The Investment Association

Camomile Court

23 Camomile Street

London

EC3A 7LL

 26 March 2021

Dear Sirs,

**The Restaurant Group plc (the “Company”)**

We are writing to update you in response to the two resolutions which received a significant vote against at the General Meeting of the Company held on 8 October 2020.

Prior to the General Meeting, we consulted directly and, in some cases, extensively with our 12 largest shareholders and the leading proxy advisory firms. Following those discussions, the Board believed that our executives could 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.

Whilst the new Directors’ Remuneration Policy and the Restricted Share plan were approved at the General Meeting on 8th October 2020, it is recognized that a significant number of those shareholders voting (c. 37%) did not support the resolutions.

The circumstances surrounding the 2020 General Meeting were exceptional and we have consulted with a number of shareholders post the vote, setting out our plans with regard to the 2021 allocation.

We intend that the 2021 grant will be made on a 1 to 2 basis compared with previous LTIPs. Furthermore, whilst noting that many recent plans have not included an absolute formulaic underpin in addition to the general one and, therefore, something we plan to keep under review, the 2021 awards will include, in addition to the general underpin, a further condition that no more than 50% vesting will be achieved if an EBITDA of £100m is not achieved 3 years later.

With regards to the annual bonus performance targets for 2021, we intend that they will be based again on Group financial measures of 70% and strategic KPIs of 30%. Targets will be set once normal trading resumes and, as in previous years, due to the commercial sensitivity will be disclosed, in next year’s Remuneration Report.

It is also worth noting that:

* by the end of March the Board will already have taken twelve months of pay reductions in light of the COVID-19 crisis and
* no executive bonuses will be awarded in respect of 2020.

The Board appreciates the feedback it has received to date and will continue its policy of proactive engagement with its shareholders.

Yours faithfully,



**Zoe Morgan**

**Chairman**

**Remuneration Committee**