(d) or 14(d) under the Exchange Act, other than the Company, any of its Subsidiaries, any employee benefit plan thereof, becomes the beneficial owner, directly or indirectly, of more than 35% of the combined voting power of the voting securities of the Company;

(ii) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board;

(iii) the consummation of a merger, consolidation, reorganization, or other business combination of the Company with any other entity, other than a merger, consolidation, reorganization or other business combination which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger, consolidation, reorganization or other business combination; or

(iv) the consummation of a sale, exchange or transfer of all or substantially all the assets of the Company and its Subsidiaries (taken as a whole), other than a sale or disposition of all or substantially all the assets of the Company and its Subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are “beneficially owned” by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale;

Notwithstanding the foregoing, (i) unless otherwise provided in an applicable Award Agreement, solely for the purpose of determining the timing of any payments pursuant to any Award constituting a “deferral of compensation” subject to Section 409A of the Code, a Change in Control shall be limited to a “change in the ownership of the Company,” a “change in the effective control of the Company,” or a “change in the ownership of a substantial portion of the assets of the Company” as such terms are defined in Section 1.409A-3(i)(5) of the U.S. Treasury Regulations, and (ii) no Award Agreement shall define a Change in Control in such a manner that a Change in Control would be deemed to occur prior to the actual consummation of the event or transaction that results in a change of control of the Company (e.g., upon the announcement, commencement, or shareholder approval of any event or transaction that, if completed, would result in a change in control of the Company).

(f) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

(g) “**Committee**” means the Compensation Committee of the Board or a subcommittee thereof, or such other committee designated by the Board to administer the Plan. The Committee may from time to time delegate some or all of its functions under the Plan to a committee or subcommittee composed of members that meet any relevant requirements of applicable law or other applicable guidelines.

(h) “**Consultant**” means any consultant or advisor who is a natural person and who provides services to the Company or its Affiliates, so long as such person (i) renders bona fide services that are not in connection with the offer and sale of the Company’s securities in a capital raising transaction and (ii) does not directly or indirectly promote or maintain a market for the Company’s securities.

(i) “**Director**” means a member of the Board.

(j) “**Disability**” means unless otherwise provided in an Award Agreement, either of the following: (i) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving

income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.

(k) **"Early Retirement"** for purposes of the Plan, unless otherwise provided in an Award Agreement, shall be deemed to have occurred if (i) the sum of a Participant's age plus years of employment at the Company as of the proposed early retirement date is equal to or greater than 70, (ii) the Participant has given written notice to the Company at least one year prior to the proposed early retirement date of his or her intent to retire, and (iii) the Chief Executive Officer shall have approved in writing such early retirement request prior to the proposed early retirement date, provided that in the event the Chief Executive Officer does not approve the request for early retirement or the Chief Executive Officer is the participant giving notice of his or her intent to retire, then in both cases, the Committee shall make the determination of whether to approve or disapprove such request.

(l) **"Employee"** means a current or prospective officer or employee of the Company or any Affiliate.

(m) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time.

(n) **"Fair Market Value"** means, with respect to Shares as of any date, the value of a Share determined as follows: (i) if the Shares are listed on any (x) established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market and the NASDAQ Global Select Market), (y) national market system or (z) automated quotation system on which the Shares are listed, quoted or traded, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; (ii) if the Shares are not listed on an established securities exchange, national market system or automated quotation system, but the Shares are regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or (iii) in the event the Shares are neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Committee in good faith.

(o) **"Grant Price"** means the price established at the time of grant of an SAR pursuant to Section 6 used to determine whether there is any payment due upon exercise of the SAR.

(p) **"Incentive Stock Option"** means an Option that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

(q) **"Non-Qualified Stock Option"** means an Option that is granted under Sections 6 or 10 of the Plan and is not an Incentive Stock Option, including any Option that was intended to qualify as an Incentive Stock Option and fails to so qualify for any reason.

(r) **"Non-Employee Director"** means a member of the Board who is not an officer or employee of the Company or any Subsidiary of the Company.

(s) **"Normal Retirement"** means retirement from active employment with the Company and any Subsidiary or Affiliate on or after age 65.

(t) **"Option"** means any right granted to a Participant under the Plan allowing such Participant to purchase Shares at an Option Price and during such period or periods as the Committee shall determine.

(u) **"Option Price"** means the purchase price payable to purchase one Share upon the exercise of an Option.

(v) **"Other Stock-Based Award"** means any Award granted under Section 9 of the Plan.

(w) **“Participant”** means any Employee, Director, or Consultant who receives an Award under the Plan.

(x) **“Performance Award”** means any Award granted under Section 8 of the Plan.

(y) **“Person”** means any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(z) **“Restricted Share”** means any Share granted under Sections 7 or 10 of the Plan with the restriction that the holder may not sell, transfer, pledge or assign such Share and with such other restrictions as the Committee, in its discretion, may impose.

(aa) **“Restricted Share Unit”** means an Award granted under Sections 7 or 10 of the Plan that is valued by reference to a Share, which value may be paid to the Participant by delivery of cash, Shares or such other property, as the Committee shall determine, upon the lapse of restrictions as the Committee, in its discretion, may impose.

(bb) **“Retirement”** means Normal Retirement or Early Retirement

(cc) **“Section 16”** means Section 16 of the Exchange Act and the rules promulgated thereunder and any successor provision thereto as in effect from time to time.

(dd) **“Shares”** means shares of common stock, \$0.001 par value, of the Company.

(ee) **“Stock Appreciation Right”** or **“SAR”** means a stock appreciation right granted under Sections 6 or 10 of the Plan that entitles the holder to receive, with respect to each Share encompassed by the exercise of such SAR, the amount determined by the Committee and specified in an Award Agreement. In the absence of such a determination, the holder shall be entitled to receive, with respect to each Share encompassed by the exercise of such SAR, the excess of the Fair Market Value of such Share on the date of exercise over the Grant Price applicable to such SAR.

(ff) **“Subsidiary”** means any Person (other than the Company) of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company.

(gg) **“Substitute Awards”** means Awards granted solely in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

(hh) **“Termination of Service”** means:

(i) As to a Consultant, the time when the engagement of a Participant as a Consultant to the Company or an Affiliate is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or Retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company or any Affiliate.

(ii) As to a Non-Employee Director, the time when a Participant who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or Retirement, but excluding terminations where the Participant simultaneously commences or remains in employment or service with the Company or any Affiliate.

(iii) As to an Employee, the time when the employee-employer relationship between a Participant and the Company or any Affiliate is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, Disability or Retirement; but excluding terminations where the Participant simultaneously commences or remains in employment or service with the Company or any Affiliate.

The Committee, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for

cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Committee otherwise provides in the terms of the Award Agreement or otherwise, or as otherwise required by applicable law, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Affiliate employing or contracting with such Participant ceases to remain an Affiliate following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

### **Section 3. Administration.**

3.1 *Authority of Committee.* The Plan shall be administered by the Committee, which shall be appointed by and serve at the pleasure of the Board; provided, however, with respect to Awards to Non-Employee Directors, all references in the Plan to the Committee shall be deemed to be references to the Board. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority in its discretion to:

- (i) designate Participants;
- (ii) determine eligibility for participation in the Plan and decide all questions concerning eligibility for and the amount of Awards under the Plan;
- (iii) determine the type or types of Awards to be granted to a Participant and whether such Awards are to be granted singly, in combination, or in tandem;
- (iv) determine the number of Shares to be covered by, or with respect to which payments, rights or other matters are to be calculated in connection with Awards;
- (v) determine the timing, terms, and conditions of any Award, including any restrictions or vesting requirements;
- (vi) accelerate the time at which all or any part of an Award may be settled or exercised;
- (vii) determine whether, to what extent, and under what circumstances, Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended;
- (viii) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;
- (ix) determine whether, to what extent and under what circumstances any Award shall be canceled, suspended or subjected to additional restrictions, including in connection with any Share ownership guidelines or insider trading policies of the Company;
- (x) grant Awards as an alternative to, or as the form of payment for grants or rights earned or payable under, other bonus or compensation plans, arrangements or policies of the Company or any Affiliate;
- (xi) grant Substitute Awards on such terms and conditions as the Committee may prescribe, subject to compliance with the Incentive Stock Option rules under Section 422 of the Code and the nonqualified deferred compensation rules under Section 409A of the Code, where applicable;

(xii) make all determinations under the Plan concerning any Participant's Termination of Service with the Company or an Affiliate, including whether such termination occurs by reason of cause (as may be defined by the Committee from time to time or set forth in an Award Agreement), Disability, Retirement, or in connection with a Change in Control and whether a leave constitutes a Termination of Service;

(xiii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan;

(xiv) to the extent permitted by Section 14.2 and not prohibited by Section 6.2, amend or modify the terms of any Award at or after grant;

(xv) correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent that the Committee shall deem desirable to carry it into effect;

(xvi) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and

(xvii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan, subject to the exclusive authority of the Board under Section 14 hereunder to amend or terminate the Plan.

*3.2 Committee Discretion Binding.* Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company and any Affiliate, any Participant and any holder or beneficiary of any Award. A Participant or other holder of an Award may contest a decision or action by the Committee with respect to such Person or Award only on the grounds that such decision or action was arbitrary or capricious or was unlawful, and any review of such decision or action shall be limited to determining whether the Committee's decision or action was arbitrary or capricious or was unlawful.

*3.3 Delegation.* Subject to the terms of the Plan, the Committee's charter and applicable law, the Committee may delegate to one or more officers or managers of the Company or of any Affiliate, or to a Committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to grant Awards to or to cancel, modify or waive rights with respect to, or to alter, discontinue, suspend or terminate Awards held by Participants who are not officers or directors of the Company for purposes of Section 16 or who are otherwise not subject to Section 16.

*3.4 Minimum Vesting Period.* Notwithstanding anything in the Plan to the contrary, Awards granted under the Plan (other than cash-based Awards) shall vest no earlier than the first anniversary of the date on which the Award is granted; provided, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) Substitute Awards, (ii) Shares delivered in lieu of fully vested cash Awards, (iii) Awards to Non-Employee Directors that vest on the earlier of the one-year anniversary of the date of grant and the next annual meeting of shareholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iv) any additional Awards the Committee may grant, up to a maximum of five percent of the Share Reserve authorized for issuance under the Plan pursuant to Section 4.1; and, provided, further, that the foregoing restriction does not apply to the Committee's discretion to provide for accelerated exercisability or vesting of any Award under certain circumstances, including in cases of Retirement, death, Disability or a Change in Control, in the terms of the Award Agreement or otherwise.

## **Section 4. Shares Available For Awards.**

### *4.1 Shares Available.*

(a) Subject to the provisions of Section 4.2 hereof, a total of 2,850,000 Shares shall be authorized for grant under the Plan, consisting of (i) 1,500,000 Shares originally authorized in 2015, plus (ii) 1,350,000 Shares (such aggregate amount, the "Share Reserve"). Any Shares that are subject to Awards granted after the Original Effective Date and prior

to the Restatement Effective Date shall be counted against the Share Reserve as one (1) Share for every one (1) Share granted. Any Shares that are subject to Awards granted after the Restatement Effective Date shall be counted against the Share Reserve as follows: (i) with respect to Options or SARs, one (1) Share for every one (1) Share granted, and (ii) with respect to Awards other than Options or SARs, two (2.0) Shares for every one (1) Share granted.

(b) If any Shares subject to an Award are forfeited or expire or an Award is settled in cash (in whole or in part), the Shares subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, again be available for Awards under the Plan and a number of Shares shall be added to the Share Reserve equal to the number of Shares that were deducted from the Share Reserve upon grant of such forfeited, expired or cash-settled Award. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Share Reserve : (i) Shares tendered by the Participant or withheld by the Company in payment of the Option Price or to satisfy any tax withholding obligation with respect to any Award, (ii) Shares subject to a SAR that are not issued in connection with the stock settlement of the SAR on exercise thereof, and (iii) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options. The payment of dividend equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan.

(c) Notwithstanding any provision in the Plan to the contrary, and subject to Section 4.2, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 1,000,000 and the maximum aggregate amount that may be paid in cash to any one person during any calendar year with respect to one or more Awards payable in cash shall be \$5,000,000.

*4.2 Adjustments.* In the event that any dividend (other than a normal, recurring dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares, then the Committee shall in an equitable and proportionate manner as deemed appropriate by the Committee (and, as applicable, in such manner as is consistent with Sections 422 and 409A of the Code and the regulations thereunder) either: (i) adjust any or all of (1) the aggregate number and class of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan; (2) the number and class of Shares or other securities of the Company (or number and kind of other property) subject to outstanding Awards, provided that the number of Shares subject to any Award shall always be a whole number; (3) the grant or exercise price per Share with respect to any Award under the Plan; (4) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (5) the limits on the number of Shares or Awards that may be granted to Participants under the Plan in any calendar year; (ii) provide for an equivalent award in respect of securities of the surviving entity of any merger, consolidation or other transaction or event having a similar effect; or (iii) make provision for a cash payment to the holder of an outstanding Award.

*4.3 Substitute Awards; Future Pre-Existing Plans.* Substitute Awards shall not reduce the Shares authorized for grant under the Plan or the applicable limitations for grant to a Participant under Section 4.2(c), nor shall Shares subject to a Substitute Award again be available for Awards under the Plan to the extent of any forfeiture, expiration or cash settlement as provided in Section 4.1 above. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not eligible Participants prior to such acquisition or combination.

4.4 *Sources of Shares Deliverable Under Awards.* Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares or issued Shares which have been reacquired by the Company.

## **Section 5. Eligibility.**

Any Employee, Director or Consultant shall be eligible to be designated a Participant; provided, however, that Non-Employee Directors shall only be eligible to receive Awards granted consistent with Section 10; provided further, that any award to an Employee who is a prospective employee or officer shall be conditioned upon such individual becoming an employee or officer of the Company or its Affiliate. The terms and conditions of Awards need not be the same with respect to each Participant.

## **Section 6. Stock Options; Stock Appreciation Rights.**

6.1 *Grant.* Subject to the provisions of the Plan and other applicable legal requirements, the Committee shall have sole and complete authority to determine the Participants to whom Options and SARs shall be granted, the number of Shares subject to each Award, the exercise price and the conditions and limitations applicable to the exercise of each Option and SAR. An Option may be granted with or without a related SAR. A SAR may be granted with or without a related Option. The grant of an Option or SAR shall take place when the Committee by resolution, written consent or other appropriate action determines to grant such Option or SAR for a particular number of Shares to a particular Participant at a particular Option Price or Grant Price. The Committee shall have the authority to grant Incentive Stock Options and to grant Non-Qualified Stock Options. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with Section 422 of the Code, as from time to time amended, and any regulations implementing such statute.

6.2 *Price.* The Committee in its sole discretion shall establish the Option Price at the time each Option is granted and the Grant Price at the time each SAR is granted. Except in the case of Substitute Awards, the Option Price of an Option, and the Grant Price of an SAR, may not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant of such Option or SAR. Notwithstanding the foregoing and except as permitted by the provisions of Section 4.2 hereof, the Committee shall not have the power to (i) amend the terms of previously granted Options or SARs to reduce the Option Price of such Options or the Grant Price of such SARs, (ii) cancel previously granted Options or SARs and grant substitute Options or SARs with a lower Option Price or Grant Price than the cancelled Options or SARs, (iii) cancel previously granted Options or SARs in exchange for a cash payment or any other Award when the Option Price or Grant Price exceeds the Fair Market Value of the underlying Shares (other than in connection with a Change in Control), or (iv) take any other action with respect to an Option or SAR that would be treated as a “repricing” under the rules and regulations of the principal securities exchange on which Shares are traded, in each case without the approval of the Company’s shareholders.

6.3 *Term.* Subject to the Committee’s authority under Section 3.1 and the provisions of Section 6.6, each Option and SAR and all rights and obligations thereunder shall expire on the date determined by the Committee and specified in the Award Agreement. The Committee shall be under no duty to provide terms of like duration for Options or SARs granted under the Plan. Notwithstanding the foregoing, but subject to the last sentence of Section 6.4(a), no Option or SAR shall be exercisable after the expiration of ten (10) years from the date such Option or SAR was granted.

### *6.4 Exercise.*

(a) Each Option and SAR shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. The Committee shall have full and complete authority to determine whether an Option or SAR will be exercisable in full at any time or from time to time during the term of the Option or SAR, or to provide for the exercise thereof in such installments, upon the occurrence of such events and at such times during the term of the Option or SAR as the Committee may determine. An Award Agreement may provide that the period of time over which an Option or SAR, other than an Incentive Stock Option, may be exercised shall be automatically extended if on the scheduled expiration of such Award, the Participant’s exercise of

such Award would violate applicable securities law or otherwise expose the Participant to adverse regulatory action; provided, however, that during the extended exercise period the Option or SAR may only be exercised to the extent the Option or SAR was exercisable in accordance with its terms immediately prior to such scheduled expiration date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option or SAR first would no longer violate such laws or requirements.

(b) The period during which the right to exercise, in whole or in part, an Option or SAR vests in the Participant shall be set by the Committee and the Committee may determine that an Option or SAR may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Company or any Affiliate, any performance criteria, or any other criteria selected by the Committee, and, except as limited by the Plan, at any time after the grant of an Option or SAR, the Committee, in its sole discretion and subject to whatever terms and conditions it selects, may accelerate the period during which an Option or SAR vests.

(c) An Option or SAR may be exercised in whole or in part at any time, with respect to whole Shares only, within the period permitted thereunder for the exercise thereof, and shall be exercised by (i) written or electronic notice of intent to exercise the Option or SAR, in such form as the Committee may prescribe, delivered to the Company at its principal office or such other office as the Committee may from time to time direct, (ii) the delivery of such representations and documents as the Committee, in its sole discretion, deems necessary or advisable to effect compliance with applicable law, and (iii) payment in full to the Company at the direction of the Committee of the amount of the Option Price for the number of Shares with respect to which the Option is then being exercised.

(d) Payment of the Option Price shall be made (i) in cash or cash equivalents, (ii) at the discretion of the Committee, by transfer, either actually or by attestation, to the Company of unencumbered Shares previously acquired by the Participant, valued at the Fair Market Value of such Shares on the date of exercise (or next succeeding trading date, if the date of exercise is not a trading date), together with any applicable withholding taxes, such transfer to be upon such terms and conditions as determined by the Committee, (iii) at the discretion of the Committee, by a cashless (broker-assisted) exercise that complies with applicable laws, (iv) at the discretion of the Committee, by withholding Shares (net-exercise) otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value at the time of exercise equal to the total Option Price or (v) any combination of (i) through (iv). Until the Participant has been issued the Shares subject to such exercise, he or she shall possess no rights as a shareholder with respect to such Shares.

(e) At the Committee's discretion, the amount payable to the Participant as a result of the exercise of a SAR may be settled in cash, Shares or other property, or any combination thereof. A fractional Share shall not be deliverable upon the exercise of a SAR but a cash payment will be made in lieu thereof.

(f) An Award Agreement may provide, or be amended to provide, that if on the last day of the term of an Option or SAR, the Fair Market Value of one Share exceeds the Option Price or Grant Price of such Award, the Participant has not exercised the Option or SAR and the Option or SAR has not expired, the Option or SAR shall be deemed to have been exercised by the Participant on such day with payment made by withholding Shares otherwise issuable in connection with the exercise of the Option or SAR. In such event, the Company shall deliver to the Participant the number of Shares for which the Award was deemed exercised, less the number of Shares required to be withheld for the payment of the total purchase price (in the case of an Option) and required withholding taxes.

*6.5 Termination of Service.* Except as otherwise provided in the applicable Award Agreement, in the event of a Participant's Termination of Service, the outstanding Options and SARs held by such Participant shall terminate on the date of such Termination of Service and be forfeited. Notwithstanding the foregoing provisions of this Section 6.5 to the contrary, the Committee may determine in its discretion that an Option or SAR may be exercised following any such Termination of Service, whether or not exercisable at the time of such Termination of Service; provided, however, that in no event may an Option or SAR be exercised after the expiration date of such Option or SAR specified in the applicable Award Agreement, except as provided in the last sentence of Section 6.4(a).

*6.6 Ten Percent Stock Rule.* Notwithstanding any other provisions in the Plan, if at the time an Option is otherwise to be granted pursuant to the Plan, a Participant owns directly or indirectly (within the meaning of Section 424(d) of the Code)

Shares of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or its parent or Subsidiary corporations (within the meaning of Section 422(b)(6) of the Code), then any Incentive Stock Option to be granted to such Participant pursuant to the Plan shall satisfy the requirement of Section 422(c)(5) of the Code, and the Option Price shall be not less than one hundred ten percent (110%) of the Fair Market Value of the Shares of the Company, and such Option by its terms shall not be exercisable after the expiration of five (5) years from the date such Option is granted.

*6.7 Substitution of SARs.* The Committee may provide in the applicable Award Agreement evidencing the grant of an Option, at or after grant, that the Committee, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, shall have the same exercise price and vesting schedule as the substituted Option, and shall have a Stock Appreciation Right term equal in length to the remaining Option term of the substituted Option.

## **Section 7. Restricted Shares And Restricted Share Units.**

### **7.1 Grant.**

(a) Subject to the provisions of the Plan and other applicable legal requirements, the Committee shall have sole and complete authority to determine the Participants to whom Restricted Shares and Restricted Share Units shall be granted, the number of Restricted Shares and/or the number of Restricted Share Units to be granted to each Participant, the duration of the period during which, and the conditions under which, the Restricted Shares and Restricted Share Units may be forfeited to the Company, and the other terms and conditions of such Awards. The Restricted Share and Restricted Share Unit Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time approve, which agreements shall comply with and be subject to the terms and conditions provided hereunder and any additional terms and conditions established by the Committee that are consistent with the terms of the Plan.

(b) Each Restricted Share and Restricted Share Unit Award made under the Plan shall be for such number of Shares as shall be determined by the Committee and set forth in the Award Agreement containing the terms of such Restricted Share or Restricted Share Unit Award. Subject to Section 3.4, such agreement shall set forth a period of time during which the grantee must remain in the continuous employment of the Company in order for the forfeiture and transfer restrictions to lapse. If the Committee so determines, the restrictions may lapse during such restricted period in installments with respect to specified portions of the Shares covered by the Restricted Share or Restricted Share Unit Award. The Award Agreement may also, in the discretion of the Committee, set forth performance or other conditions that will subject the Shares to forfeiture and transfer restrictions. The Committee may, at its discretion, waive all or any part of the restrictions applicable to any or all outstanding Restricted Share and Restricted Share Unit Awards.

### **7.2 Dividends and Other Distributions.**

(a) Subject to Section 15.2, prior to the lapse of any applicable transfer restrictions, Participants holding Restricted Shares shall be credited with any dividends payable in cash, Shares or other property paid with respect to such Restricted Shares while they are so held, unless determined otherwise by the Committee and set forth in the Award Agreement. In addition to the restrictions set forth in Section 15.2, the Committee may apply any restrictions to such dividends that the Committee deems appropriate.

(b) Subject to Section 15.2, prior to the delivery of Shares pursuant to any Restricted Share Unit Award, Participants holding Restricted Share Units shall be credited with any dividends payable in cash, Shares or other property paid with respect to the Shares underlying such Restricted Share Units while they are so held, unless determined otherwise by the Committee and set forth in the Award Agreement. If a Participant will be entitled to receive such dividend equivalent rights with respect to Restricted Share Units, (i) the amount of any such dividend equivalent rights shall equal the amount that would be payable to the Participant as a shareholder in respect of a number of Shares equal to the number of Restricted Share Units then credited to the Participant, (ii) any such dividend equivalent rights shall be paid in accordance with Section 15.2.

*7.3 Transfer Restrictions on Restricted Shares.* At the time of the grant of a Restricted Share Award, a certificate representing the number of Shares awarded thereunder may be registered in the name of the grantee. Such certificate shall be held by the Company or any custodian appointed by the Company for the account of the grantee subject to the terms and conditions of the Plan, and shall bear such a legend setting forth the restrictions imposed thereon as the Committee, in its discretion, may determine. Alternatively, the Committee may, in its discretion, provide that a Participant's ownership of Restricted Shares prior to the lapse of any transfer restrictions or any other applicable restrictions shall, in lieu of such certificates, be evidenced by a "book entry" (*i.e.*, a computerized or manual entry) in the records of the Company or its designated agent in the name of the Participant who has received such Award, and confirmation and account statements sent to the Participant with respect to such book-entry Shares may bear the restrictive legend referenced in the preceding sentence. Such records of the Company or such agent shall, absent manifest error, be binding on all Participants who receive Restricted Share Awards evidenced in such manner. The holding of Restricted Shares by the Company or such an escrow holder, or the use of book entries to evidence the ownership of Restricted Shares, in accordance with this Section 7.3, shall not affect the rights of Participants as owners of the Restricted Shares awarded to them, nor affect the restrictions applicable to such shares under the Award Agreement or the Plan, including the transfer restrictions.

*7.4 Other Rights of Restricted Shareholders.* Unless otherwise provided in the applicable Award Agreement, a Participant shall have all other rights of a shareholder with respect to Restricted Shares, including the right to vote such Shares, subject to the following restrictions: (i) the Participant shall not be entitled to delivery of the stock certificate until the expiration of the restricted period and the fulfillment of any other restrictive conditions set forth in the Award Agreement with respect to such Shares; (ii) none of the Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of during such restricted period or until after the fulfillment of any such other restrictive conditions; and (iii) except as otherwise determined by the Committee at or after grant, all of the Shares (including any dividends accrued and held thereon) shall be forfeited and all rights of the Participant to such Shares shall terminate, without further obligation on the part of the Company, unless the Participant remains in the continuous employment of the Company for the entire restricted period in relation to which such Shares were granted and unless any other restrictive conditions relating to the Restricted Share Award are met.

*7.5 Termination of Restrictions on Restricted Shares.* At the end of the restricted period and provided that any other restrictive conditions of the Restricted Share Award are met, or at such earlier time as otherwise determined by the Committee, all restrictions set forth in the Award Agreement relating to the Restricted Share Award or in the Plan shall lapse as to the Shares subject thereto, and a stock certificate for the appropriate number of Shares, free of the restrictions and restricted stock legend, shall be delivered to the Participant or the Participant's beneficiary or estate, as the case may be (or, in the case of book-entry Shares, such restrictions and restricted stock legend shall be removed from the confirmation and account statements delivered to the Participant or the Participant's beneficiary or estate, as the case may be, in book-entry form) and any dividends or dividend equivalents accrued thereon shall be paid.

*7.6 Payment of Restricted Share Units.* Each Restricted Share Unit shall have a value equal to the Fair Market Value of a Share. Restricted Share Units shall be paid in cash, Shares, other securities or other property, as determined in the sole discretion of the Committee, upon the lapse of the restrictions applicable thereto, or otherwise in accordance with the applicable Award Agreement. Except as otherwise determined by the Committee at or after grant, Restricted Share Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of, and all Restricted Share Units (and any dividend equivalents associated therewith) and all rights of the grantee thereto shall terminate, without further obligation on the part of the Company, unless the grantee remains in continuous employment of the Company for the entire restricted period in relation to which such Restricted Share Units were granted and unless any other restrictive conditions relating to the Restricted Share Unit Award are met. Except as otherwise provided in the Plan or the applicable Award Agreement, a Participant shall have no rights of a shareholder with respect to Restricted Share Units.

*7.7 Termination of Service.* Except as otherwise provided in the applicable Award Agreement, in the event of a Participant's Termination of Service, the Participant's rights in invested Restricted Shares and unvested Restricted Share Units (and any accrued dividends or dividend equivalent rights associated therewith) then subject to restrictive conditions shall lapse, and such Restricted Shares and Restricted Share Units shall be forfeited and surrendered to the Company without consideration. Notwithstanding the foregoing provisions of this Section 7.7 to the contrary, the Committee may

provide in its discretion that a Participant's rights in unvested Restricted Shares and Restricted Share Units shall not lapse in the event of certain Terminations of Service, such as termination by the Company without cause, by a Participant voluntarily, or by reason of death, Disability or Retirement.

## **Section 8. Performance Awards.**

8.1 *Grant.* The Committee shall have sole and complete authority to determine the Participants who shall receive a Performance Award, which shall consist of a right that is (i) denominated in cash, Shares or other property, (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

8.2 *Terms and Conditions.* Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award, and, subject to Section 11 of the Plan, may amend specific provisions of the Performance Award; provided, however, that such amendment may not adversely affect existing Performance Awards made within a performance period commencing prior to implementation of the amendment.

8.3 *Dividends and Other Distributions.* Notwithstanding any provision of this Plan to the contrary, dividends or dividend equivalents on Performance Awards denominated in Shares may not be paid to a Participant (but they may be accumulated for eventual payment) until such time as the Committee determines that the performance criteria underlying such Performance Awards have been satisfied and the underlying Award otherwise vests.

8.4 *Payment of Performance Awards.* An Award Agreement may provide that Performance Awards may be paid in a lump sum or in installments following the close of the performance period or, in accordance with the procedures established by the Committee, on a deferred basis, subject to the requirements of Section 409A of the Code. Notwithstanding the foregoing, the Committee may in its discretion, waive any performance goals and/or other terms and conditions relating to a Performance Award. A Participant's rights to any Performance Award may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of in any manner, except by will or the laws of descent and distribution, and/or except as the Committee may determine at or after grant.

8.5 *Termination of Service.* Except as otherwise provided in the applicable Award Agreement, in the event of a Participant's Termination of Service prior to the close of the applicable performance period, the Participant's rights in unvested Performance Awards then subject to restrictive conditions shall lapse, and such Performance Awards shall be forfeited and surrendered to the Company without consideration. Notwithstanding the foregoing provisions of this Section 8.5 to the contrary, the Committee may provide in its discretion that a Participant's rights in unvested Performance Awards shall not lapse in the event of certain Terminations of Service, such as termination by the Company without cause, by a Participant voluntarily, or by reason of death, Disability or Retirement.

## **Section 9. Other Stock-Based Awards.**

The Committee shall have the authority to determine the Participants who shall receive an Other Stock-Based Award, which shall consist of any right that is (i) not an Award described in Sections 6, 7, or 8 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares or other property (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award.

## **Section 10. Non-Employee Director Awards.**

10.1 *Non-Employee Director Awards.* The Board may provide that all or a portion of a Non-Employee Director's annual retainer, meeting fees and/or other awards or compensation as determined by the Board, be payable (either automatically or at the election of a Non-Employee Director) in the form of Non-Qualified Stock Options, SARs, Restricted Shares, Restricted Share Units and/or Other Stock-Based Awards under the Plan, including unrestricted Shares. The Board shall determine the terms and conditions of any such Awards, including the terms and conditions which shall apply upon a termination of the Non-Employee Director's service as a member of the Board, and shall have full power and authority in its discretion to administer such Awards, subject to the terms of the Plan and applicable law. Subject to applicable legal requirements, the Board may also grant Awards to Non-Employee Directors pursuant to the terms of the Plan, including any Award described in Sections 6, 7 or 9 above.

10.2 *Non-Employee Director Limits.* Notwithstanding anything in this Plan to the contrary, the maximum number of Shares subject to grants (including Shares granted in lieu of cash meeting fees at the election of the Non-Employee Director) to any Non-Employee Director during a calendar year shall not exceed \$500,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes and excluding, for this purpose, the value of any dividends or dividend equivalents paid) (the "Non-Employee Director Limit"). The Board may not, without the approval of the shareholders, increase the Non-Employee Director Limit.

## **Section 11. Provisions Applicable To Performance Awards.**

11.1 *In General.* Notwithstanding anything in the Plan to the contrary, unless the Committee specifically determines otherwise, Performance Awards shall be subject to the terms and provisions of this Section 11.

11.2 *Performance Goals.* The Committee may grant Performance Awards to Participants based solely upon the attainment of performance targets related to one or more performance goals selected by the Committee from among the goals specified below. For the purposes of this Section 11, performance goals shall be limited to one or more of the following Company, Subsidiary, operating unit, restaurant concept or division financial performance measures:

- (a) total sales or revenues;
- (b) sales or revenue per restaurant or other unit;
- (c) earnings before interest, taxes, depreciation and/or amortization;
- (d) operating income or profit (before or after taxes);
- (e) operating margins, gross margins or cash margin;
- (f) operating efficiencies or cost savings;
- (g) return on equity, assets (or net assets), capital, capital employed or investment;
- (h) net income (before or after taxes);
- (i) pre- or after-tax income (before or after allocation of corporate overhead and bonuses);
- (j) earnings (gross, net, pre-tax, after-tax or per share), which may, but need not, exclude interest, depreciation, amortization, taxes and other items;
- (k) utilization;

- (l) improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable;
- (m) gross or net profit margins;
- (n) stock price or total shareholder return;
- (o) cash flow or cash flow per Share (before or after dividends);
- (p) appreciation in and/or maintenance of the price of Shares or other publicly-traded securities of the Company;
- (q) debt reduction;
- (r) year-end cash;
- (s) financial ratios, including those measuring activity, leverage, liquidity or profitability, cost of capital or asset levels;
- (t) financing and other capital-raising transactions;
- (u) division revenue;
- (v) strategic business objectives, including one or more objectives based on meeting specified cost targets, business expansion goals or goals relating to acquisitions or divestitures; or
- (w) any combination thereof.

Each goal may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company or any Subsidiary, operating unit, restaurant concept or division of the Company and/or the past or current performance of other companies, and in the case of earnings-based measures, may use or employ comparisons relating to capital, stockholders' equity and/or Shares outstanding, or to assets or net assets. The Committee may appropriately adjust any evaluation of performance under criteria set forth in this Section 11.2 to exclude any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) an event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, (vi) pre-opening costs, and (vi) any events that are unusual in nature or infrequently occurring or that are described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report (or quarterly report on Form 10-Q) to shareholders for the applicable year.

11.3 *Administration*. With respect to grants of Performance Awards, no later than 90 days following the commencement of each performance period (or such other time as may be required or permitted by applicable accounting guidelines), the Committee shall (1) select the performance goal or goals applicable to the performance period, (2) establish the various targets and bonus amounts which may be earned for such performance period, and (3) specify the relationship between performance goals and targets and the amounts to be earned by each Participant for such performance period. Following the completion of each performance period, the Committee shall determine whether the applicable performance targets have been achieved and the amounts, if any, payable to Participants for such performance period. In determining the amount earned by a Participant for a given performance period, the Committee shall have the right to adjust the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant in its sole discretion to the assessment of individual or corporate performance for the performance period.

## **Section 12. Termination of Service.**

Subject to the terms and conditions set forth herein, the Committee shall have the full power and authority to determine the terms and conditions that shall apply to any Award upon a Termination of Service with the Company or its Affiliates, including a termination by the Company with or without cause, by a Participant voluntarily, or by reason of death, Disability or Retirement, and may provide such terms and conditions in the Award Agreement or in such rules and regulations as it may prescribe.

## **Section 13. Change In Control.**

13.1 *Impact on Certain Awards.* Unless otherwise provided in an applicable Award Agreement or by the Committee at any time, in the event of a Change in Control of the Company, Options and Stock Appreciation Rights outstanding as of the date of the Change in Control may be cancelled and terminated without payment if the Fair Market Value of one Share as of the date of the Change in Control is less than the per Share Exercise Price of such Award. Subject to Section 13.2, in the event of a Change in Control, the Committee may provide, in an Award Agreement or otherwise, that all Performance Awards shall be considered to be earned and payable (in full or pro rata based on the target value of the Award and the portion of Performance Period completed as of the date of the Change in Control) and any limitations or other restrictions shall lapse and such Performance Awards may be immediately settled or distributed or that such Performance Awards shall continue or be cancelled.

13.2 Assumption or Substitution of Certain Awards.

(a) Unless otherwise provided in an applicable Award Agreement or by the Committee at any time, in the event of a Change in Control of the Company in which the successor company assumes or substitutes for an Award (or in which the Company is the ultimate parent corporation and continues the Award), the original terms of such Award shall continue in effect; *provided*, that if the surviving or successor corporation terminates a Participant's employment or service without "cause" (as such term is defined in the sole discretion of the Committee, or as set forth in the Award Agreement relating to such Award) within 12 months following such Change in Control: (i) such Participant's Options and SARs outstanding as of the date of such termination will immediately vest, become fully exercisable, and may thereafter be exercised for 12 months, (ii) restrictions, limitations and other conditions applicable to such Participant's Restricted Shares and Restricted Share Units outstanding as of the date of such termination shall lapse and the Restricted Shares and Restricted Share Units shall become free of all restrictions, limitations and conditions and become fully vested, (iii) the performance provisions of any Performance Awards may be adjusted or eliminated by the Committee and such Award may revert to a solely time-based vesting award at such level as determined by the Committee, and (iv) the restrictions, limitations and other conditions applicable to such Participant's Other Stock-Based Awards or any other Awards shall lapse, and such Awards shall become free of all restrictions, limitations and conditions and become fully vested and transferable to the full extent of the original grant. For the purposes of this Section 13.2, an Award shall be considered assumed or substituted for if following the Change in Control the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash or other securities or property) received in the transaction constituting a Change in Control by holders of Shares for each Share held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); *provided*, however, that if such consideration received in the transaction constituting a Change in Control is not solely common stock of the successor company, the Committee may, with the consent of the successor company, provide that the consideration to be received upon the exercise or vesting of an Award, for each Share subject thereto, will be solely common stock of the successor company substantially equal in fair market value to the per Share consideration received by holders of Shares in the transaction constituting a Change in Control. The determination of such substantial equality of value of consideration shall be made by the Committee in its discretion and its determination shall be conclusive and binding.

(b) Unless otherwise provided in an Award Agreement or by the Committee at any time, in the event of a Change in Control of the Company to the extent the successor company does not assume or substitute for an Award (or in which the Company is the ultimate parent corporation and does not continue the Award): (i) those Options and SARs

outstanding as of the date of the Change in Control that are not assumed or substituted for (or continued) shall immediately vest and become fully exercisable, (ii) restrictions, limitations and other conditions applicable to Restricted Shares and Restricted Share Units that are not assumed or substituted for (or continued) shall lapse and the Restricted Shares and Restricted Share Units shall become free of all restrictions, limitations and conditions and become fully vested, and (iii) the restrictions, other limitations and other conditions applicable to any Other Stock-Based Awards or any other Awards (including the settlement at target level of Performance Awards) that are not assumed or substituted for (or continued) shall lapse, and such Other Stock-Based Awards or such other Awards shall become free of all restrictions, limitations and conditions and become fully vested and transferable to the full extent of the original grant.

(c) The Committee, in its discretion, may determine that, upon the occurrence of a Change in Control of the Company, each Option and SAR outstanding shall terminate within a specified number of days after notice to the Participant, and/or that each Participant shall receive, with respect to each Share subject to such Option or SAR, an amount equal to the excess of the Fair Market Value of such Share immediately prior to the occurrence of such Change in Control over the Option Price or Grant Price of such Option and/or SAR; such amount to be payable in cash, in one or more kinds of stock or property (including the stock or property, if any, payable in the transaction) or in a combination thereof, as the Committee, in its discretion, shall determine. Upon the occurrence of a Change in Control, the Committee, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

13.3 *No Implied Rights; Other Limitations.* No Participant shall have any right to prevent the consummation of any Change in Control or any of the acts described in Section 4.2 affecting the number of Shares available to, or other entitlement of, such Participant under the Plan or such Participant's Award. Any actions or determinations of the Committee under this Section 13 need not be uniform as to all outstanding Awards, nor treat all Participants identically.

## **Section 14. Amendment and Termination.**

14.1 *Amendments to the Plan.* Except as otherwise provided in the Plan, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement for which or with which the Board deems it necessary or desirable to comply, including the rules and regulations of the principal securities exchange on which Shares are traded.

14.2 *Amendments to Awards.* Subject to the restrictions and shareholder approval requirements set forth in Section 6.2 and Section 14.1, the Committee may waive any conditions or rights under, amend any terms of or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

14.3 *Adjustments of Awards upon the Occurrence of Certain Unusual or Nonrecurring Events.* Subject to Section 11.4, the Committee is hereby authorized to make equitable and proportionate adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (and shall make such adjustments for events described in Section 4.2 hereof) affecting the Company or any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations or accounting principles.

## **Section 15. General Provisions.**

15.1 *Limited Transferability of Awards.* Subject to this Section 15.1, each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company and its Affiliates;

provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(a) Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards other than Incentive Stock Options to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to:

- (i) any person who is a “family member” of the Participant, as such term is used in the instructions to Form S-8 (collectively, the “Immediate Family Members”);
- (ii) a trust solely for the benefit of the Participant and his or her Immediate Family Members;
- (iii) a partnership or limited liability company whose only partners or shareholders are persons described in (i) or (ii) above; or
- (iv) any other transferee as may be approved by the Committee in its sole discretion or as provided in the applicable Award agreement;

(each transferee described in clauses (i), (ii), (iii) and (iv) above is hereinafter referred to as a “Permitted Transferee”); provided that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer is permissible and would comply with the requirements of the Plan and any applicable Award Agreement; provided, further that no transfer for consideration shall be allowed.

(b) The terms of any Award transferred in accordance with the immediately preceding Section shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (i) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (ii) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with any applicable Award Agreement, that such a registration statement is necessary or appropriate, (iii) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise, and (iv) the consequences of a Termination of Service by the Participant under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the Participant, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement.

15.2 *Dividends; Dividend Equivalents.* Subject to any limitations set forth in the Plan, in the sole and complete discretion of the Committee, an Award may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis. All dividend or dividend equivalents may, at the Committee’s discretion, accrue interest, be reinvested into additional Shares. All dividend or dividend equivalents shall be paid to the Participant only if and when, and to the extent that, the underlying Award vests. Notwithstanding the foregoing, and except as would otherwise constitute an adjustment pursuant to Section 4.2 of the Plan, no dividends or dividend equivalent rights shall be granted with respect to Options or SARs.

15.3 *No Rights to Awards.* No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each Participant.

15.4 *Share Certificates.* All certificates for Shares or other securities of the Company or any Affiliate (or, if any such Shares or securities are in book-entry form, such book-entry balances and confirmation and account statements with respect thereto) delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop

transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of any regulatory authority, any stock exchange or other market upon which such Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates (or confirmation and account statements for book-entry Shares) to make appropriate reference to such restrictions.

*15.5 Tax Withholding.* A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan, or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding or other tax-related obligations in respect of an Award, its exercise or any other transaction involving an Award, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. Without limiting the generality of the foregoing, the Committee may in its discretion permit a Participant to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to an Award by: (a) electing to have the Company withhold Shares or other property otherwise deliverable to such Participant pursuant to his or her Award (*provided, however,* that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required federal, state, local and foreign withholding obligations using the maximum statutory withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income, or such lower tax withholding rate as may be required to avoid the Company or any Affiliate incurring an adverse accounting charge) and/or (b) tendering to the Company Shares owned by such Participant (or by such Participant and his or her spouse jointly) and purchased or held for the requisite period of time as may be required to avoid the Company's or the Affiliates' incurring an adverse accounting charge, based, in each case, on the Fair Market Value of the Shares on the payment date as determined by the Committee. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

*15.6 Forfeiture and Clawback Provisions.* Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, all Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) of each Participant shall be subject to the provisions of any claw-back policy implemented by the Company at any time, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

*15.7 Award Agreements.* Each Award hereunder shall be evidenced by an Award Agreement that shall be delivered to the Participant and may specify the terms and conditions of the Award and any rules applicable thereto. In the event of a conflict between the terms of the Plan and any Award Agreement, the terms of the Plan shall prevail. The Committee shall, subject to applicable law, determine the date an Award is deemed to be granted. The Committee or, except to the extent prohibited under applicable law, its delegate(s) may establish the terms of agreements or other documents evidencing Awards under this Plan and may, but need not, require as a condition to any such agreement's or document's effectiveness that such agreement or document be executed by the Participant, including by electronic signature or other electronic indication of acceptance, and that such Participant agree to such further terms and conditions as specified in such agreement or document. The grant of an Award under this Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in this Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the agreement or other document evidencing such Award.

*15.8 No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of Options, Restricted Shares, Restricted Share Units, Other Stock-Based Awards or other types of Awards provided for hereunder.

15.9 *No Right to Employment; Claims to Awards.* The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ or service of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or service, free from any liability or any claim under the Plan, unless otherwise expressly provided in an Award Agreement. No Employee, Director or Consultant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Employees, Directors or Consultants under the Plan.

15.10 *No Rights as Shareholder.* Subject to the provisions of the Plan and the applicable Award Agreement, no Participant or holder or beneficiary of any Award shall have any rights as a shareholder with respect to any Shares to be distributed under the Plan until such person has become a holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Shares hereunder, the applicable Award Agreement shall specify if and to what extent the Participant shall not be entitled to the rights of a shareholder in respect of such Restricted Shares.

15.11 *Compliance with Section 409A of the Code.* Notwithstanding any other provisions of the Plan or any Award Agreements thereunder, it is intended that the provisions of the Plan and such Award Agreements comply with Section 409A of the Code, and that no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan, or any Award Agreement interpreted, in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. Any provision of this Plan that would cause the grant of an Award or the payment, settlement or deferral thereof to fail to satisfy Section 409A of the Code shall be amended to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code. In the event that it is reasonably determined by the Board or Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code; which, if the Participant is a “specified employee” within the meaning of Section 409A, shall be the first day following the six-month period beginning on the date of Participant’s Termination of Service. Unless otherwise provided in an Award Agreement or other document governing the issuance of such Award, payment of any Performance Award intended to qualify as a “short term deferral” within the meaning of Section 1.409A-1(b)(4)(i) of the U.S. Treasury Regulations shall be made between the first day following the close of the applicable Performance Period and the last day of the “applicable 2 1/2 month period” as defined therein. Although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local or foreign law. The Company shall not be liable, and no Award shall provide, to any Participant for any tax, interest, or penalties that Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

15.12 *Governing Law.* The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Tennessee without giving effect to conflicts of laws principles.

15.13 *Severability.* If any provision of the Plan or any Award is, or becomes, or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

15.14 *Other Laws.* The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation (including applicable non-U.S. laws or regulations) or entitle the Company to recover the same under Exchange Act Section 16(b), and any payment tendered to the Company by a Participant, other

holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

15.15 *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

15.16 *No Fractional Shares.* Fractional Shares may be issued or delivered pursuant to the Plan or any Award as provided by the Committee, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be issued, canceled, terminated or otherwise eliminated.

15.17 *Headings.* Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

## **Section 16. Term Of The Plan.**

16.1 *Effective Date.* The shareholders of the Company originally approved the J. Alexander's Holdings, Inc. 2015 Equity Incentive Plan to be effective on September 14, 2015 (the "Original Effective Date"). This Plan shall be effective as of the date adopted by the Board (the "Restatement Effective Date"), subject to the approval of the Plan by the holders of the shares entitled to vote at a duly constituted meeting of the shareholders of the Company. The Plan shall revert to its provisions in effect as of April 30, 2019 if the foregoing condition is not fulfilled.

16.2 *Expiration Date.* No new Awards shall be granted under the Plan after the tenth anniversary of the Restatement Effective Date. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder after the Original Effective Date may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after the tenth anniversary of the Restatement Effective Date.

Date Adopted by the Board: May 1, 2019