RED ROBIN GOURMET BURGERS INC
Form DEF 14A
April 04, 2017

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

SCHEDULE 14A

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

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

RED ROBIN GOURMET BURGERS, INC.

(Name of the Registrant as Specified In Its Charter)

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

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(4) Date Filed:

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RED ROBIN GOURMET BURGERS, INC.

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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On May 18, 2017

To our Stockholders:

The annual meeting of stockholders of Red Robin Gourmet Burgers, Inc. will be held at 8:00 a.m. MDT, on Thursday, May 18, 2017, at our corporate headquarters, located at 6312 South Fiddler's Green Circle, Suite 200N, Greenwood Village, Colorado 80111, for the following purposes:

1) To elect Robert B. Aiken, Cambria W. Dunaway, Kalen F. Holmes, Richard J. Howell, Glenn B. Kaufman, Steven K. Lumpkin, Pattye L. Moore, Stuart I. Oran, and Denny Marie Post as directors of the Company for one-year terms;

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

3) To approve, on an advisory basis, the frequency of holding an advisory vote on executive compensation;

4) To approve our 2017 Performance Incentive Plan, as described in the attached proxy statement;

5) To approve the Amended and Restated Employee Stock Purchase Plan, as described in the attached proxy statement;

6) To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017; and

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

We direct your attention to the proxy statement, which includes information about the matters to be considered at the annual meeting and certain other important information and which we encourage you to review carefully. Our board of directors recommends that you vote ***FOR*** the board's nominees for director, ***FOR*** approval of our executive compensation, ***FOR*** the option of annually as the frequency with which stockholders are provided an advisory vote on compensation of our named executive officers, ***FOR*** approval of our 2017 Performance Incentive Plan, ***FOR*** approval of the Amended and Restated Employee Stock Purchase Plan, and ***FOR*** ratification of the independent auditor. Your vote is important.

Stockholders of record at the close of business on March 27, 2017 are entitled to notice of, and to vote at, the annual meeting or any postponement or adjournment thereof. This Notice of Annual Meeting of Stockholders and related proxy materials are being distributed or made available to stockholders beginning on or about April 7, 2017.

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

http://www.redrobin.com/eproxy

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

Thank you for your support.

By Order of the Board of Directors,

Pattye L. Moore
Chair of the Board of Directors

Greenwood Village, Colorado
April 4, 2017

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PROXY STATEMENT SUMMARY

This summary is intended to provide an overview of the items that you will find elsewhere in this proxy statement about our Company and the upcoming 2017 annual meeting of stockholders. As this is only a summary, we encourage you to read the entire proxy statement for more information about these topics before voting.

Annual Meeting of Stockholders

Time and Date:	8:00 a.m. MDT on Thursday, May 18, 2017
Location:	Red Robin Gourmet Burgers, Inc. corporate headquarters 6312 South Fiddler's Green Circle, Suite 200N Greenwood Village, Colorado 80111
Record Date:	March 27, 2017

Proposals and Board Voting Recommendations

Proposal		**Board's Voting Recommendation**	**Page References (for more detail)**
1	Election of Directors	FOR EACH NOMINEE	7
2	Advisory Vote to Approve Executive Compensation	FOR	61
3	Advisory Vote to Approve the Frequency of the Advisory Vote on Executive Compensation	FOR AN ANNUAL VOTE	63
4	Approval of 2017 Performance Incentive Plan	FOR	64
5	Approval of Amended and Restated Employee Stock Purchase Plan	FOR	71
6	Ratification of Independent Auditor	FOR	75

Stockholders may also vote on such other matters as may properly come before the meeting or any postponement or adjournment thereof. With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the board of directors or, if no recommendation is given, in their own discretion.

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Director Nominees (Proposal No. 1)

Board Nominees

Name	Age	Director Since	Principal Occupation	Independent	Current Committee Assignments
Robert B. Aiken	54	2010	CEO, Essendant		FC
Cambria W. Dunaway	54	2014	Former U.S. President, Global Chief Marketing Officer, Kidzania	X	*NGC, CC
Kalen F. Holmes	50	2016	Former Executive Vice President (Human Resources), Starbucks	X	*CC, NGC
Richard J. Howell	74	2005	Former Partner, Arthur Andersen	X	*AC, CC
Glenn B. Kaufman	49	2010	Managing Member, D Cubed Group investment firm	X	*FC, CC
Steven K. Lumpkin	62	2016	Consultant, Former Executive Vice President, Chief Financial Officer and director, Applebee's	X	FC
Pattye L. Moore	59	2007	Former President and Director, Sonic Corp.	X	(C), AC, NGC
Stuart I. Oran	66	2010	Partner, Liberty Hall Capital Partners private equity firm	X	AC, FC
Denny Marie Post	59	2016	President and CEO, Red Robin		

AC
Audit Committee

CC
Compensation Committee

FC
Finance Committee

NGC
Nominating and Governance Committee

(C)
Denotes Chair of the Board

*
Denotes Chair of the Committee

In 2017, nine of our directors are standing for re-election and the board recommends a vote FOR all director nominees. All directors except our CEO, Ms. Post, and Mr. Aiken are independent, and therefore currently 80% of our board is independent. Directors are elected by a majority of votes cast. One of our current directors, Mr. Lloyd Hill, will retire and conclude his board service on the date of the annual meeting, and accordingly is not standing for reelection to the board. See "Proposal 1 Election of Directors Directors and Nominees" in this proxy statement for more information about our directors and nominees. In 2016, each director attended at least 75% of the aggregate number of board and applicable committee meetings.

Key Corporate Governance Highlights

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

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Highlights include:

- Fully declassified board of directors.
- Independent chair of the board of directors.
- All director nominees are independent other than our CEO and one other director.
- All current members of our audit, compensation, and nominating and governance committees are independent.
- Frequent engagement by management with institutional investors.
- Majority voting standard for uncontested director elections.
- Annual review of our succession plan and talent development plan.
- Directors receive regular governance updates to stay well-informed and evaluate governance trends.
- Limits on outside board service.
- Formal policy prohibiting hedging and pledging of Company securities by executive officers and directors.
- Directors regularly engage in in-boardroom and outside director education.
- Robust board, committee, and director self-evaluation process completed annually instead of age or term limits.
- No poison pill in place.

Advisory Vote on Executive Compensation (Proposal No. 2)

We are requesting that stockholders approve, on an advisory basis, the compensation of our named executive officers as disclosed in this proxy statement. The board recommends a vote FOR Proposal No. 2 because it believes the Company's executive compensation program is designed to link incentives and rewards for our executives to the achievement of specific and sustainable financial and strategic goals, which are expected to result in increased stockholder value. In 2016, our executive compensation advisory vote proposal was supported by approximately 98.2% of the votes cast. Highlights of our executive compensation program, pay for performance compensation structure, 2016 performance, and 2016 compensation are set forth below. Please see "Compensation Discussion and Analysis" in this proxy statement for a full discussion of the items below.

Executive Compensation Program

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

- Pay for performance focused executive compensation structure, with a significant portion of executive pay "at-risk."
- Compensation committee advised by an independent compensation consultant.
- No excise tax gross ups.
- Double trigger or attainment of performance targets required for equity vesting upon change in control.
- No repricing of underwater options without stockholder approval.

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- Meaningful stock ownership guidelines for executives and board members.
- Formal policy prohibiting hedging and pledging of Company securities by executive officers and directors.
- Clawback policy for the return of certain incentive compensation received by executives.
- Few perquisites offered to our executives.

Pay for Performance

Our compensation program is designed to pay our executives for performance. Our short-term annual cash incentive program uses performance targets based primarily on annual EBITDA (earnings before interest, taxes, depreciation, and amortization) goals. Long-term incentive compensation is based on achievement of financial goals designed to demonstrate sustained improvement over multi-year periods, and time vesting designed to reward executive retention and value creation. Restricted stock units and options each vest ratably in annual increments over four years, with the amount realizable from such awards being dependent, in whole or in part, on increased stock price. Through 2016, the cash portion of our long-term incentive awards has measured over a three-year performance period based on both cumulative EBITDA and ROIC (return on invested capital) metrics. In 2017, our chief executive officer and chief financial officer compensation will shift to increase the portion of long-term incentive compensation paid in equity and based on performance, subject to stockholder approval of the new 2017 Plan. The compensation committee contemplates this change for all executive officers beginning in 2018.

2016 Performance Highlights

Our 2016 performance fell below our expectations and performance goals. Highlights are set forth below.

- Total revenues were $1.3 billion in 2016, an increase of 3.1% over 2015.
- Comparable restaurant revenue decreased 3.3%.
- GAAP earnings per diluted share were $0.87 compared to $3.36 in 2015.
- We outperformed the casual dining industry in guest traffic for the 2016 fiscal year by approximately 30 basis points, making it the fifth consecutive year of outperformance as reported by Black Box Intelligence, a financial benchmarking report for the restaurant industry.
- We repurchased $46.1 million of our common stock in fiscal 2016 under our stock repurchase program, thereby returning cash to our stockholders.

Based on this performance, our named executive officers did not meet the performance goals necessary to achieve payout of the annual corporate bonus. In addition, only a small portion of the long-term incentive program that covered the last three fiscal years paid out despite relative outperformance in the two prior years.

Mr. Carley served as chief executive officer of the Company from late 2010 until August 2016. In August 2016, Ms. Post became our chief executive officer after serving as president and chief concept officer. Under Ms. Post's leadership, the Company continues to pursue improvement in performance designed to drive top-line growth in sales and lay the foundation for scalable and sustainable long-term growth, profitability, and increased stockholder value. We launched initiatives in the latter part of 2016 to further strengthen our business, improve guest service, and grow market share. We have identified and continue to focus on opportunities that will allow us to:

Build Team Member engagement;

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Regain our operational edge;

Become Guest's "go-to" for great burgers; and

Deliver great stockholder value.

2016 Compensation

The table below sets forth the 2016 compensation for our named executive officers:

Name and Principal Position	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Current Executives							
Denny Marie Post President & Chief Executive Officer	539,544		217,565	435,281	51,408	15,916	1,259,714
Guy J. Constant(1) EVP & Chief Financial Officer Officer	15,385	200,000				516	215,901
Jonathan A. Muhtar SVP & Chief Marketing Officer	375,000	200,000	354,934	460,298		133,894	1,524,126
Carin L. Stutz(2) EVP & Chief Operating Officer	246,146	172,308	137,494	137,664		21,825	715,447
Michael L. Kaplan SVP & Chief Legal Officer	343,850		60,246	120,592	31,908	14,183	570,779
Terry Harryman Interim Chief Financial Officer and Chief Accounting Officer	295,063	27,300	114,333	28,801	7,749	12,145	485,391
Former Executives							
Stephen E. Carley Former Chief Executive Officer	794,235		389,940	780,001	214,221	20,572	2,198,969
Stuart B. Brown Former EVP & Chief Financial Officer	216,617		124,896	249,895		10,386	601,794

(1) Mr. Constant joined the Company in December 2016.

(2) Ms. Stutz joined the Company in May 2016.

See "Compensation Discussion and Analysis 2016 Executive Compensation Tables" and accompanying footnotes and narratives for additional information about the 2016 compensation for each named executive officer.

Advisory Vote on the Frequency of the Advisory Vote on Executive Compensation (Proposal No. 3)

The board of directors recommends an annual advisory vote on the compensation of our named executive officers. See "Proposal 3 Advisory Vote on the Frequency of the Advisory Vote on Executive Compensation" in this proxy statement for more information about this proposal.

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2017 Performance Incentive Plan (Proposal No. 4)

The board of directors recommends a vote FOR approval of the 2017 Performance Incentive Plan. See "Proposal 4 Approval of 2017 Performance Incentive Plan" in this proxy statement for more information about this proposal.

Amended and Restated Employee Stock Purchase Plan (Proposal No. 5)

The board of directors recommends a vote FOR approval of the amendment and restatement of the Employee Stock Purchase Plan to increase shares authorized under the plan by 100,000 shares, extend the term of the plan, and make certain other technical adjustments. See "Proposal 5 Approval of the Amended and Restated of the Employee Stock Purchase Plan" in this proxy statement for more information about this proposal.

Independent Auditors (Proposal No. 6)

The board of directors recommends a vote FOR the ratification of the appointment of KPMG LLP ("KPMG") as the Company's independent auditor for the fiscal year ending December 31, 2017. See "Proposal 6 Ratification of Appointment of Independent Registered Public Accounting Firm" in this proxy statement for more information about this proposal.

PROXY STATEMENT

The Board of Directors ("board" or "board of directors") of Red Robin Gourmet Burgers, Inc. ("Red Robin" or the "Company") is providing this proxy statement to stockholders in connection with the solicitation of proxies on its behalf to be voted at the annual meeting of stockholders. The meeting will be held on Thursday, May 18, 2017, beginning at 8:00 a.m. MDT, at our corporate headquarters, located at 6312 South Fiddler's Green Circle, Suite 200N, Greenwood Village, Colorado 80111. The proxies may be voted at any time and date to which the annual meeting may be properly adjourned or postponed.

PROPOSAL 1
ELECTION OF DIRECTORS

General

As of the date of this proxy statement, our board of directors consists of ten directors, all of whom are independent except our CEO and Director Robert B. Aiken. Therefore, currently, 80% of our board is independent. One of our current directors, Mr. Lloyd Hill, will retire and conclude his board service on the date of the annual meeting, and accordingly is not standing for reelection to the board. The board of directors has reduced its size from ten to nine members effective as of the date of the annual meeting. Consequently, the board will consist of nine directors following the annual meeting, seven of whom will be independent. The board may decide at a later time to add one or more directors who possess skills and experience that may be beneficial to our board and the Company. All of our directors are elected on an annual basis for a one-year term.

The directors elected at this annual meeting will serve in office until our 2018 annual meeting of stockholders or until their successors have been duly elected and qualified, or until the earlier of their respective deaths, resignations, or retirements. Each nominee has consented to serve if elected and we expect that each of them will be able to serve if elected. If any nominee should become unavailable to serve as a director, our board of directors can name a substitute nominee, and the persons named as proxies in the proxy card, or their nominees or substitutes, will vote your shares for such substitute nominee unless an instruction to the contrary is written on your proxy card.

Selecting Nominees for Director

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

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

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

Directors and Nominees

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

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Robert B. Aiken, 54

Director Since: March 2010

Committees:

Finance

Other Public Company Board Service:
Essendant Inc. (February 2015-present)

Recent Past Public Company Board Service:
Essendant Inc. (December 2010-May 2014)

Mr. Aiken currently serves as President and Chief Executive Officer of Essendant Inc., formerly United Stationers Inc., and has served in that role since May 2015. Mr. Aiken served as the Chief Executive Officer of Feeding America, a 501(c)(3) hunger relief charity organization, from December 2012 until May 2015. Mr. Aiken was previously the Chief Executive Officer of the food company portfolio at Bolder Capital, a Chicago-based private equity firm, from February 2012 to December 2012 and from February 2010 to January 2011. Mr. Aiken was a Managing Director of Capwell Partners, LLC, a Chicago-based private equity firm, from January 2011 to February 2012. Prior to entering the private equity business in February 2010, Mr. Aiken served as the President and Chief Executive Officer of U.S. Foodservice (USF). At USF, he served as President and Chief Executive Officer from July 2007 to February 2010, as President and Chief Operating Officer from October 2005 to July 2007, and as Executive Vice President of Sales/Marketing & Supply Chain from February 2004 to October 2005. Prior to joining USF, Mr. Aiken held several positions from 1994 through 2000 at Specialty Foods Corp. of Deerfield, Illinois, including Chief Executive Officer of its Metz Baking Company subsidiary. From 2000 until 2004, Mr. Aiken also served as President and Principal of Milwaukee Sign Co. and early in Mr. Aiken's career, he worked as a business lawyer, first with the firm Sidley & Austin in Chicago and then with Wilson, Sonsini, Goodrich & Rosati in Palo Alto, California.

Mr. Aiken brings to the board of directors, among his other skills and qualifications, experience as a chief executive officer of a corporation with significant operations and a large, labor-intensive workforce. He gained extensive experience in management, operations, and logistics, as well as an understanding of the dining industry through his service at USF. Although Mr. Aiken is not independent for purposes of applicable Nasdaq rules, in light of the foregoing, our board of directors has concluded that Mr. Aiken should continue as a member of our board.

Cambria W. Dunaway, 54

Director Since: June 2014

Committees:

Nominating and Governance (Chair)
Compensation

Other Public Company Board Service:
Nordstrom FSB (2014-present)

Recent Past Public Company Board Service:
Marketo (2015-2016)
Brunswick Industries (2006-2014)

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

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

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Kalen F. Holmes, 50

Director Since: August 2016

Committees:

Compensation (Chair)
Nominating and Governance

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

Other Board Service:
YWCA King and Snohomish counties (2009-present)
Pacific Northwest Ballet, Governing Board of Trustees (2013-present)

Recent Past Public Company Board Service:
None

Ms. Holmes served as an Executive Vice President of Partner Resources (Human Resources) at Starbucks Corporation from November 2009 until her retirement in February 2013. Prior to her employment with Starbucks, Ms. Holmes held a variety of leadership roles with HR responsibility for Microsoft Corporation from September 2003 through November 2009. Prior to joining Microsoft, Ms. Holmes served in a variety of industries, including high-tech, energy, pharmaceuticals, and global consumer sales. Ms. Holmes serves on the board of directors of Zumiez Inc., a publicly traded, Nasdaq-listed company. She also serves on the Board of Directors for the YWCA King and Snohomish counties and on the Board of Trustees for the Pacific Northwest Ballet. Ms. Holmes holds a Bachelor of Arts in Psychology from the University of Texas and a Master of Arts and a Ph.D. in Industrial/Organization Psychology from the University of Houston.

Ms. Holmes brings to the board of directors, among her other skills and qualifications an extensive background in human resources at large corporations, including management of compensation programs. Considering the foregoing, our board of directors has concluded that Ms. Holmes should continue as a member of our board.

Richard J. Howell, 74

Director Since: September 2005

Committees:

Audit (Chair)
Compensation

Other Public Company Board Service:
Independent Trustee for the LKCM Funds (July 2005-present)

Other Board Service:
Board of Directors of NACD North Texas Chapter (2010-present)

Recent Past Public Company Board Service:
None

Mr. Howell was an audit partner with Arthur Andersen LLP for over 25 years before retiring in 2002. From January 2004 through May 2009, Mr. Howell served as an adjunct professor of auditing at the Cox School of Business at Southern Methodist University, and he served in a similar capacity from August 2002 to December 2003 at the Neely School of Business at Texas Christian University.

Mr. Howell brings to the board of directors, among his other skills and qualifications, significant experience in accounting and information systems, as well as knowledge of controls and financial reporting requirements of public companies. In addition, during Mr. Howell's career in public accounting he gained significant knowledge of due diligence practices, mergers and acquisitions, and risk management. In his role as the head of the audit division, he gained experience with recruiting, personnel management, budgeting, and client development and management. As a public accountant, Mr. Howell worked with retail and manufacturing companies and developed experience working with supply chain, procurement, manufacturing processes, and inventory management. Mr. Howell's work with audit committees of numerous public reporting companies and his directorship roles have provided him with substantial experience in corporate governance. Mr. Howell is an NACD Board Leadership Fellow and was named to the 2015 NACD Directorship 100, an honor recognizing his knowledge, leadership, and excellence in corporate governance in the board room. Considering the foregoing, our board of directors has concluded that Mr. Howell should continue as a member of our board.

Glenn B. Kaufman, 49

Director Since: August 2010

Committees:

Finance (Chair)
Compensation

Other Public Company Board Service:
None

Recent Past Public Company Board Service:
None

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

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

Steven K. Lumpkin, 62

Director Since: August 2016

Committees:

Finance

Other Public Company Board Service:
None

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

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

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

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Pattye L. Moore, 59

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

Committees:

Audit
Nominating and Governance

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

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

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

Ms. Moore brings to the board of directors, among her other skills and qualifications, significant executive leadership, management, marketing, business strategy, brand and concept development, and public relations experience as well as deep knowledge of the restaurant industry. During her tenure at Sonic, the company grew from $900 million in system-wide sales with 1,100 units to over $3 billion in system-wide sales and 3,000 units. Ms. Moore was named one of the top 100 marketers by Advertising Age magazine in 2000 and one of the top 50 women in foodservice by Nation's Restaurant News in 2002. Ms. Moore's directorships at other companies also provide her with extensive corporate governance experience. In light of the foregoing, our board of directors has concluded that Ms. Moore should continue as a member of our board.

Stuart I. Oran, 66

Director Since: March 2010

Committees:

Audit
Finance

Other Public Company Board Service:
FCB Financial Holdings, Inc. (2010-Present)
OHA Investment Corporation (2014-present)

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

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

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

Denny Marie Post, 59

Director Since: August 2016

Other Public Company Board Service:
None

Recent Past Public Company Board Service:
None

Ms. Post has served as Chief Executive Officer of the Company since August 2016 and as President since February 2016. Prior to that, Ms. Post served as Executive Vice President and Chief Concept Officer of the Company since March 2015. Ms. Post joined the Company in August 2011 as Senior Vice President and Chief Marketing Officer. Before joining the Company, Ms. Post was the Managing Member of mm&i Consulting LLC, a marketing consulting firm, from June 2010 to July 2011. She served as Senior Vice President, Chief Marketing Officer of T-Mobile USA from July 2008 to May 2010, as Senior Vice President, Global Beverage, Food, and Quality at Starbucks Corporation from February 2007 to June 2008, as Senior Vice President, Chief Concept Officer of Burger King Corp. from April 2004 to January 2007, and prior to that, in various marketing executive roles at YUM! Brands, Inc.

Ms. Post brings to the board of directors, among her other skills and qualifications, restaurant industry experience and valuable executive leadership, including in the areas of marketing and brand management. In light of the foregoing, our board of directors has concluded that Ms. Post should continue as a member of our board.

Vote Required

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

Board Recommendation

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

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CORPORATE GOVERNANCE AND BOARD MATTERS

Governance Principles

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

Executive Development and Management Succession

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

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

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

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

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

Stockholder Engagement

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

- understand and consider the issues that matter most to our stockholders;
- share and discuss our strategy and objectives; and

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assess stockholder feedback and any emerging issues related to our governance practices, business, operations, or compensation.

This approach has resulted in our receiving essential input and additional perspectives from our stockholders. We regularly engage with our stockholders through attendance at investor conferences, issuance of press releases and quarterly conference calls, other stockholder communications, and individual meetings throughout the year. We spoke to holders of more than 34% of our outstanding shares since the last annual meeting to discuss our business and solicit feedback.

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

Highlights of our governance program include:

Fully declassified board of directors.

Independent chair of the board of directors.

All director nominees are independent other than our CEO and one other director.

All current members of our audit, compensation, and nominating and governance committees are independent.

Frequent engagement by management with institutional investors.

Majority voting standard for uncontested director elections.

Annual review of our succession plan and talent development plan.

Directors receive regular governance updates to stay well-informed and evaluate governance trends.

Limits on outside board service.

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

Directors regularly engage in in-boardroom and outside director education.

Robust board, committee, and director self-evaluation process completed annually instead of age or term limits.

No poison pill in place.

Board Leadership Structure

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

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

Role in Risk Oversight

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

Board Membership and Director Independence

Our board of directors has determined that each of our directors, except our CEO, Ms. Post, and Mr. Aiken qualifies as an independent director under the rules promulgated by the U.S. Securities and Exchange Commission ("SEC") and The Nasdaq Stock Market® ("Nasdaq") listing standards. Therefore, currently 80% of our board is independent. Mr. Aiken is disqualified from being an independent member of our board based on Nasdaq listing standards because his brother-in-law is a current partner of KPMG LLP ("KPMG"), the Company's outside auditor. Mr. Aiken's brother-in-law is not involved in the audit of Red Robin. Pursuant to these rules, only independent directors may serve on the board's audit committee, compensation committee, and nominating and governance committee. Currently, all members of each of these committees are independent in accordance with SEC rules and Nasdaq listing standards. There are no family relationships among any of our executive officers, directors, or nominees for directors.

Director Attendance

The board of directors held thirteen meetings in 2016, including five in-person meetings. Each of our current directors attended at least 75% of the aggregate total of meetings of the board of directors and committees during their period of service in 2016. The non-management directors of the Company meet at least quarterly throughout the year and as necessary or appropriate in executive sessions at which members of management are not present.

The board of directors strongly encourages each of the directors to attend the annual meeting of stockholders. All of our directors serving at the time attended our 2016 annual meeting.

Committees of the Board of Directors

Our board of directors has four standing committees: an audit committee, a compensation committee, a finance committee, and a nominating and governance committee. Each of our standing committees generally meets at least once each quarter. In addition, other regular and special meetings

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are scheduled as necessary and appropriate depending on the responsibilities of the particular committee. Each committee regularly meets in executive session without management present.

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

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Stockholder Submission of Director Nominees

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

The stockholder must submit the following information in support of the candidate: (a) all information relating to such person as would be required to be disclosed in solicitations of proxies for the election of such nominees as directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such person's written consent to serve as a director if elected; and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner, (ii) the class and number of shares of the Company that are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of any agreement, arrangement, or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of such stockholder's notice by, or on behalf of, such stockholder and such beneficial owner, whether or not

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such instrument or right shall be subject to settlement in underlying shares of capital stock of the Company, the effect or intent of which is to mitigate loss to, manage risk of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to shares of stock of the Company, and (iv) whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Company's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Company's voting shares to elect such nominee or nominees.

Communications with our Board of Directors

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

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

Certain Relationships and Related Transactions

Transactions with Related Persons

For 2016, we had no material related party transactions which were required to be disclosed in accordance with SEC regulations.

Review, Approval, or Ratification of Transactions with Related Persons

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

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

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

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

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Compensation Committee Interlocks and Insider Participation

During the last completed fiscal year, Robert B. Aiken, Lloyd L. Hill, Kalen F. Holmes, Richard J. Howell, and Glenn B. Kaufman each served as members of the Company's compensation committee. None of the members of the compensation committee is or has been an officer or employee of the Company. None of our current executive officers serves as a director of another entity that has an executive officer who serves on our Board.

Director Compensation

Set forth below are the elements of our director compensation for 2016.

Annual Retainer

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

Chair of the board	$85,000*
Chair of audit committee	$15,000
Chair of compensation committee	$12,500
Chair of nominating and governance committee	$ 7,500
Chair of finance committee	$10,000

*The compensation committee increased the board chair retainer from $48,000 to $85,000 effective January 1, 2016 based on market data and the recommendation of its compensation consultant.

Equity Awards

Upon initial appointment or election to the board of directors, each non-employee director generally receives a non-qualified stock option grant covering 5,000 shares. Each initial grant of 5,000 stock options vests and becomes exercisable in equal monthly installments over the 24-month period following the date of grant. In addition, at the discretion of the board of directors, each non-employee director is eligible to receive annual grants of stock options, restricted stock, or restricted stock units. In 2016, each non-employee director received an annual grant of restricted stock units with a grant date value of approximately $110,000 and a vesting term of one year. The one year vesting term is consistent with the Company's declassification of its board of directors with annual elections for one-year terms in accordance with governance best practices.

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2016 Director Compensation

The following table sets forth a summary of the compensation earned by our non-employee directors in fiscal 2016.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	Stock Awards ($)(1)	All Other Compensation ($)(2)	Total ($)
Robert B. Aiken	80,223		109,986		190,209
Cambria W. Dunaway	76,652		109,986		186,638
Lloyd L. Hill	73,125		109,986		183,111
Kalen F. Holmes(3)	28,269	69,084	91,632		188,985
Richard J. Howell	85,000		109,986		194,986
Glenn B. Kaufman	80,000		109,986		189,986
Steven K. Lumpkin(3)	28,269	69,084	91,632		188,985
Pattye L. Moore	155,000		109,986		264,986
Stuart I. Oran	70,000		109,986		179,986

(1) Each director was awarded 2,300 restricted stock units in May 2016. The fair value of such restricted stock units was computed in accordance with the guidance for accounting for stock compensation at $47.82 per share for all directors. All such restricted stock units are subject to vesting in full on the first anniversary of the date of grant, unless earlier vested per the terms of the award agreement or the Company's Second Amended and Restated 2007 Performance Incentive Plan (the "2007 Plan").

(2) The aggregate amount of all other compensation paid to each director in fiscal year 2016 did not exceed $2,500 per director.

(3) Ms. Holmes and Mr. Lumpkin each received a pro-rated grant of 1,781 restricted stock units when they joined the board in August 2016. The fair value of such restricted stock units was computed in accordance with the authoritative guidance for accounting for stock compensation at $51.45 per share. All such restricted stock units are subject to vesting the earlier of the next annual stockholders meeting or the one-year anniversary of the grant date, unless earlier vested per the terms of the award agreement or the 2007 Plan. Ms. Holmes and Mr. Lumpkin were each awarded options to purchase 5,000 shares of common stock upon joining the board. The fair value of such options was computed in accordance with the authoritative guidance for accounting for stock compensation at $13.82 per share covered by the option.

As of the end of the fiscal year 2016, the aggregate number of options and restricted stock units outstanding for each non-employee director is set forth below. Options are considered outstanding until exercised and restricted stock units are considered outstanding until vested and paid.

	Options	Restricted Stock Units
Robert B. Aiken	5,000	2,808
Cambria W. Dunaway	5,000	2,763
Lloyd L. Hill	5,000	2,808
Kalen F. Holmes	5,000	1,781
Richard J. Howell	4,500	2,808
Glenn B. Kaufman	0	2,808
Steven K. Lumpkin	5,000	1,781
Pattye L. Moore	1,500	2,808
Stuart I. Oran	5,000	2,808

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Director Stock Ownership Guidelines

The compensation committee has had stock ownership guidelines in place for non-employee directors since March 2009 (see "Compensation Discussion and Analysis Executive Compensation Policies and Guidelines Executive Stock Ownership Guidelines" for discussion of the ownership guidelines for executive officers). The current ownership guidelines require non-employee directors to own Company securities with a cumulative cost basis of at least five times the director's annual retainer. Based on the current annual retainer for non-employee directors, that dollar amount is $350,000. The value of the director's holdings is based on the cumulative cost basis of securities held, which is calculated using the price of the Company's common stock at the date of acquisition. All forms of equity owned of record or beneficially, including vested in-the-money options, are credited toward the guidelines. New non-employee directors have five years from the time the director joins the board to reach the minimum ownership threshold. Non-employee directors may not sell, transfer, or otherwise dispose of common stock that would decrease such director's cumulative cost basis below the ownership guideline amount. All our directors are currently in compliance or on track to be in compliance with the minimum ownership threshold.

The following table sets forth the ownership guidelines and the holdings of the non-employee directors as of March 9, 2017, valued at the acquisition dates pursuant to our director stock ownership guidelines:

Director	Ownership Guideline	Current Dollar Value of Guideline	Cumulative Cost Basis
Robert B. Aiken	5x Retainer	$ 350,000	912,711
Cambria W. Dunaway	5x Retainer	$ 350,000(1)	320,976
Lloyd L. Hill	5x Retainer	$ 350,000	865,290
Kalen F. Holmes	5x Retainer	$ 350,000(2)	91,820
Richard J. Howell	5x Retainer	$ 350,000	987,258
Glenn B. Kaufman	5x Retainer	$ 350,000	934,438
Steven K. Lumpkin	5x Retainer	$ 350,000(2)	91,820
Pattye L. Moore	5x Retainer	$ 350,000	854,814
Stuart I. Oran	5x Retainer	$ 350,000	454,266

(1) To be achieved by June 2019.

(2) To be achieved by August 2021.

Indemnification of Directors

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

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STOCK OWNERSHIP INFORMATION

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as indicated by footnote, and except for community property laws where applicable, the persons named in the tables below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The percentage of beneficial ownership for each table is based on 12,864,453 shares of common stock outstanding as of March 9, 2017.

Stock Ownership of Certain Beneficial Owners

The following table sets forth information regarding beneficial owners of more than 5% of our common stock as of March 9, 2017 (unless otherwise indicated). All information is taken from or based upon ownership filings made by such persons with the SEC or upon information provided by such persons to the Company.

	Shares Beneficially Owned	
Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percent of Class**
T. Rowe Price Associates, Inc.(1)	2,067,540	16.07%
BlackRock, Inc.(2)	1,482,739	11.53%
Dimensional Fund Advisors LP(3)	838,025	6.51%
Millennium Management LLC(4)	665,204	5.17%

(1) This information is based on an amendment to Schedule 13G filed with the SEC on February 7, 2017 jointly by T. Rowe Price Associates, Inc. ("Price Associates") and T. Rowe Price Small-Cap Stock Fund, Inc. ("Price Small-Cap Fund"). These securities are owned by various individual and institutional investors, including Price Associates (which was the beneficial owner with sole dispositive power as to an aggregate of 2,067,540 shares and sole voting power as to an aggregate of 431,337 shares) and Price Small-Cap Fund (which was the beneficial owner with sole voting power as to an aggregate of 749,321 shares, which amount such amended Schedule 13G reports is also included in the aggregate amount reported by Price Associates). For the purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The address for Price Associates' principal business office is 100 E. Pratt Street, Baltimore, Maryland 21202.

(2) This disclosure is based on an amendment to Schedule 13G filed with the SEC on January 17, 2017. At the time of filing, the reporting person reported being a holding company that has sole voting power over 1,450,203 shares and sole dispositive power over 1,482,739 shares. The filing also reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the shares and that no one person's interest in the shares is greater than five percent (5%) of the total number of outstanding shares. The address of this reporting person is 55 East 52nd Street, New York, New York 10055.

(3) This disclosure is based on a Schedule 13G filed with the SEC on February 9, 2017 by Dimensional Fund Advisors LP ("Dimensional"). At the time of filing, Dimensional reported being an investment advisor that has sole voting power over 794,163 shares and sole dispositive power over 838,025 shares. The filing also reports that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the shares and that, to the knowledge of Dimensional, no one person's interest in the shares is greater than five percent (5%) of the total number of outstanding shares. For the purposes of the reporting requirements of the Exchange Act, Dimensional is deemed to be a beneficial owner of such securities; however, Dimensional

disclaims that it is, in fact, the beneficial owner of such securities. The address for Dimensional's principal business office is Building One, 6300 Bee Cave Road, Austin, Texas 78746.

(4) This disclosure is based on a Schedule 13G filed with the SEC on March 22, 2017 jointly by Integrated Core Strategies (US) LLC ("Integrated Core Strategies"), Integrated Assets, Ltd. ("Integrated Assets"), Millennium International Management LP ("Millennium International Management"), Millennium International Management GP LLC ("Millennium International Management GP"), Millennium Management LLC ("Millennium Management") and Israel A. Englander ("Mr. Englander"). At the time of the filing, the parties reported that Integrated Core Strategies was the beneficial owner of 535,489 shares and that Integrated Assets was the beneficial owner of 129,715 shares. The filing also reports that Millennium International Management is the investment manager to Integrated Assets, and Millennium International Management GP is the general partner of Millennium International Management; each may be deemed to have shared voting control and investment discretion over securities owned by Integrated Assets. The filing also reports that Millennium Management is the general partner of the managing member of Integrated Core Strategies and may be deemed to have shared voting control and investment discretion over securities owned by Integrated Core Strategies. Millennium Management is also the general partner of the 100% shareholder of Integrated Assets and may be deemed to have shared voting control and investment discretion over securities owned by Integrated Assets. The filing also reports that Israel A. Englander is the managing member of Millennium International Management GP and Millennium Management and may also be deemed to have shared voting control and investment discretion over securities owned by Integrated Core Strategies and Integrated Assets. However, the reporting parties state that the foregoing should not be construed in and of itself as an admission by Millennium Management or Mr. Englander as to beneficial ownership of the securities owned by Integrated Core Strategies or Integrated Assets. The address for the reporting parties' principal business office is 666 Fifth Avenue, New York, New York 10103.

Stock Ownership of Directors and Management

The following table contains information about the beneficial ownership (unless otherwise indicated) of our common stock as of March 9, 2017 by:

- each of our directors, including the board's nominees for election,
- each named executive officer set forth in the Summary Compensation Table, and

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all directors and current executive officers as a group.

Name of Beneficial Owner	Shares Beneficially Owned(1) Amount and Nature of Ownership	Percent of Class
Denny Marie Post(2)	38,215	*
Guy J. Constant(3)	5,000	*
Jonathan A. Muhtar(4)	7,710	*
Carin L. Stutz(5)	4,115	*
Michael L. Kaplan(6)	6,311	*
Terry Harryman(7)	4,338	*
Stephen E. Carley(8)	138,354	1.07%
Stuart B. Brown(9)	1,761	*
Robert B. Aiken(10)	20,885	*
Cambria W. Dunaway(11)	7,243	*
Lloyd L. Hill(12)	19,385	*
Kalen F. Holmes(13)	1,667	*
Richard J. Howell(14)	24,760	*
Glenn B. Kaufman(15)	22,632	*
Steven K. Lumpkin(16)	1,667	*
Pattye L. Moore(17)	23,540	*
Stuart I. Oran(18)	8,315	*
Directors and Current Executive Officers as a group (15 persons)(19)	203,736	1.57%

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

(1) If a stockholder holds options, restricted stock units, or other securities that are currently vested or exercisable or that vest or become exercisable within 60 days of March 9, 2017, we treat the common stock underlying those securities as owned by that stockholder and as outstanding shares when we calculate the stockholder's percentage ownership of our common stock. We do not consider that common stock to be outstanding when we calculate the percentage ownership of any other stockholder.

(2) Consists of 3,491 shares of common stock held directly by Ms. Post and 34,724 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(3) Consists of 5,000 shares of common stock held directly by Mr. Constant.

(4) Consists of 1,131 shares of common stock held directly by Mr. Muhtar and 6,579 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(5) Consists of 4,115 shares of common stock held directly by Ms. Stutz.

(6) Consists of 857 shares of common stock held directly by Mr. Kaplan and 5,454 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(7) Consists of 1,108 shares of common stock held directly by Mr. Harryman and 3,230 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017. Mr. Harryman has concluded his service as interim chief financial officer of the Company.

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(8) Consists of 1,000 shares held directly by Mr. Carley and 35,602 shares of common stock held indirectly by the Carley Family Trust (as of December 25, 2016, Mr. Carley's date of departure from the Company), and 101,752 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017. Mr. Carley resigned from his position as chief executive officer of the Company effective as of August 8, 2016. Unless known otherwise by the Company, the beneficial ownership information is based on the most recent Form 4 filed by Mr. Carley.

(9) Consists of 1,761 shares held directly by Mr. Brown (based on the most recent Form 4 filed by Mr. Brown). Mr. Brown resigned from his position as chief financial officer of the Company effective as of July 15, 2016.

(10) Consists of 15,885 shares of common stock held indirectly by the Robert B. Aiken Trust, and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(11) Consists of 2,243 shares of common stock held directly by Ms. Dunaway and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(12) Consists of 12,385 shares of common stock held directly by Mr. Hill, 2,000 shares of common stock held indirectly by the Lloyd Hill Revocable Trust, and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(13) Consists of 1,667 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(14) Consists of 20,260 shares of common stock held directly by Mr. Howell, and 4,500 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(15) Consists of 22,632 shares of common stock held directly by Mr. Kaufman.

(16) Consists of 1,667 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(17) Consists of 22,040 shares of common stock held indirectly by an entity owned and managed by Ms. Moore and her husband, and 1,500 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(18) Consists of 1,315 shares of common stock held directly by Mr. Oran, 2,000 shares of common stock held indirectly by Mr. Oran in two trusts of which Mr. Oran is co-trustee, and 5,000 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017.

(19) Includes 85,055 shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 9, 2017. Excludes Messrs. Carley, Brown and Harryman, who are not currently executive officers of the Company.

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Equity Compensation Plan Information

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

The following table sets forth for our equity compensation plans in the aggregate, the number of shares of our common stock subject to outstanding options and rights under these plans, the weighted average exercise price of outstanding options, and the number of shares remaining available for future award grants under these plans as of December 25, 2016:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders 2007 Plan	408,445	$ 53.82	575,865
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	408,445	$ 53.82	575,865(1)

(1) Of the aggregate number of shares that remained available for future issuance as of December 25, 2016, 30,584 shares were available for issuance under the ESPP and 545,281 shares were available for issuance under the 2007 Plan. If our stockholders approve the 2017 Performance Incentive Plan at our annual meeting, no new awards will be granted under the 2007 Plan after the annual meeting.

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COMPENSATION DISCUSSION AND ANALYSIS

In this Compensation Discussion and Analysis, we provide an analysis and explanation of our executive compensation program and the compensation derived from this program by our executive officers, including our "named executive officers." For 2016, our named executive officers were:

- Denny Marie Post, President and Chief Executive Officer
- Guy J. Constant, Executive Vice President and Chief Financial Officer
- Jonathan A. Muhtar, Senior Vice President and Chief Marketing Officer
- Carin L. Stutz, Executive Vice President and Chief Operating Officer
- Michael L. Kaplan, Senior Vice President and Chief Legal Officer
- Terry Harryman, Interim Chief Financial Officer and Chief Accounting Officer
- Stephen E. Carley, Former Chief Executive Officer
- Stuart B. Brown, Former Executive Vice President and Chief Financial Officer

Overview

Red Robin Gourmet Burgers, Inc., together with its subsidiaries, primarily develops, operates, and franchises full-service restaurants in North America and focuses on serving an imaginative selection of high quality gourmet burgers in a fun environment welcoming to guests of all ages. Red Robin's goal is to differentiate itself from typical casual dining establishments based on quality, service, and value. To differentiate on quality, we offer a large and varied selection of highly craveable and customizable burgers. To differentiate on service, our goal is to be highly attentive to guests of all ages, serving food and beverages quickly so they can spend more time enjoying their food and less time waiting. We also strive to deliver tremendous value by providing delicious food at a range of price points, accompanied with our bottomless steak fries and other sides with every meal. Red Robin guests give us credit for these key points of differentiation and we seek to build on them every day by living our B.U.R.G.E.R. values: Bottomless Fun, Unwavering Integrity, Relentless Focus on Improvement, Genuine Spirit of Service, Extraordinary People, and Recognized Burger Authority.

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

- *Building Team Member engagement.* We emphasize and support Team Member engagement, retention, and culture that will foster the development of great leaders. We cultivate leaders aligned to our culture to improve Team Member engagement, retention, and climate in our restaurants. Our goal is to enhance clarity with our Team Members by consistently communicating our strategy and ensuring we remain narrowly focused on our strategic initiatives. We continually strive to develop extraordinary people and encourage Team Member performance through appreciation, recognition, and respect.

- *Regaining operational edge.* Our strategy in regaining operational edge includes delivering consistently great burgers, accurately customized, and served quickly by our caring Team Members. Our goal is to deliver exceptional service to our guests through promoting a "Better for Being Here" environment and continually strive to enhance our guest's dining experience with a focus on guests of all ages and their occasions. We respect our guests' need for the "gift of time" and remain committed to improving both speed of service and order accuracy.

Becoming our guests' go-to for great burgers. We continue to focus on being our guests' go-to for great burgers by offering craveable burgers and "bottomless" side options at attractive prices wherever and however our guests want. We plan to enhance value through a balance of quality,

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quantity, price, and experience. This includes providing high quality core menu items, delivering value through new products and abundance, and enhancing loyalty offerings to drive guest traffic. Additionally, we are focused on driving guest preference by offering our products through alternate platforms. As part of this strategy, we are currently testing and deploying online ordering, to-go, and catering services and developing partnerships with and deploying third-party delivery services.

Delivering great shareholder value. We are committed to delivering shareholder value by improving profitability and investing capital wisely. Our goal is to optimize our capital structure, pace development activities, and improve our EBITDA margin through revenue growth and targeted cost savings.

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

Our executive compensation program supports this focus through several key objectives:

Attracting, retaining, and motivating the best possible executive talent who have the experience and leadership skills capable of driving performance and top-line growth in sales;

Creating value for our stockholders by linking executive compensation to the achievement of measurable corporate objectives and the minimization of unreasonable or excessive risk-taking; and

Paying for superior results through a program that incents and rewards for achievement of both short-term and long-term organizational and functional objectives with a mix of compensation elements that place a significant portion of cash and equity compensation at risk.

2016 EXECUTIVE SUMMARY

Following is an executive summary of our 2016 executive compensation program:

Compensation Philosophy

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

Pay Elements

Our 2016 executive compensation program was comprised of three primary elements: base salaries, annual performance-based cash bonus incentive, and long-term incentives that include both cash awards on three-year performance cycles and equity awards (stock options and restricted stock units). Financial metrics used for the annual performance-based cash bonus incentive and long-term cash incentive grants are linked to the Company's strategic business plans.

Approximately 80% or our CEO's and 67% of our named executive officers' target total compensation is made up of either annual cash incentives or long-term incentives.

Setting Compensation

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

When making compensation decisions, our compensation committee receives input from its independent compensation consultant (Aon Hewitt) and receives input from our CEO. Our compensation committee also reviews benchmarking data of the compensation paid by a peer group of restaurant companies selected by the compensation committee.

Company Performance in 2016

2016 corporate performance fell below our expectations and goals, with year-over-year total revenues increasing by 3.1% to approximately $1.3 billion.

Comparable restaurant revenue fell by 3.3%

GAAP earnings per diluted share were $0.87 compared to $3.36 in 2015.

We outperformed the casual dining industry in guest traffic for the 2016 fiscal year by approximately 30 basis points, making it the fifth consecutive year of outperformance as reported by Black Box Intelligence, a financial benchmarking report for the restaurant industry.

We repurchased $46.1 million of our common stock in fiscal 2016 under our stock repurchase program, thereby returning cash to our stockholders.

2016 Compensation Highlights

The compensation committee did not make significant structural changes to our executive compensation program for 2016. We believe this is consistent with the wishes of our stockholders, who have expressed overwhelming support (greater than 98% of votes cast) for our executive compensation program at each of our last three annual "say-on-pay" advisory votes.

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Based on our total compensation and peer compensation levels, the compensation committee chose to increase salary levels for certain named executive officers in 2016.

Ms. Post's salary increased from $450,000 to $700,000 based on market information and her performance and promotion to chief executive officer.

Mr. Kaplan's salary increased from $335,000 to $345,000 based on market information and his performance.

The structure of our annual performance-based cash bonus incentive program remained the same in 2016.

Ms. Post's short term incentive targets were increased from 80% to 120% of salary for 2016 based on market information and her performance and promotion to chief executive officer.

Because we did not achieve the pre-set company EBITDA and guest count goals for 2016, our named executive officers did not receive a payout of their annual performance-based cash incentive in 2016 (compared to payout at 123.1% of target for 2015 performance).

The structure of our long-term incentive program opportunities for executives remained the same in 2016, with 40% of long-term incentives delivered in the form of stock options, 20% delivered in the form of restricted stock units, and 40% delivered in the form of long-term cash incentives.

Certain of our executive officers' long-term incentive targets as a percent of salary were increased based on updated market information and individual performance. Ms. Post's target increased from 125% to 250% based on market information and her performance and promotion to chief executive officer.

Based on the achievement of pre-set company EBITDA goals only (and not the return on invested capital goals), the payout of our long-term cash incentives for the 2014-2016 performance period was 29.75% of target (compared to payout at 128.6% of target for long-term cash incentives for the 2013-2015 performance period).

Governance Standards and Compensation Best Practices Currently in Effect

Direct retention by the compensation committee of its independent compensation consultant, Aon Hewitt.