THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in The Restaurant Group plc (the ‘Company’), please pass this document and the accompanying Form of Proxy to the stockbroker, bank or other agent through whom you made the sale or transfer for forwarding on to the purchaser or transferee.

The Restaurant Group plc

Notice of General Meeting

to be held at:
the Company’s Head Office at 5-7 Marshalsea Road, London SE1 1EP
on Thursday, 8th October 2020 at 10:00 am.

IMPORTANT NOTE:
WE ARE ASKING SHAREHOLDERS NOT TO ATTEND THE GENERAL MEETING IN PERSON, DUE TO GOVERNMENT HEALTH GUIDELINES ON COVID-19.

We have included details on how to vote on the resolutions at the General Meeting and how to ask questions of the Board of Directors on pages 2 and 3 of this document.

Notice of the General Meeting of the Company to be held on Thursday 8th October 2020 at 10:00 a.m. (the ‘GM’) is set out on page 7 of this document.

A Form of Proxy for the GM is enclosed and, to be valid, should be completed, signed and returned so as to reach the Company’s Registrar, Equiniti, by no later than 10:00 a.m. on Tuesday 6th October 2020 (or, if the GM is adjourned, 48 hours before the time of the adjourned GM (excluding any UK non-working days)). As an alternative to completing a hard copy Form of Proxy, you can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on your Form of Proxy). Alternatively, if you have already registered with Equiniti’s online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. For an electronic proxy appointment to be valid, the appointment must be received by the Company’s Registrar, Equiniti, no later than 10:00 a.m. on 6th October 2020 (or, if the GM is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). For those who hold their shares in CREST, please refer to Note 6 on page 8 of this document for guidance on voting.

At the GM itself, the votes will be taken by poll rather than on a show of hands. The results of the poll will be announced as soon as practicable and will appear on the Company’s website at www.trgplc.com/investors.
Dear Shareholder,

General Meeting to approve our new Directors’ Remuneration Policy

1. Notice of General Meeting

The General Meeting of The Restaurant Group plc (the “Company”) to approve the new Directors’ Remuneration Policy and Restricted Share Plan will be held at the Company’s Head Office at 5-7 Marshalsea Road, London SE1 1EP on Thursday, 8th October 2020 at 10:00 am.

The Notice of Meeting (“Notice”) is set out on page 7 of this document and this letter highlights the business to be transacted at the meeting. Please find enclosed a Form of Proxy for the General Meeting (“GM”).

You are advised to read the whole of this document, including the Notice, and not to rely solely on the information contained in this letter.

2. Procedure for holding the General Meeting

In light of the continuing Government restrictions in respect of Covid-19, our key priority remains the health and safety of our employees, customers, business partners and our shareholders. As was the case for the annual general meeting (“AGM”) held in May 2020, and in line with current guidelines, the GM will be run as a closed meeting and shareholders will not be permitted to attend in person. The Company will make arrangements such that the legal requirements to hold the meeting will be satisfied through the attendance of a minimum number of directors and the format of the meeting will be purely functional. The GM will comprise of only the formal vote on each resolution set out in the Notice, without any business update or Q&A.

We are therefore implementing the following precautions to ensure that we hold the GM in a compliant and safe way:

- shareholders and their representatives will NOT be permitted to attend the GM in person;

- instead, all shareholders should vote by proxy to ensure that their vote is counted at the GM either:
  - by appointing a proxy electronically (as explained on the following page) or
  - by completing the enclosed Form of Proxy and returning it by post.
Given the restrictions on attendance, shareholders are advised to appoint the “Chairman of the meeting” as their proxy rather than a named person who will not be permitted to attend the meeting and

- as shareholders will not be attending the GM in person, we are providing a facility for shareholders to ask questions of the Board of Directors. We will then select representative questions and provide answers on our website. The details are set out in the ‘Shareholder questions’ section below.

As the situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of meetings during the affected period, any changes to the GM will be communicated to shareholders before the meeting through our website (www.trgplc.com) and, where appropriate, by RIS announcement.

We trust that all our shareholders will understand the need for these precautions in light of Government health guidelines on Covid-19.

Voting

Please do NOT to try to attend the GM in person. Instead, please vote by proxy as follows:

- you can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on your Form of Proxy). Alternatively, if you have already registered with Equiniti’s online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites. To be valid your proxy appointment and instructions should be made no later than 10:00 a.m. on Tuesday 6th October 2020;

- you can appoint a proxy by completing the enclosed Form of Proxy. This should be returned as soon as possible and in any event must be received no later than 10:00 a.m. on Tuesday 6th October 2020;

- CREST holders should refer to note 6 on page 8 of this document.

Given the restrictions on attendance, for your votes to be counted, you are advised to appoint the “Chairman of the meeting” as your proxy, rather than a named person who will not be permitted to attend the meeting.

Appointing a proxy, either electronically or by post, will ensure your vote is recorded. The quorum for the GM is at least two shareholders present in person, by proxy or by a corporate representative. The resolutions will require the approval of a simple majority (over 50%) of the votes cast at the GM. The resolutions will be decided by way of a poll so that the votes of shareholders who do not attend in person will be counted.

Shareholder questions

As shareholders will not be attending the GM in person, we have set up a dedicated electronic mailbox for shareholders to ask questions of the Board of Directors. Please send your questions to GMQuestions@trgplc.com by no later than 11:00 a.m. on 8th October 2020, stating your name and Shareholder Reference Number (as printed on your Form of Proxy). We will collate the questions we receive and will select a representative sample which will be answered on the Company’s website at www.trgplc.com. We will also provide answers directly to the shareholders who asked the questions.

3. Purpose of the Meeting

Our existing Directors’ Remuneration Policy will expire in 2021 having been originally approved at the AGM held in May 2018 by over 99% of the shareholders voting. The Remuneration Committee (the “Committee”), whose members are all Non-executive Directors (Zoe Morgan (Chairman), Debbie Hewitt, Graham Clemett and Alison Digges), had intended to carry out a review of this policy in 2020 and to propose a new policy for approval at the next AGM in 2021. However, given the exceptional events of 2020 related to Covid-19, and the current Long Term Incentive Plan (“LTIP”) no longer being appropriate, the Committee has decided to accelerate its review and has
recommended a new Directors’ Remuneration Policy (the “New Policy”) which is better aligned to the long-term interests of the Company and its shareholders; and the Board has approved the New Policy to be submitted to a binding vote by shareholders at the GM on Thursday 8th October 2020.

Background

The Company has been significantly impacted by Covid-19, with much of our business closed from mid-March to early July 2020. The business partially reopened through offering delivery services and has gradually been able to recommence the opening of our estate within social distancing guidelines.

Shareholders will have seen a number of announcements over the past months about the measures that have been taken to protect the business. The Executive Directors and, indeed, the wider leadership team have also adopted a responsible approach to remuneration to safeguard the business including:

- the CEO and Non-executive Directors waived 40% of their salaries/fees from 1 April 2020 (the CFO 20%), which has been aligned at a 20% reduction for all of the Board from 1 July 2020. This reduction will continue while any level of Government Job Retention support is continued. The Executive Directors proactively volunteered these waivers;
- the bonuses for 2019 approved and reported as payable in the Directors’ Remuneration Report (“DRR”), were waived by the Executive Directors and have been cancelled;
- should the New Policy be approved, no annual bonuses will be paid to the Executive Directors for 2020;
- all outstanding LTIP awards look set to deliver no value and no adjustments are proposed and
- the 2020 LTIP grant proposed in the DRR was never made, given the dramatic reaction of the share price to the unprecedented impact of Covid-19. The Board concluded that the priority should be to stabilise the Company rather than to focus on executive reward, and postponed the 2020 grant, which it has still, to date, not awarded.

As a result, whilst these measures were important in the context of the lockdown, they effectively mean that the Company's senior management is not currently subject to any retention or incentivisation mechanisms.

Now that the Group is focussed on re-opening and re-establishing the business, the Committee has turned its attention to the Directors’ Remuneration Policy going forward and, in particular, long-term incentives.

Even when proposing targets for the 2020 grants (which were not ultimately made), the Committee was struck by the challenge of setting 3-year targets in a dynamic market with no listed peers. Work had commenced on the 2021 policy review with a view to replacing the LTIP with a restricted share award over a lower value of shares, to better align executives with the shareholder experience and recognise the challenge in setting targets.

Given the impact of Covid-19, the Committee reflected on a number of different long-term schemes, including one more geared and linked to stretching recovery targets. However, while this may have some short-term attractions, it felt that this would not reflect the best means of aligning executives and longer term shareholders into the future. It is, unfortunately, easy to envisage circumstances in which LTIP targets either become too easy for management to achieve or unrealistic. In both cases, management would not be incentivised by the LTIP, and that would not be satisfactory for shareholders. Particularly in the aftermath of Covid-19, it seems likely that any LTIP conditions may have a binary outcome and either fully vest or not vest at all.

The Board of Directors believes therefore that our executives can be best aligned with shareholders through restricted shares, which inherently provide an immediate and significant interest in the share price alongside our longer-term investors. The Board of Directors considers that the stability of a smaller fixed vesting level better supports the stewardship role of management in these potentially volatile circumstances, as the ultimate value received is dependent upon share price movement and, therefore, fully aligned with the shareholder experience.
The Committee reviewed all of the various options over the summer of 2020 and consulted directly, and in several cases extensively, with our 12 largest shareholders and the leading proxy advisory firms. Following those discussions, the Board is now proposing the New Policy and Restricted Share Plan (“RSP”), to take effect from 8th October 2020, which would allow us to make the deferred 2020 LTIP grant in the form of Restricted Shares.

**Restricted Shares**

The principal terms of the RSP are summarised in Appendix 2 to this document.

In essence, the New Policy updates for developments in best practice, including the Committee’s over-arching discretion to decide the level of vesting of the Restricted Shares and the introduction of post-cessation share ownership guidelines, at the time of grant.

While Restricted Shares exchange quantum for greater certainty of vesting (and therefore improve the retentive impact), the Committee and whole Board are committed to avoiding payments for failure. Any vesting will be contingent on satisfaction of a discretionary underpin, assessed three years after grant, under which the Committee determines whether the vesting is appropriate in all the circumstances and, in particular, will have regard to the Company’s and participants’ performance in the round. This will allow a broad assessment, including as to progress made in terms of financial performance and such other factors as the Committee may consider relevant, including as to various environmental, social and corporate governance factors.

In addition, for the 2020 grant, the Committee has also committed that 50% of the Restricted Shares will only vest if the Company’s EBITDA in FY22 is at least £100m (subject to adjustment for any acquisitions or disposals over the period). This is an underpin and not a forecast or performance target, and ensures that there is a minimum EBITDA level below which 50% of the Restricted Shares will not vest.

While the on-going grant level for the Executive Directors is likely to be set at 100% of salary (representing a 50% discount to the previous LTIP level of 200%), and that level is envisaged for the 2021 grant expected in March 2021, given the circumstances set out above including the Executive Directors’ proactive stance on salary and approved bonus waivers, and the absence of bonuses for 2020 and of any meaningful in-flight LTIP awards, it is proposed that the 2020 grant to the two Executive Directors, to be made if the New Policy is approved, will be over shares worth 125% of salary shortly after the GM. This will be calculated using a share price of 52.7p being the price following our last market update on 10th July 2020.

The Committee considers the proposed New Policy and Restricted Share Plan to provide an appropriate approach to remuneration for the foreseeable future and urges shareholders to support the relevant resolutions.

### 4. Resolution 1 - new Directors’ Remuneration Policy

Resolution 1 is an ordinary resolution to approve the New Policy which is set out at Appendix 1 to this document.

Our existing Directors’ Remuneration Policy was approved at the 2018 AGM and a new remuneration policy must be put forward for approval by shareholders at least every three years. We would normally put an updated policy to shareholders at the 2021 AGM. However, as a result of developments in connection with the Covid-19 pandemic, we have decided to accelerate our policy review and put a revised policy to shareholders now.

The key changes made in the proposed New Policy are:

- the introduction of a new Restricted Share Plan (see also Resolution 2);

- an increase in the share ownership guideline to 250%;

- the introduction of post-cessation share ownership guidelines and
- a commitment to align pension rates for new Executive Directors. The Committee is aware that market practice is moving to extend such changes to incumbent directors. The CEO does not receive any pension allowance and, in light of the current approach to salary waivers and the proactive stance taken on other elements of pay, it is not considered appropriate to force such a reduction on the CFO at this time. However, the Committee will keep this under review over the life of the New Policy.

If Resolution 1 is approved, the effective date of the New Policy will be 8th October 2020 ("the Effective Date") being the date of the GM. Once the New Policy has been approved, all payments made by the Company to the Directors and any former Directors must, with effect from the Effective Date, be made in accordance with the New Policy (unless a payment has been separately approved by a shareholder resolution). If the Company wishes to change the New Policy, it will need to put a revised policy to a shareholder vote again before it can implement such changes. The New Policy will, once approved, and provided it remains unchanged, apply for up to three years and will be put to the shareholders for approval again in 2023.

This resolution will be a binding vote and Directors can only receive remuneration if it is within the approved New Policy. If Resolution 1 is not passed, Resolution 2 will not be put to the meeting and our existing Directors’ Remuneration Policy approved at the 2018 AGM will continue in effect until a new policy is approved by shareholders.

5. Resolution 2 - The Restaurant Group Restricted Share Plan

Resolution 2 seeks authority from shareholders for the approval of the RSP as the long-term incentive arrangement for the Company’s Executive Directors, senior management and other selected employees.

Resolution 2 seeks authority from shareholders to adopt and operate the RSP for a period of 10 years from the GM. The RSP is a new long-term incentive arrangement (replacing the existing 2015 LTIP) for the Company’s Executive Directors, senior management and other selected employees.

A summary of the principal terms of the RSP is set out at Appendix 2 to this document.

6. Recommendation

Your Board considers the adoption of the resolutions to be in the best interests of the Company and its members as a whole. Accordingly, your Board unanimously recommends that shareholders vote in favour of the resolutions, as they intend to do in respect of their own shareholdings.

Yours faithfully,

Debbie Hewitt MBE
Chairman

The Restaurant Group plc
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting (the ‘GM’) of The Restaurant Group plc (the ‘Company’) will be held at the Company’s Head Office at 5-7 Marshalsea Road, London SE1 1EP on Thursday 8th October 2020 at 10:00 a.m. to consider and if thought fit, pass the following resolutions as ordinary resolutions.

Approval of new Directors’ Remuneration Policy

1. THAT the new Directors’ Remuneration Policy, as set out in Appendix 1 to this Notice of Meeting, be and is hereby approved.

Approval of The Restaurant Group Restricted Share Plan

2. THAT the rules of The Restaurant Group Restricted Share Plan (the “RSP”), produced in draft to this meeting (the terms of which are summarised in Appendix 2 to this Notice of Meeting) and, for the purposes of identification, initialled by the Chairman, be and are hereby approved and the Directors be authorised to:

   (a) do all such other acts and things as they may consider appropriate to implement the RSP and

   (b) establish further plans based on the RSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the RSP.

By order of the Board

Jean-Paul Rabin
Company Secretary
21st September 2020

Registered office: Registered in Scotland

1 George Square Registered number: SC030343
Glasgow G2 1AL
ENTITLEMENT TO APPOINT PROXIES

3. Under normal circumstances, shareholders may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. However, given the restrictions on attendance at the GM, you should appoint only the “Chairman of the meeting” as your proxy, rather than appointing one or more named persons who will not be permitted to attend the meeting.

Appointing Proxies

4. A Form of Proxy is enclosed. To be valid and effective, any proxy form and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority must be deposited at the office of the Company’s registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA so as to be received not later than 10:00 am on 6th October 2020.

5. As an alternative to completing a hard copy Form of Proxy, you can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (as printed on your Form of Proxy). Alternatively, if you have already registered with Equiniti’s online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites. For an electronic proxy appointment to be valid, the appointment must be received by the Company’s registrar, Equiniti, no later than 10:00 am on 6th October 2020 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). Any electronic communication sent by a shareholder to Equiniti which is found to contain a virus will not be accepted by the Company, but every effort will be made by the Company to inform the shareholder of the rejected communication.

Appointment of Proxies through CREST

6. CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so for the GM to be held on 8th October 2020 and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a ‘CREST Proxy Instruction’) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (‘Euroclear’) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA19) by 10:00 am on 6th October 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate Representatives

7. Any corporate shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
Nominated Persons
8. A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 6 of these notes do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

Shareholders’ right to ask questions
9. As shareholders will be unable to attend the GM in person, we have set up a dedicated electronic mailbox for shareholders to ask questions of the Board of Directors. Please send your questions to GMQuestions@trgplc.com by no later than 11:00 am on 8th October 2020, stating your name and Shareholder Reference Number (as printed on your Form of Proxy). We will collate the questions we receive and will select a representative sample which will be answered on the Company’s website at www.trgplc.com promptly after the GM. We will also provide answers directly to the shareholders who asked the questions.

Documents available for inspection
10. Subject to any Government Public Health restrictions on Covid-19, a copy of the following documents will be available for inspection at the Company’s registered office during normal business hours (weekends and public holidays excepted) from the date of this Notice and shall also be available at the place of the Meeting at least 15 minutes prior to the Meeting and during the Meeting:
   - the Company’s Articles of Association
   - the rules of The Restaurant Group Restricted Share Plan
   - a copy of the Circular.

Total Voting Rights
11. As at 18th September 2020 (being the latest practicable date prior to the publication of this document), the Company’s issued share capital comprised 589,795,475 ordinary shares of 28 1/8 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company.

Communication with the Company
12. You may not use any electronic address provided either in this Notice of Meeting or any related documents to communicate with the Company for any purpose other than as expressly stated.

Information about this meeting is available from the Company’s investor relations web page: www.trgplc.com/investors.
APPENDIX 1

DIRECTORS’ REMUNERATION POLICY

Directors’ Remuneration Policy report

This report sets out the policy of the Group on Executive Directors’ and Non-executive Directors’ remuneration. The Policy Report will be put to shareholders for approval at the General Meeting (“GM”) to be held on Thursday 8th October 2020 and, subject to approval, will be operated from that date. The current policy, approved by shareholders in 2018, will continue to apply until the new policy is approved.

Policy overview
The objective of our Remuneration Policy is to attract, retain and incentivise a high calibre of senior management who can direct the business and deliver the Group’s core objective of growth in shareholder value by building a business that is capable of delivering long-term, sustainable and growing earnings.

To achieve this objective, Executive Directors and senior management receive remuneration packages with elements of fixed and variable pay. Fixed pay elements (basic salary, pension arrangements and other benefits) are set at a level to recognise the experience, contribution and responsibilities of the individuals and to take into consideration the level of remuneration available from a range of the Group’s broader competitors.

Variable pay elements (annual bonus and Restricted Share Plan awards) are set at a level to incentivise Executive Directors and senior management to deliver outstanding performance in line with the Group’s strategic objectives and to align their interests with those of long-term shareholders.

Consideration of shareholders’ views
The Remuneration Committee (the “Committee”) considers feedback from shareholders received during the year, including at AGMs and in consulting with major shareholders and proxies in preparing for the GM, and feedback from additional engagement as part of any review of executive remuneration. The Committee engages pro-actively with shareholders and ensures that they are consulted in advance where any material changes to the Remuneration Policy are proposed. During 2020, a consultation exercise was undertaken with major shareholders to seek feedback on the proposed changes to the Policy.

Consideration of employment conditions elsewhere in the Group
In determining the remuneration of the Directors, the Committee takes into account the pay arrangements and terms and conditions across the Group as a whole. The Committee seeks to ensure that the underlying principles which form the basis for decisions on Directors’ pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the head office team when conducting the salary review for the Executive Directors. Increases for the non-managerial staff in restaurants and pubs are determined in line with changes to the National Minimum and National Living Wage.

Managing potential conflicts of interest
In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of all Executive Directors is set and approved by the Committee; none of the Executive Directors are involved in the determination of their own remuneration arrangements. The Committee also receives support from external advisers and evaluates the support provided by those advisers annually to ensure that advice is independent, appropriate and cost-effective.

Key elements of the new Remuneration Policy for Directors
Set out below is a summary of the main elements of the new Remuneration Policy for Executive Directors and Non-executive Directors, together with further information on how these aspects of remuneration operate. The key changes are:

- a commitment to align pension rates for new Executive Directors;
- the introduction of a new Restricted Share Plan;
- an increase in the share ownership guideline to 250% and
- the introduction of post-cessation share ownership guidelines.

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<tr>
<th>Purpose and link to strategy</th>
<th>Operation</th>
<th>Opportunity</th>
<th>Performance metrics</th>
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<tbody>
<tr>
<td>Basic Salary</td>
<td>Attract and retain key personnel of the right calibre. Reflects individual responsibilities, skills and achievement of</td>
<td>Salary levels (and subsequent increases) are set based on role, experience, performance and consideration of the general workforce pay review and competitor pay levels.</td>
<td>No prescribed maximum annual increase. The Committee is guided by the general increase for the Company’s general workforce, but on occasions may need to recognise, for example,</td>
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|**Objectives.** | Salaries are paid monthly.  
Normally reviewed annually with any changes taking effect from 1 January or when an individual changes position or responsibility. | an increase in the scale, scope or responsibility of the role. |
|---|---|---|
|**Benefits** | To provide market consistent benefits. | No maximum limit.  
None. |
| | Benefits packages typically comprise a car (or car allowance), health insurance, and life assurance although other benefits may be provided where appropriate, including relocation and expatriation expenses as outlined in this report. | |
|**Pensions** | Rewards sustained contribution. | Up to 20% of base salary for incumbents.  
New Executive Directors will receive no more than the rate from time to time available to the majority of staff. |
| | Contribution to a personal pension plan (no defined benefit schemes operate) and/or a salary supplement (e.g. where HMRC limits would be exceeded). Going forwards, new recruits will receive no more than the rate from time to time applicable to the majority of staff. | None. |
|**Annual bonus** | Rewards the achievement of annual financial targets and other key performance indicators, depending on job responsibilities, which are aligned to the strategic needs of the business. | Maximum of 150% of base salary.  
Normally based on a one-year performance period.  
The annual bonus is subject to the achievement of stretching performance measures.  
Financial measures will account for the majority, normally based on Group Adjusted profit before tax or an alternative profit measure.  
The Committee may vary the metrics and weightings from year to year according to Group strategy.  
The Committee retains the ability to override the out-turn to reduce such payment if it does not consider the out- |
| **Restricted Share Plan (RSP)** | Promotes achievement of long-term strategic objectives of increasing shareholder value and aligning the interests of participants with those of long-term shareholders. | Annual grant of Conditional Awards calculated as a proportion of base salary. The 2020 grant will be calculated using a share price of 52.7p (being the prevailing price on the date of the last market update prior to consulting with shareholders on the RSP). Subsequent grants will use the price prevailing at or shortly prior to grant (typically based on a 5-day average). A malus and clawback mechanism operates. The Committee has the authority to apply this mechanism if, in the opinion of the Committee, any of the following has occurred:  
- a material misstatement of the Company’s results;  
- an error is made in any calculation or assessment in relation to an award;  
- gross misconduct by a participant;  
- any other adverse circumstances materially impacting the reputation of the Group; or  
- an insolvency of the Company. | Maximum of 125% of salary | The level of vesting will be dependent upon the Committee confirming whether any underpin has been met as at the third anniversary of grant. All awards to Executive Directors will be subject to the underpin that the Committee is satisfied that the Award should vest and may be reduced if it feels that there has been unsatisfactory financial, personal or other performance over the period. In addition, grants in 2020 will be subject to the additional requirement, in respect of 50% of the award, that EBITDA in 2022 is at least £100m (with EBITDA assessed by the Committee and adjusted for acquisitions and disposals). |
| **Save As You Earn scheme (SAYE)** | Encourages employee share ownership and therefore increases alignment with shareholders. | HMRC-approved plan under which eligible employees are able to purchase shares under a three-year savings contract at a discount of up to 20% of market value at grant. Provides tax advantages to UK employees. | Prevailing HMRC limits. | None. |
| **Shareholding guidelines** | Increase alignment with shareholders. | Executive Directors must build up and maintain a shareholding equivalent to 250% of base salary. Requirement to retain no fewer than 50% of the net of tax shares vesting under an RSP (or legacy LTIP) award until the required shareholding is achieved. | N/A | None. |
The requirement will continue to apply for 2 years post-cessation of employment (with such shares valued at the higher of the share price on departure and subsequently) unless the Committee exceptionally determines otherwise.

To enforce such requirement, vestings from RSP awards will be lodged in escrow until sufficient shares are held.

Non-executive Directors’ fees

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tr>
<td>Attract and retain a high-calibre Chairman and Non-executive Directors by offering market-competitive fee levels.</td>
<td>Fees are normally reviewed annually. Fees paid in cash. Chairman is paid a single fee. Non-executive Directors are paid a base fee. A Committee Chair fee and a Senior Independent Director fee is payable to reflect additional responsibility. The Chairman and the Non-executive Directors are entitled to reimbursement of reasonable expenses including any tax due on such payments. They may also receive limited travel or accommodation-related benefits in connection with their role as a Director.</td>
</tr>
<tr>
<td>Reflects fees paid by similarly sized companies. Reflects time commitments and responsibilities of each role.</td>
<td>The Group’s Articles of Association place a limit on the aggregate annual fees of the Non-executive Directors of £650,000. As per Executive Directors, there is no prescribed maximum annual increase. The Committee is guided by the general increase in the Non-executive Director market and for the broader UK employee population but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role.</td>
</tr>
</tbody>
</table>

Differences between the Policy Report and that previously approved by shareholders are summarised above.

Performance measures

The Committee chooses performance measures in the annual bonus and, where relevant, any underpin to the RSP which align to the Group’s profitability and the strategic plan. This enables the Executive Directors to be incentivised to achieve the Group strategy, aligning interests with those of shareholders. Financial performance measures (Adjusted profit before tax) are used as the key performance indicators (KPI).

Performance against targets are reviewed by the Committee. For the annual bonus plan, non-financial measures relate to strategic priorities such as the number of covers and the results of the employee engagement survey.

Committee discretions

The Committee operates share plans in accordance with their respective rules and in accordance with the UK Listing Rules and HMRC requirements where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans. These include (but are not limited to) the following:

- selecting the participants;
- the timing of grant and/or payment;
- the size of grants and/or payments (within the limits set out in the Policy table above);
- the extent of vesting based on the assessment of performance;
- determination of a ‘good leaver’ and where relevant the extent of vesting in the case of the share-based plans;
- treatment in exceptional circumstances such as a change of control, in which the Committee would act in the best interests of the Company and its shareholders;
• making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividends);

• cash settling awards and

• the annual review of performance measures, weightings and setting targets for the discretionary incentive plans from year to year.

Any performance or underpin conditions may be amended or substituted if one or more events occur which cause the Committee to reasonably consider that the performance conditions would not, without alteration, achieve their original purpose. Any varied performance condition would not be materially less difficult to satisfy in the circumstances.

**Differences between the Policy Report and the policy on employee remuneration**

There are no material differences in the structure of remuneration arrangements for the Executive Directors and the senior management team. There are some operational differences such as quantum, which reflect the fact that a greater emphasis is placed on performance-related pay for Executive Directors and the most senior individuals in the management team. Outside the senior management team, the Company aims to provide remuneration structures for employees which reflect market norms.

**Legacy arrangements**

For avoidance of doubt, in approving this Directors’ Remuneration Policy Report, authority is given to the Company to honour any prior commitments entered into with current or former Directors.

**External appointments**

Executive Directors are entitled to accept one appointment outside the Group and there is no requirement for Directors to remit any fees to The Restaurant Group plc. Details of any appointments are provided in the annual report on remuneration section.

**Illustration of application of Remuneration Policy**

The chart below shows the value of the Executive Directors’ packages under three performance scenarios, minimum, on-target and maximum together with a modified version of the maximum column to include 50% share price appreciation.

### Notes:

• Salary levels are based on those applying from 1 January 2020 (and are before the effect of any salary waivers).

• The value of benefits receivable in 2020 is estimated and the CFO's pension is based on 20% of salary.

• The on-target level of bonus is taken to be 50% of the maximum bonus opportunity (150% of salary for the CEO and 120% for the CFO).

• The on-target level of vesting under the RSP is taken to be the face value of the proposed 2020 grant (125% of salary for the CEO and the CFO).

• No share price appreciation has been assumed for the deferred bonus shares and the final column shows the maximum with the RSP benefiting from 50% share price appreciation.
Approach to recruitment and promotions
The remuneration package for a new Executive Director would be set in accordance with the terms of the Company’s prevailing approved Remuneration Policy at the time of appointment and take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Salary would be provided at such a level as required to attract the most appropriate candidate and may be set initially at a below mid-market level on the basis that it may progress towards the mid-market level once expertise and performance has been proven and sustained. Benefits and pensions would be provided in line with the prevailing approved policy. The annual bonus potential would be limited to 150% of salary and grants under the RSP would be limited to a maximum of 125% of salary. Where necessary, specific annual bonus targets may be introduced for an individual for the first year of appointment if it is appropriate to do so to reflect the individual’s responsibilities and the point in the year at which they joined the Board. In addition, the Committee may offer additional cash and/or share-based elements to replace deferred or incentive pay forfeited by an executive leaving a previous employer. It would seek to ensure, where possible, that these awards would be consistent with awards forfeited in terms of vesting periods, expected value and performance conditions.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate, so as to enable the recruitment of the best people including those who need to relocate.

Notice periods for Executive Directors are normally 12 months. If appropriate, the Committee may agree, on the recruitment of a new Executive Director, to a notice period of 6 months but with the ability to increase this to 12 months over a specified period.

Service contracts and payments for loss of office
Contractual provisions
It is the Company’s policy that any new Executive Director appointment should have a service contract with an indefinite term which is subject to up to a year’s notice by either party with provision, at the Board’s discretion, for early termination by way of a payment in lieu of salary, with the ability to phase payments and mitigate such payments if alternative employment is obtained.

There will be no provisions in respect of a change of control.

Directors’ service contracts are available for inspection at the central support office of the Group during normal business hours and will be available for inspection at the AGM.

Outstanding incentive awards
The annual bonus may be payable with respect to the period of the financial year worked, although it will be pro-rated for time and paid at the normal pay-out date.

Any share-based entitlements granted to an Executive Director under the Company’s share plans will be determined based on the relevant plan rules. Any unvested deferred bonus plan awards will ordinarily vest on the normal vesting date, save where the departure is as a result of summary dismissal in which case the awards will lapse on cessation of employment. Any outstanding RSP (and legacy LTIP) awards will normally lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, disability, retirement or other circumstances at the discretion of the Committee, ‘good leaver’ status may be applied. Awards held by Executive Directors will normally vest on their scheduled vesting date, subject to the satisfaction of the relevant performance or underpin conditions at that time and reduced pro-rata to reflect the proportion of the normal vesting period actually served.

However, the Committee has discretion to determine that awards vest at cessation and/or to dis-apply time pro-rating.
In the event of a takeover (or other corporate event such as demerger, delisting, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of shares to a material extent) all awards will vest early subject to the extent that the performance or underpin conditions have been (or would have been, in the opinion of the Remuneration Committee) satisfied at that time and pro-rated to reflect the reduced period between grant and vesting relative to the normal vesting period (although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances). In the event of an internal reorganisation, awards may be exchanged for equivalent new awards over shares in the new holding company.

Non-executive Directors
Letters of appointment for the Non-executive Directors were each set for an initial three-year period (renewable thereafter for periods of three years). Non-executive Directors are required to submit themselves for re-election every year.

The notice period for the Chairman, Debbie Hewitt, is six months by either party. The notice period for the Non-executive Directors is set at three months under arrangements that may generally be terminated at will by either party without compensation.

Directors’ letters of appointment are available for inspection at the central support office of the Group during normal business hours and will be available for inspection at the AGM.

Fees payable for a new non-executive Director appointment will take into account the experience and calibre of the individual and current fee structure.
APPENDIX 2

Summary of the Principal Terms of
The Restaurant Group Restricted Share Plan (the "RSP")

1. Operation

The Remuneration Committee of the Board of Directors of the Company (the “Committee”) will supervise the operation of the RSP.

2. Eligibility

Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the RSP at the discretion of the Committee.

3. Grant of awards

The Committee may grant awards to acquire ordinary shares in the Company (“Shares”) within six weeks following: (i) the date on which the RSP is approved by shareholders; or (ii) the Company’s announcement of its results for any period. The Committee may also grant awards at any other time when the Committee considers there are exceptional circumstances which justify the granting of awards.

The Committee may grant awards as conditional shares, nil (or nominal) cost options or as forfeitable shares. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

An award may not be granted more than 10 years after shareholder approval of the RSP. No payment is required for the grant of an award. Awards are not transferable, except on death.

Awards are not pensionable.

4. Individual limit

An employee may not receive awards in any financial year over Shares having a market value in excess of 125% of his or her annual base salary in that financial year.

5. Overall limits

The RSP may operate over new issue Shares, treasury Shares or Shares purchased in the market. In any ten calendar year period, the Company may not issue (or grant rights to issue) more than:

(i) 10 per cent. of the issued ordinary share capital of the Company under the RSP and any other employee share scheme adopted by the Company; and

(ii) 5 per cent. of the issued ordinary share capital of the Company under the RSP and any other executive share scheme adopted by the Company.

These limits do not include rights to shares which have been released or lapsed.

Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investor guidelines decide that they need not count.

6. Vesting of awards

The vesting of awards granted under the RSP will be subject to continued employment with the Company’s group for a specified period.

The vesting of awards under the RSP will not be automatic and, at the end of the vesting period the Committee will consider in a disciplined way whether it is appropriate for the award to vest fully. The
purpose of restricted share awards is to reduce the size of awards compared with a more traditional LTIP in return for greater certainty of payment and, therefore, the norm should be for awards to vest.

The Committee may make vesting of RSP awards subject to its assessment of one or more “underpinnings” set at the time of grant. The Committee retains the discretion to reduce an award in whole or in part based on its assessment of the underpinnings (including whether there has been unsatisfactory financial, personal or other performance over the vesting period).

It is proposed that any RSP awards granted to an Executive Director will be subject to:

(i) a vesting period of at least 3 years (and subject to the holding period, outlined below); and

(ii) the Committee’s consideration of one or more underpin conditions assessed at the end of the vesting period.

Other than for Directors, the vesting period of awards will be determined by the Committee at the time of grant but may not be set for periods shorter than 3 years.

Once vested, awards granted as nil (or nominal cost) options are then normally exercisable up until the tenth anniversary of grant unless they lapse earlier.

The Committee may also vary an underpin condition applying to existing awards if an event has occurred which causes the Committee to consider that it would be appropriate to amend the underpin condition, provided the Committee considers the varied condition is not, in its opinion, materially less challenging in the circumstances but for the event in question.

7. Initial awards

Subject to approval by shareholders, it is intended that the first awards will be made shortly following the GM on 8th October 2020 to the Executive Directors, senior management and other selected employees. The initial awards will be calculated using a share price of 52.7p (being the prevailing price on the date of the last market update prior to the start of consultations with shareholders on the RSP). The value of any subsequent awards will be calculated using the price prevailing at or shortly prior to grant (either on a closing single day or averaged basis).

The Committee wishes to ensure that payments for failure are avoided and, therefore, will apply the following underpin to all awards: that the Group’s underlying performance and delivery against its strategy (which may change in response to cyclical and structural changes over time) is sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round. In normal circumstances, such factors will include the Company’s financial performance, balance sheet strength, performance against environmental, social and corporate governance priorities set by the Committee from time to time. The objective of the underpin is avoid payments for failure while recognising that the plan has exchanged quantum for greater (but not total) certainty of vesting so the default should be that the underpin will be met in the absence of clear underperformance.

In addition, the 2020 awards will also be subject to the additional minimum requirement, in respect of 50% of the award, that EBITDA in 2022 is at least £100m (with EBITDA assessed by the Committee on such basis as it considers reasonable and adjusted for acquisitions and disposals).

The Committee will consider the appropriate level of grant for subsequent annual grants and currently envisages that the 2021 grant (due to be made in March 2021) will be at the lower level of 100% of salary using the 5-day average closing share price over the period immediately prior to grant, with this lower level intended for subsequent grants.

8. Dividend equivalents

The Committee may decide that participants will receive a payment (in Shares and/or cash) on the vesting of their awards, of an amount equivalent to the dividends that would have been paid on those Shares between the time when the awards were granted and the time when they vest (or, where awards are structured as nil or nominal cost options, the date on which any holding period applying to that
option ends). Alternatively, the Committee may decide that participants may have their awards increased as if dividends were paid on the Shares subject to their award and then reinvested in further shares.

9. Leaving employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a Director within the Company’s group. However, if a participant ceases to be an employee or a Director because of death, injury, disability, retirement, the participant’s employing company or the business for which the participant works being sold out of the Company’s group or in other circumstances at the discretion of the Committee (known as the “good leaver” reasons), then the participant’s unvested award will normally vest on the date when it would have vested had the participant not ceased such employment or office, subject to the satisfaction of any underpin conditions and, unless the Committee determines otherwise, a time pro rata reduction.

Alternatively, if a participant ceases to be an employee or Director in the Company’s group for one of the good leaver reasons specified above, the Committee can decide that the participant’s unvested award will vest when the participant leaves, subject to the satisfaction of any underpin conditions and, unless the Committee determines otherwise, a time pro rata reduction.

The extent to which a good leaver’s award will vest depends upon two factors: (i) the extent to which any underpin conditions have, in the opinion of the Committee, been satisfied; and (ii) pro-rating of the award to reflect the reduced period of time between its grant and the date of cessation relative to the normal vesting period, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances.

If a participant holds a vested option and ceases to be an employee or Director in the Company’s group for one of the good leaver reasons specified above, the participant will retain the vested option and be able to exercise it within 12 months of the date of cessation of employment.

Where a participant leaves the Company’s employment and the participant’s award is subject to a holding period, the holding period will continue to apply to the award and/or vested Shares (except where the Committee determines otherwise).

10. Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that any underpin conditions have been satisfied at that time or, in the opinion of the Committee, would have been satisfied were it not for the occurrence of the relevant corporate event; and (ii) the pro-rating of the awards to reflect the reduced period of time between their grant and vesting relative to the normal vesting period, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards may be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

11. Rights attaching to Shares

Any Shares allotted when an award vests or is exercised will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Awards of conditional shares and options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their Shares. Holders of awards of forfeitable Shares will have shareholder rights from when the awards are made, except they
may be required to waive their rights to receive dividends but may receive an additional payment in lieu on vesting.

12. Variation of capital

In the event of any variation of the Company’s share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

13. Malus and clawback

The RSP includes provisions under which the Committee may, in its discretion, reduce the number of Shares held under an award before it vests (known as ‘malus’) and/or seek to recover some or all of any overpayment of shares or cash made in the three-year period following the vesting of an award (known as ‘clawback’).

The Committee (as constituted immediately prior to the relevant event in the case of an insolvency or change of control) may choose to exercise this power in the following circumstances:

- a material misstatement of the Company’s results or results;
- an error is made in any calculation or assessment in relation to an award;
- a participant has committed an act of gross misconduct;
- any other adverse circumstances materially impacting the reputation of the Group where the Committee considers the operation of malus and/or clawback is justified; or
- an insolvency of the Company in circumstances where the actions of the participant have in the view of the Committee materially contributed to such insolvency.

The Committee may require the satisfaction of clawback in a number of ways, including by way of a reduction in the vesting, or size of, any other award or bonus (including future awards or bonus) and/or a requirement to make a cash payment.

14. Holding periods

Unless the Committee determines otherwise, the Company’s Executive Directors will normally either (i) not be permitted to exercise or otherwise receive the shares on vesting or (ii) be expected to retain a number of Shares equal in number to the total number of Shares acquired on the vesting or exercise of an award under the RSP (less a number of shares that have an aggregate market value on vesting or (in the case of an option) exercise equal to the tax liability due on the vesting or exercise of the award) until the fifth anniversary of the date of grant of that award or, if earlier, the expiry of the period of two years starting on the date which the award vests.

The holding period shall end early on or shortly prior to the occurrence of a takeover or winding up of the Company, the death of a participant or on such other date determined by the Committee. A participant shall not be restricted or prevented during the holding period from taking up any shareholder rights that they may have in relation to Shares. The terms and basis upon which Shares must be held during the holding period shall be determined by the Committee from time to time.

15. Alterations to the RSP

The Committee may, at any time, amend the RSP or the terms of an award in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant’s entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of awards.
The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the RSP, to take account of a change in legislation or regulation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company’s group. Shareholder approval will also not be required for any amendments to any underpin condition applying to an award.

16. Overseas sub-plans

The shareholder resolution to approve the RSP will allow the Committee to establish further sub-plans for overseas territories, any such sub-plan to be similar to the RSP, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further sub-plans are treated as counting against the limits on individual and overall participation in the RSP.