

April 17, 2020

Dear Stockholders:

We appreciate your continued interest in The ONE Group.

I wanted to begin our letter this year by addressing the global coronavirus pandemic and the actions we have taken. Our top priority during the pandemic is the health, safety and well-being of all of our employees and guests, and we are strictly following all guidelines from the CDC, federal and local authorities.

From a liquidity perspective, we started 2020 with \$12 million in cash and were pleased with the strong momentum the business had in the first ten weeks of 2020. In response to the uncertainties in the marketplace, we made difficult decisions in mid-March to reduce costs significantly and operate our restaurants exclusively using take-out and delivery options. We are pleased that we are continuing to reach customers in markets throughout the country, and we launched both STK Radio ([www.STKradio.com](http://www.STKradio.com)) and Kona Grill Radio ([www.KonaGrillradio.com](http://www.KonaGrillradio.com)) so our guests can bring our unique Vibe Dinning experience home along with our delicious food. This has only been possible through the amazing work by our frontline restaurant team and I am truly touched and impressed by their efforts.

Under normal circumstances, this letter would highlight our 2019 achievements. Specifically, how we increased our top line by 41%, generated a comparable sales increase at STK Restaurants of 8.3%, and delivered an impressive 36% increase in adjusted EBITDA. In 2019, we also opened two international licensed STKs, one domestic company-owned STK, and one F&B hospitality management deal. And of course, we completed the accretive acquisition of the Kona Grill brand and assets, which added 24 high performing domestic restaurants to our portfolio. We were particularly pleased with the 3.9% comparable sales increase for the twenty-four Kona Grill restaurants in the fourth quarter.

We are looking forward to the rebound in our business once the uncertainty surrounding coronavirus begins to subside, mandated restrictions are lifted and our restaurants resume full service operations. We will be ready when the time comes, and we know our customers are going to be ready for a great meal out! The events over the last couple weeks have re-iterated how resilient and strong our team is, and I truly believe in their ability to bring us quickly back when the right time comes.

We hope to soon be back on track with our long-term growth plan. Our development pipeline is intact, our marketing strategy is ready, and our team is prepared to deliver on our mission of executing to be the BEST restaurant in every market where we operate by delivering exceptional and unforgettable guest experiences to every guest, every time.

Cheers,  
Manny



Emanuel P.N. Hilario  
President and Chief Executive Officer

**THE ONE GROUP HOSPITALITY, INC.**  
**1624 Market Street, Suite 311**  
**Denver, Colorado 80202**

**April 17, 2020**

**NOTICE OF 2020 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT**

The Annual Meeting of Stockholders of The ONE Group Hospitality, Inc. (“Company”) will be held at STK Denver, 1550 Market St., Denver, CO 80202 at 11:00 am MT on Wednesday, May 27, 2020 for the following purposes:

- Item 1. To elect two Class I directors to serve a three-year term expiring in 2023;
- Item 2. To ratify the appointment of Plante Moran, P.C. as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020;
- Item 3. To approve the compensation of our named executive officers, as disclosed in this proxy statement; and
- Item 4. To transact such other business that is properly presented at the annual meeting and any adjournments or postponements thereof.

We currently are not aware of any other business to be brought before the 2020 Annual Meeting of Stockholders (the “Annual Meeting”). Only holders of record of common stock at the close of business on April 9, 2020 (the “record date”) will be entitled to vote at the Annual Meeting or at any adjournment or postponement thereof.

**Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy (1) by telephone, (2) through the Internet or (3) by mail. For specific instructions, please refer to the accompanying proxy card. If you attend the Annual Meeting, you may revoke your proxy and vote in person.**

This year, we are again taking advantage of Securities and Exchange Commission (“SEC”) rules that allow us to furnish proxy materials to our stockholders via the Internet. We will send a Notice of Internet Availability of Proxy Materials (the “Notice”) to holders of our common stock as of the record date on or about April 17, 2020. The Notice describes how you can access our proxy materials, including this Proxy Statement on or about April 17, 2020.

BY ORDER OF THE BOARD OF DIRECTORS



**Linda Siluk**  
*Secretary*

*This Proxy Statement and accompanying proxy are first being made available or distributed to our stockholders on or about April 17, 2020.*

## PROXY STATEMENT — HIGHLIGHTS

*This summary highlights certain information contained elsewhere in this Proxy Statement. This summary does not contain all the information you should consider. You should read the entire Proxy Statement carefully before voting.*

### The ONE Group Hospitality, Inc. Annual Meeting of Stockholders

*Time and Date:* 11:00 a.m. May 27, 2020

*PLACE:* STK Denver, 1550 Market St., Denver, CO 80202

*Record Date:* April 9, 2020

### Proposals to be Voted on and Board Voting Recommendations

<u>Proposal</u>	<u>Board Recommendation</u>	<u>Page No.</u>
Item 1 Election of two Class I directors	FOR each nominee	[ ]
Item 2 Ratification of the appointment of Plante Moran, P.C. as our independent registered public accounting firm for Fiscal 2020	FOR	[ ]
Item 3 Approval, by non-binding advisory vote, of the compensation of our named executive officers	FOR	[ ]

### Corporate Governance

#### **Board of Directors and Committees**

- Classified Board of Directors — three classes of directors serve a three-year term with one class elected annually.
- 60% of our directors are independent.
- Fully independent Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee
- Executive sessions of non-employee directors held at each regularly scheduled quarterly board meeting.

#### **Stockholder Interests**

- No rights or “poison pill” plan
- Annual vote to ratify independent auditors.
- Hedging, pledging and short sales of company stock are prohibited.

## **Executive Compensation**

### **Emanuel P. N. Hilario, Director and President and Chief Executive Officer**

- Base Salary earnings —
- Prior Year Incentive Plan Payout
- Long Term Incentive Plan Payout
- Long term Incentive Plan Grant

### **Compensation Highlights**

- Say-on-pay proposal approved by over 99% of stockholders voting at 2019 meeting
- Performance metrics aligned with business strategy and stockholder value creation
- Target compensation is risk-based on financial performance measures.
  - CEO — 50% at risk, based financial performance measures
  - Average NEO — 35% at risk, based on financial measures
- Incentive Compensation plan and practices include good corporate governance features such as:
  - Recommended Senior Executive Management team goals are presented to the Compensation Committee by the CEO prior to the beginning of the fiscal period
  - The Compensation Committee evaluates the recommended goals and approves.
  - Performance goals are established and weighted 75% weighted to Company financial performance and 25% to individual performance goal
- No excise tax gross-up on executive severance plan
- Double-trigger change-in-control provisions in executive severance plan
- Three-year performance period for LTIP awards
- Independent compensation consultant
- Annual compensation risk assessment

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 27, 2020**

This proxy statement and our 2019 annual report to stockholders are available at <http://www.togrp.com/proxy.html>. To vote your shares, please follow the instructions on the Notice or proxy card. You can elect to receive future distributions of our proxy statements and annual reports to stockholders by electronic delivery by following the instructions contained on the proxy card.

Additionally, you can find a copy of our Annual Report on Form 10-K, which includes our financial statements, for the fiscal year ended December 31, 2019, on the website of the Securities and Exchange Commission, or the SEC, at [www.sec.gov](http://www.sec.gov), or under “SEC Filings” in the “Investor Relations” section of our website at [www.togrp.com](http://www.togrp.com). You may also obtain a printed copy of our Annual Report on Form 10-K free of charge by sending a written request to: Corporate Secretary, The ONE Group Hospitality, Inc., 1624 Market St., Suite 311, Denver, CO 80202. Exhibits to the Annual Report on Form 10-K will be provided upon written request and payment of an appropriate processing fee.

## IMPORTANT INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

### Why is the Company Soliciting My Proxy?

The Board of Directors (the “Board”) of The ONE Group Hospitality, Inc. is soliciting your proxy to vote at the 2020 annual meeting of stockholders to be held at STK Denver, 1550 Market St., Denver, CO 80202 on Wednesday, May 27, 2020 at 11:00 a.m. and any adjournments of the meeting. The proxy statement summarizes the purposes of the meeting and the information you need to know to vote at the annual meeting.

We have made available to you on the Internet or have sent you this proxy statement, the Notice of 2020 Annual Meeting of Stockholders, the proxy card and a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, because you owned shares of common stock of The ONE Group Hospitality, Inc. on the record date. The Company will distribute the Important Notice Regarding the Availability of Proxy Materials, which we refer to throughout this proxy statement as the Notice, and, if necessary, the proxy materials to stockholders on or about April 17, 2020.

### Why Did I Receive a Notice in the Mail Regarding the Internet Availability of Proxy Materials Instead of a Full Set of Proxy Materials?

We furnish our proxy materials to most of our stockholders by providing access to the materials on the Internet, rather than mailing printed copies. We believe that this process expedites stockholders’ receipt of proxy materials, lowers the costs of the annual meeting and conserves natural resources. If you received a Notice by mail or electronically, you will not receive a printed or email copy of the proxy materials, unless you request one by following the instructions included in the Notice. The Notice instructs you how to access and review all of the proxy materials and submit your proxy on the Internet. If you requested a paper copy of the proxy materials, you may instruct how your shares will be voted by following the instructions on the proxy card.

### Who Can Vote?

Only stockholders who owned our common stock at the close of business on April 9, 2020, are entitled to vote at the annual meeting. On that date, there were 29,042,852 shares of our common stock outstanding and entitled to vote.

You do not need to attend the annual meeting to vote your shares. Shares represented by valid proxies, received and not revoked prior to the annual meeting, will be voted at the annual meeting. For instructions on how to change or revoke your proxy, see “May I Change or Revoke My Proxy?” below.

### How Many Votes Do I Have?

Each share of our common stock that you own entitles you to one vote.

### How Do I Vote?

Whether or not you plan to attend the annual meeting, we urge you to vote by proxy. All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via Internet. You may specify whether your shares should be voted for or withheld for the nominee for director and whether your shares should be voted for, against or abstain with respect to each of the other proposals. If you properly submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the Board’s recommendations as noted below. Voting by proxy will not affect your right to attend the annual meeting. If your shares are registered directly in your name through our stock transfer agent, Continental Stock Transfer & Trust Company, Inc. (“Continental”), or you have stock certificates registered in your name, you may vote:

- **By Internet.** Follow the instructions included in the Notice or, if you received printed materials, in the proxy card to vote by Internet;

- **By mail.** If you received a proxy card by mail, you can vote by mail by completing, signing, dating and returning the proxy card as instructed on the card. If you sign the proxy card but do not specify how you want your shares voted, they will be voted in accordance with the Board's recommendations as noted below; or
- **In person at the meeting.** If you attend the meeting, you may deliver a completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting

Stockholders of record may vote via the Internet at any time up to 11:59 p.m. Eastern Time on May 26, 2020.

If your shares are held in "street name" (held in the name of a bank, broker or other holder of record), you will receive instructions from the holder of record. You must follow the instructions from the holder of record for your shares to be voted. Internet voting also will be offered to stockholders owning shares through certain banks and brokers. If your shares are not registered in your own name and you plan to vote your shares in person at the annual meeting, you should contact your broker or agent to obtain a legal proxy or broker's proxy card and bring it to the annual meeting in order to vote.

### **How Does the Board Recommend That I Vote on the Proposals?**

The Board recommends that you vote as follows:

- **"FOR"** the election of the nominees for director;
- **"FOR"** the ratification of the selection of Plante Moran, P.C. as our independent registered public accounting firm for our fiscal year ending December 31, 2020; and
- **"FOR"** the compensation of our named executive officers as disclosed in this proxy statement;

We are not aware of any other matters that needed to be acted on at the annual meeting. If any other matter is presented at the annual meeting, your proxy provides that your shares will be voted by the proxy holder listed in the proxy in accordance with his best judgment.

### **May I Change or Revoke My Proxy?**

If you give us your proxy, you may change or revoke it at any time before the annual meeting. You may change or revoke your proxy in any one of the following ways:

- if you received a proxy card, by signing a new proxy card with a date later than your previously delivered proxy and submitting it as instructed above;
- by re-voting on the Internet as instructed above;
- by notifying The ONE Group Hospitality, Inc.'s Secretary in writing before the annual meeting that you have revoked your proxy; or
- by attending the annual meeting in person and voting in person. Attending the annual meeting in person will not in and of itself revoke a previously submitted proxy. You must specifically request at the annual meeting that it be revoked.

Your most current vote, whether by Internet or proxy card, is the one that will be counted.

### **What if I Receive More Than One Notice or Proxy Card?**

You may receive more than one Notice or proxy card if you hold shares of our common stock in more than one account, which may be in registered form or held in street name. Please vote in the manner described above under "How Do I Vote?" for each account to ensure that all of your shares are voted.

### **Will My Shares be Voted if I Do Not Vote?**

If your shares are registered in your name or if you have stock certificates, they will not be counted if you do not vote as described above under "How Do I Vote?" If your shares are held in street name and you do not provide voting instructions to the bank, broker or other nominee that holds your shares as described

above, the bank, broker or other nominee that holds your shares has the authority to vote your unvoted shares only on the ratification of the appointment of our independent registered public accounting firm (Proposal 2 of this proxy statement) without receiving instructions from you. If you hold your shares in street name and you do not instruct your bank, broker or other nominee how to vote, no votes will be cast on any other proposal on your behalf.

### **What Vote is Required to Approve Each Proposal and How are Votes Counted?**

#### **Proposal 1: Elect Directors**

The nominees for director who receive the most votes (also known as a “plurality” of the votes cast) will be elected. You may vote either FOR all the nominees or WITHHOLD your vote from any one or more of the nominees. Votes that are withheld will not be included in the vote tally for the election of the directors.

#### **Proposal 2: Ratify Selection of Independent Registered Public Accounting Firm**

The votes cast “for” must exceed the votes cast “against” to ratify the selection of our independent registered public accounting firm. Abstentions will have no effect on the results of this vote. We are not required to obtain the approval of our stockholders to select our independent registered public accounting firm. However, if our stockholders do not ratify the selection of Plante Moran, P.C. as our independent registered public accounting firm for 2020, our Audit Committee of our Board of Directors will reconsider its selection.

#### **Proposal 3: Approve the Compensation of our Named Executive Officers**

The votes cast “for” must exceed the votes cast “against” to approve the compensation of our named executive officers. Although the vote is advisory and non-binding, the Compensation Committee and the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Proxy holders will vote your shares as you instruct. Abstentions and broker non-votes do not affect the vote on any of the proposals.

### **Is Voting Confidential?**

We will keep all the proxies, ballots and voting tabulations private. We only let our Inspectors of Election, Continental, examine these documents. Management will not know how you voted on a specific proposal unless it is necessary to meet legal requirements. We will, however, forward to management any written comments you make on the proxy card or otherwise provide.

### **Where Can I Find the Voting Results of the Annual Meeting?**

The preliminary voting results will be announced at the annual meeting, and we will publish final results in a Current Report on Form 8-K within four business days of the annual meeting.

### **How are Proxies Solicited for the Annual Meeting?**

The Company is soliciting proxies for the annual meeting. We will pay all of the costs of soliciting these proxies. Our directors and employees may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses.

### **What Constitutes a Quorum for the Annual Meeting?**

The presence, in person or by proxy, of the holders of a majority of the voting power of all outstanding shares of our common stock entitled to vote at the annual meeting is necessary to constitute a quorum at the annual meeting. Votes of stockholders of record who are present at the annual meeting in person or by proxy, abstentions, and broker non-votes are counted for purposes of determining whether a quorum exists.



## **Householding of Annual Disclosure Documents**

SEC rules concerning the delivery of annual disclosure documents allow us or your broker to send a single Notice or, if applicable, a single set of our proxy materials to any household at which two or more of our stockholders reside, if we or your broker believe that the stockholders are members of the same family. This practice, referred to as “householding,” reduces the volume of duplicate information received at your household and helps to reduce our expenses. The rule applies to our Notices, annual reports, proxy statements and information statements. Once you receive notice from your broker or from us that communications to your address will be “household,” the practice will continue until you are otherwise notified or until you revoke your consent to the practice. Stockholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

If your household received a single Notice or, if applicable, a single set of proxy materials this year, but you would prefer to receive your own copy, please contact our transfer agent, Continental, by calling them at (212) 509-4000.

If you do not wish to participate in “householding” and would like to receive your own Notice or, if applicable, a set of our proxy materials in future years, follow the instructions described below. Conversely, if you share an address with another Company stockholder and together both of you would like to receive only a single Notice or, if applicable, a set of proxy materials, follow these instructions:

- If your shares of The ONE Group Hospitality, Inc. are registered in your own name, please contact our transfer agent, Continental, and inform them of your request by writing them at 1 State Street, New York, New York 10004.
- If a broker or other nominee holds your shares, please contact the broker or other nominee directly and inform them of your request. Be sure to include your name, the name of your brokerage firm and your account number.

## **Electronic Delivery of Company Stockholder Communications**

Most stockholders can elect to view or receive copies of future proxy materials over the Internet instead of receiving paper copies in the mail.

You can choose this option and save the Company the cost of producing and mailing these documents by:

- following the instructions provided on your proxy card; or
- following the instructions provided when you vote over the Internet.

## ELECTION OF DIRECTORS

### (Proxy Item 1)

Our Board has the discretion to set the size of the Board from time to time, and has set the number of directors at five. Our Board is divided into three classes. One class is elected at each annual meeting of stockholders to serve for a three-year term. We currently have five directors sitting on the Board, classified into three classes as follows: (1) Eugene M. Bullis constitutes a class with a term ending at the 2021 annual meeting; (2) Jonathan Segal and Emanuel P.N. Hilario constitute a class with a term ending at the 2022 annual meeting; and (3) Michael Serruya and Dimitrios Angelis constitute a class with a term ending at the 2020 annual meeting.

On March 23, 2018, we entered into a letter agreement with David Kanen and Kanen Wealth Management LLC (collectively, the “Kanen Group”) pursuant to which we agreed that, provided that the Kanen Group beneficially owns at least 10% of our outstanding common stock, the Kanen Group has the right to nominate one Class I director with a term expiring in 2020. Pursuant to this agreement, the Board appointed Dimitrios Angelis as a Class I director with a term expiring at our 2020 annual meeting of stockholders.

On March 24, 2020, our Board accepted the recommendation of the Nominating and Governance Committee and voted to nominate Dimitrios Angelis and Michael Serruya for election at the annual meeting for a term of three years to serve until the 2023 annual meeting of stockholders.

#### **Required Vote**

A plurality of the shares voted for each nominee at the annual meeting is required to elect such nominee as a director.

#### **Recommendation**

**THE BOARD RECOMMENDS THE ELECTION OF DIMITRIOS ANGELIS AND MICHAEL SERRUYA AS DIRECTORS, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF THEM UNLESS A STOCKHOLDER HAS INDICATED OTHERWISE ON THE PROXY.**

#### **Qualifications Required for All Directors**

In assessing potential directors, including those recommended by stockholders, The Board of Directors and the Nominating and Governance Committee consider a variety of factors, including the evolving needs of the Board of Directors and the Company as well as other criteria established by the Board of Directors. These include the potential director’s judgement, independence, business and educational background, stature, public service, conflicts of interest, ethics and ownership of Company stock, as well as his or her level of commitment to stockholder value creation and his or her ability and willingness to devote sufficient time to serve on the Board of Directors and to the affairs of the Company. The Board of Directors and the Nominating and Governance Committee require that each director be a recognized person of high integrity with a proven record of success in his or her field.

#### **Board Diversity**

The Board of Directors also believes that diversity and inclusion are important considerations in board composition. When considering director qualifications, the Board of Directors and the Nominating and Governance Committee evaluate the entirety of each director’s credentials, including factors such as diversity of background, experience, skill, age, race, ethnicity and gender. Although the Board of Directors does not have a written diversity policy, the Nominating and Governance Committee evaluates the current composition of the Board with a view toward having the Board reflect a diverse mix of skills, experiences, backgrounds and opinions. Depending on the current composition of the Board of Directors, the Nominating and Governance Committee may weigh certain factors, including those relating to diversity, more or less heavily when evaluating a potential candidate.

## Experience, Qualifications and Skills Represented on our Board of Directors

In addition to the general qualifications highlighted above, in light of the Company's current needs and its business strategy, our Board of Directors has identified particular expertise, qualifications and skills that are important to be represented on our Board as a whole. The Board of Directors believes it is valuable to have a mix of individuals with expertise as senior executives in the areas of operations, finance, marketing and sales, hospitality, human resources, compensation and talent management; individuals with enterprise-level information technology expertise; and individuals with expertise in domestic and international market development, corporate strategy, corporate governance and risk management. The Board of Directors also believes it is important that a meaningful number of our directors have operating knowledge of the industry in which the Company operates, general management experience or experience serving as a public company director. As a group, the members of the Board of Directors reflect the diverse mix of skills, experiences, backgrounds, and perspectives that the Board believes is optimal to foster an effective decision-making environment.

Our Board of Directors is comprised of individuals who collectively possess the particular experiences we consider important to be represented on our Board of Directors as a whole. The table below highlights the primary reasons each individual was selected as a director nominee relative to our desired criteria for a diverse, well-balanced Board of Directors and the particular expertise, qualifications and skills we believe should be represented on our Board of Directors. Our directors have experience and expertise beyond those noted below. The table is intended to highlight the specific, unique characteristics which lead to each individuals selection as a nominee and the collective strength of our Board's experience and expertise.

	<b>Emanuel Hilario</b>	<b>Jonathan Segal</b>	<b>Dimitrios Angelis</b>	<b>Eugene Bullis</b>	<b>Michael Serruya</b>
Director Since	2017	2013	2018	2014	2013
Age	52	59	50	74	56
Gender	M	M	M	M	M
Senior Operating Executive Expertise	✓	✓	✓	✓	✓
Senior Financial Executive Expertise	✓			✓	
Senior Marketing/Sales Executive Expertise	✓				
Senior HR / Compensation / Talent Development Expertise	✓		✓	✓	✓
Hospitality	✓	✓			✓
Operating Knowledge of Company's Industry	✓	✓			✓
Public Company Directorship Experience	✓	✓	✓	✓	✓
Enterprise Level Information Technology Expertise	✓		✓	✓	
Domestic and International Market Development Expertise	✓	✓	✓	✓	✓
Corporate Strategy Development Expertise	✓	✓	✓	✓	✓
Corporate Governance Expertise	✓	✓	✓	✓	✓
Risk Management Expertise	✓		✓	✓	✓

The following paragraphs provide information about each director background, including positions held, principal occupation and business expertise for the past five years, and the names of other publicly traded companies for which he currently serves as a director or has served as a director during the past five years. For information about the number of shares of common stock beneficially owned by each director, see "Certain Information Regarding Security Holders." There are no family relationships among any of the directors and executive officers of The ONE Group Hospitality, Inc.

### **Emanuel P.N. Hilario — President, Chief Executive Officer and Director**

Emanuel P.N. Hilario, age 52, has served as a Class III member of our Board since April 10, 2017. Mr. Hilario has served as President and Chief Executive Officer of the Company since October 30, 2017. From 2015 until October 2017, Mr. Hilario served as Chief Financial Officer of Sizzling Platter, a restaurant management company operating over 400 franchised restaurants in the United States, Mexico, and China under the brand names of Red Robin, Sizzler, Little Caesars, Dunkin Donuts, and Wingstop. Before joining Sizzling Platter, Mr. Hilario served as Chief Operating Officer for Einstein Noah Restaurant Group, Inc. from 2013 to 2014 and served as its Chief Financial Officer from 2010 to 2013. He previously served as Chief Financial Officer for McCormick & Schmick's Seafood Restaurants, Inc. from April 2004 through May 2009 and also served on its Board as a Director from May 2007 to July 2009. For the preceding four years, he served as Chief Financial Officer of Angelo and Maxie's, Inc. While there, from 2002 to 2004, he managed day-to-day operations of the Angelo and Maxie's steakhouse concept. Mr. Hilario began his career at McDonald's and has held various financial roles within the company. He received a Bachelor of Science and Commerce degree from Santa Clara University in 1990.

Mr. Hilario has served on the Board of Directors of TransAct Technologies Incorporated (Nasdaq: TACT), a global leader in software-driven technology and printing solutions for high-growth markets, since 2019.

- *Director Qualifications:* We believe Mr. Hilario's qualifications to serve on the Board include his extensive knowledge and experience in the restaurant industry and as an executive in public companies, his knowledge of licensing and franchising of restaurants, as well as his years of working at fine dining concepts and managing food and beverage hospitality operations.

### **Jonathan Segal — Executive Chairman of the Board of Directors and Director of Business Development**

Jonathan Segal, age 59, has served as a Class III member of our Board since October 16, 2013. Mr. Segal brings over 35 years of experience in developing and operating hotels, bars and hospitality projects to the Company. Mr. Segal served as Chief Executive Officer of the Company from 2004 until October 30, 2017. He co-founded the Company in 2004 in order to open ONE, a pioneering restaurant in the Meatpacking District of New York. Mr. Segal began his career in the hospitality industry at age 16 with his family's company, currently known as The Modern Group in Jersey, Channel Islands, U.K., formerly the largest leisure company in the Channel Islands. In June 2013, Jonathan won an Ernst & Young Entrepreneur of the Year 2013 New York award and was a finalist for the national award in November 2013.

- *Director Qualifications:* We believe Mr. Segal's qualifications to serve on the Board include his role as founder and former Chief Executive Officer of the Company, his extensive knowledge and experience in the restaurant industry and his leadership, strategic guidance and operational vision.

### **Michael Serruya — Director**

Michael Serruya, age 56, has served as a Class I member of our Board since October 27, 2013 and as Non-Executive Chairman of our Board from October 27, 2013 until October 30, 2017. Mr. Serruya has served as a director of Second Cup Inc. since 2017. Mr. Serruya was also President, Chief Executive Officer and Chairman of CoolBrands' predecessor, Yogen Früz World-Wide Inc. Mr. Serruya was Chairman and Chief Executive Officer of Kahala Brands until July 2016 and is currently Chairman and Chief Executive Officer of Serruya Private Equity.

- *Director Qualifications:* We believe Mr. Serruya's qualifications to serve on the Board include his business experience, including a diversified background as an executive and in operational roles in both public and private companies, and as a board member of several public companies, gives him a breadth of knowledge and valuable understanding of our business.

### **Eugene M. Bullis — Director**

Eugene M. Bullis, age 74, has served as a Class II member of our Board since August 12, 2014. Mr. Bullis has served as Chair of the Audit Committee of Ambac Financial Group, Inc. from May 2013 to May 2016, and has served as a Member of the Board of Governors of The Doctors Company since

December 2010. From November 2015 to November 2016, Mr. Bullis served as the Executive Vice President and Interim Chief Financial Officer of The Hanover Insurance Group, Inc., where he held the same position from 2007 until retirement in 2010. Prior to joining The Hanover Insurance Group, Inc., Mr. Bullis served as Executive Vice President and Chief Financial Officer of Conseco, Inc. from May 2002 to May 2007. Previously, Mr. Bullis served in a number of senior financial officer roles primarily in technology-related businesses, including Chief Financial Officer of Wang Laboratories, Inc. Mr. Bullis began his career with a predecessor firm of what is now Ernst & Young LLP, where he advanced to audit partner. Mr. Bullis received an A.B. in Business Administration from Colby College in 1967.

- *Director Qualifications:* We believe Mr. Bullis’ qualifications to serve on the Board include his considerable financial experience, including his background in audit and his familiarity with compliance, finance and regulatory requirements, as well as his experience as an executive in both public and private companies and as a board member of public companies.

### **Dimitrios Angelis — Director**

Dimitrios Angelis, age 50, has served as a Class I member of our Board since March 28, 2018. Mr. Angelis is a practicing corporate attorney and founded Pharma Tech Law in January 2019, having previously held several general counsel positions. Mr. Angelis is also co-founder and chairman of Sparta Biopharma Inc., a private medical device company, and Gendeeep, Inc., a private technology company. In addition, Mr. Angelis currently sits on several private boards and advises technology and life science companies on a wide range of matters. Mr. Angelis was on the Board of Directors of OTI Inc. (NASDAQ: OTIV) from December 2012 to August 2015, including having served as Chairman of the Board and CEO of OTI America, Inc. Prior to his business leadership role at On Track Innovations, he served as General Counsel and Corporate Secretary at Wockhardt, Inc. from October 2012 to December 2013, Senior Counsel at Dr. Reddy’s Laboratories, Inc. (NYSE: RDY) from October 2008 to October 2012, where he won the chairman’s award for individual excellence. Mr. Angelis also served as Chief Legal Officer at Osteotech, Inc. (NYSE: OSTE) from February to October 2008. Mr. Angelis was corporate counsel at Actavis Inc. from August 2004 to November 2007. He began his career at Mayer, Brown, LLP. Mr. Angelis currently serves as a director of Digirad Corporation (NASDAQ: DRAD) and AmeriHoldings (NASDAQ: AMRH). He holds a Bachelor of Arts degree from Boston College, a Master of Arts from California State University, and a Juris Doctorate from New York University School of Law.

- *Director Qualifications:* We believe Mr. Angelis’ qualifications to serve on the Board include his 19 years of legal and corporate governance experience, including his background and experience as an executive, entrepreneur, and board member of several public companies.

### **Information about our other Executive Officers**

The following table sets forth certain information regarding our executive officers who are not also directors.

<u>Name</u>	<u>Age</u>	<u>Positions</u>
Tyler Loy	40	Chief Financial Officer
Linda Siluk	62	Chief Administrative Officer

### **Tyler Loy — Chief Financial Officer**

Tyler Loy has served as the Chief Financial Officer of the Company since April 1, 2019. Mr. Loy served as the Company’s Vice President of Strategy from September 24, 2018 until April 1, 2019. From 2016 to 2018, Mr. Loy was the Vice President of Finance at Pacific Bells, a franchisee of approximately 300 Taco Bell and Buffalo Wild Wings restaurants. Before joining Pacific Bells, Mr. Loy worked at Einstein Noah Restaurant Group, Inc. (NASDAQ “BAGL”) from 2011 to 2016 and held various finance and sales leadership roles culminating as the Vice President of Catering. Mr. Loy began his career at McCormick & Schmick’s Seafood Restaurants, Inc. (NASDAQ “MSSR”) where he held various position in operations and finance from 2000 to 2011. Mr. Loy graduated in 2007 with a BA in Business Administration with a Finance Concentration from Washington State University.

**Linda Siluk — Chief Administrative Officer**

Linda Siluk has served as the Chief Administrative Officer of the Company since April 1, 2019 and served as Interim Chief Financial Officer of the Company from May 16, 2017 until April 1, 2019. Prior to joining the Company, Ms. Siluk served as the Senior Vice President and Chief Accounting Officer for Fairway Group Holdings, Corp. from June 2015 to February 2017, as the Vice President and Finance and Chief Accounting Officer from October 2011 to June 2015, and as Senior Project Manager from August 2009 to October 2010. Prior to her experience at Fairway, Ms. Siluk served as the Chief Financial Officer at Drug Fair from October 2008 to May 2009. From September 2006 to April 2008, Ms. Siluk was the Senior Vice President, Finance at Ann Taylor. Ms. Siluk received her B.S. in Business Administration from Montclair State College. Ms. Siluk is a certified public accountant.

## CORPORATE GOVERNANCE

### Board Leadership Structure and Role in Risk Oversight

Our Board consists of five members.

In accordance with our Amended and Restated Certificate of Incorporation, our Board is divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. The authorized number of directors may be changed by resolution of the Board. Vacancies on the Board can be filled by resolution or a majority vote of the remaining directors then in office, even if less than a quorum, or by a sole remaining director of the Board. Our principles of corporate governance give the Board the authority to choose whether the roles of Executive Chairman of the Board and Chief Executive Officer are held by one person or two persons. Our principles also give the Board the authority to change this policy if it deems it best for the Company at any time. Currently, two separate individuals serve in the positions of Chief Executive Officer and Executive Chairman of the Board of the Company.

Our Board currently has three independent members and two non-independent members, one of whom is our Chief Executive Officer. We believe that the number of independent, experienced directors that make up our Board benefits our Company and our stockholders. All of our independent directors have demonstrated leadership in other organizations and are familiar with board of director processes.

Messrs. Serruya and Angelis are Class I directors and their term will expire at our 2020 annual meeting of stockholders. Mr. Bullis is a Class II director and his term will expire at our 2021 annual meeting of stockholders. Messrs. Hilario and Segal are Class III directors and their term will expire at our 2022 annual meeting of stockholders.

Our management is principally responsible for defining the various risks facing the Company, formulating risk management policies and procedures, and managing our risk exposures on a day-to-day basis. The Board's principal responsibility in this area is to ensure that sufficient resources, with appropriate technical and managerial skills, are provided throughout the Company to identify, assess and facilitate processes and practices to address material risk and to monitor our risk management processes by informing itself concerning our material risks and evaluating whether management has reasonable controls in place to address the material risks. The involvement of the Board in reviewing our business strategy is an integral aspect of its assessment of management's tolerance for risk and also its determination of what constitutes an appropriate level of risk for the Company.

Although the full Board has overall responsibility for risk oversight, the Board may elect to delegate oversight responsibility related to certain committees, which in turn would then report on the matters discussed at the committee level to the full Board. For instance, an audit committee could focus on the material risks facing the Company, including operational, market, credit, liquidity and legal risks and a compensation committee could be charged with reviewing and discussing with management whether our compensation arrangements are consistent with effective controls and sound risk management.

Our Board has reviewed the direct and indirect relationship that each of our directors has with The ONE Group Hospitality, Inc., and has determined that the following members of the Board are "independent directors" as defined by The NASDAQ Stock Market ("NASDAQ"): Dimitrios Angelis, Eugene M. Bullis and Michael Serruya.

### Stockholder Communications to the Board of Directors

Generally, stockholders who have questions or concerns should contact our Investor Relations contact at 646-624-2400. However, any stockholders who wish to address questions regarding our business directly with the Board, or any individual director, should direct his or her questions in writing to the Board at The ONE Group Hospitality, Inc., 1624 Market St. Suite 311, Denver, CO 80202 Attn: Corporate Secretary. Communications will be distributed to the Board, or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communications. Items that are unrelated to the duties and responsibilities of the Board may be excluded, such as junk mail and mass mailings, resumes and

other forms of job inquiries, surveys, and solicitations or advertisements. In addition, any material that is unduly hostile, threatening, or illegal in nature may be excluded, provided that any communication that is filtered out will be made available to any outside director upon request.

#### **Employee, Officer and Director Hedging.**

Our insider trading policy, which applies to all employees, officers and directors, prohibits transactions that hedge or offset decreases in the value of Company securities.

#### **Committees of the Board of Directors and Meetings**

The Board of Directors has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, each of which operates pursuant to a written charter this is available on our website at [www.togrp.com](http://www.togrp.com).

**Meeting Attendance.** During the fiscal year ended December 31, 2019, the Board met a total of nine times, and the various committees of the Board met a total of seven times. Each director attended more than 75% of the total number of meetings of the Board of Directors and the committees of the Board of Directors on which such director served. The Board has adopted a policy under which each member of the Board is strongly encouraged but not required to attend each annual meeting of our stockholders. Jonathan Segal, Michael Serruya, Emanuel P.N. Hilario, Dimitrios Angelis, and Eugene M. Bullis attended our annual meeting of stockholders in 2019.

#### ***Audit Committee***

Members	This committee currently has three members, Messrs. Bullis (Chair), Angelis and Serruya. All members of the Audit Committee satisfy the current independence standards promulgated by the SEC and by NASDAQ, as such standards apply specifically to members of audit committees. The Board has determined that Mr. Bullis is an “audit committee financial expert,” as defined in Item 407 of Regulation S-K. A copy of the Audit Committee’s written charter is publicly available on our website at <a href="http://www.togrp.com">www.togrp.com</a> .
Number of Meetings Last Year	Four
Primary Functions	Our Audit Committee’s role and responsibilities are set forth in the Committee’s written charter and include the authority to retain and terminate the services of our independent registered public accounting firm. In addition, the Audit Committee reviews annual financial statements, considers matters relating to accounting policy and internal controls and reviews the scope of annual audits.

#### ***Compensation Committee.***

Members	This committee currently has three members, Messrs. Angelis (Chair), Bullis and Serruya. All members of the Compensation Committee qualify as independent under the definition promulgated by NASDAQ.
Number of Meetings Last Year	Two
Primary Functions	Our Compensation Committee’s role and responsibilities are set forth in the Compensation Committee’s written charter and include reviewing, approving and making recommendations regarding our compensation policies, practices and procedures to ensure that legal and fiduciary responsibilities of the Board are carried out and that such policies, practices and procedures contribute to our success. Our Compensation Committee also administers our 2019 Amended and



Restated Stock Incentive Plan (“Equity Incentive Plan”). The Compensation Committee is responsible for the determination of the compensation of our Chief Executive Officer, and his compensation without the Chief Executive Officer present.

In establishing compensation amounts for executives, the Compensation Committee seeks to provide compensation that is competitive in light of current market conditions and industry practices. Accordingly, the Compensation Committee annually reviews market data comprising proxy-disclosed data from peer companies and information from nationally recognized published surveys for the restaurant industry, adjusted for size. The market data helps the committee gain perspective on the compensation levels and practices at the peer companies and to assess the relative competitiveness of the compensation paid to the Company’s executives. The market data guides the Compensation Committee in its efforts to set executive compensation levels and program targets at competitive levels for comparable roles in the marketplace. The Compensation Committee then takes into account other factors, such as the importance of each executive officer’s role to the Company, individual expertise, experience, and performance, retention concerns and relevant compensation trends, in making its final compensation determinations.

The Compensation Committee’s independent compensation consultant during fiscal year 2019 was Frederic W. Cook & Co. (“Cook & Co.”). Cook & Co. was previously engaged by, and reported directly to, the Compensation Committee, which has the sole authority to hire or fire Cook & Co. and to approve fee arrangements for work performed. Cook & Co. assisted the Compensation Committee in fulfilling its responsibilities under its charter, including advising on equity incentive compensation grants to employees, including officers. The Compensation Committee authorized Cook & Co. to interact with management on behalf of the Compensation Committee, as needed in connection with advising the Compensation Committee, and Cook & Co. was included in discussions with management.

It is the Compensation Committee’s policy that the Chair of the Compensation Committee or the full Compensation Committee pre-approve any additional services provided to management by an independent compensation consultant.

The Compensation Committee reviews the performance of each named executive officer in light of the above factors and determines whether the named executive officer should receive any increase in base salary or receive a discretionary equity award based on such evaluation. During 2019, the Compensation Committee did not adhere to a formula or other quantitative measures with respect to compensation but rather relied on qualitative and subjective evaluations to determine the appropriate levels of compensation for our named executive officers.

A copy of the Compensation Committee’s written charter is publicly available on our website at [www.togrp.com](http://www.togrp.com).

### *Nominating and Governance Committee.*

Members Our Nominating and Governance Committee currently has two members, Messrs. Serruya (Chair) and Bullis. The Nominating and Governance Committee's role and responsibilities are set forth in the Nominating and Governance Committee's written charter and include evaluating and making recommendations to the full Board as to the size and composition of the Board and its committees, evaluating and making recommendations as to potential candidates for election to the Board, and evaluating current Board members' performance. All members of the Nominating and Governance Committee qualify as independent under the definition promulgated by NASDAQ.

Number of meetings Last Year: One

Primary Functions If a stockholder wishes to nominate a candidate for director who is not to be included in our proxy statement, it must follow the procedures described in "Stockholder Proposals and Nominations For Director" at the end of this proxy statement.

In addition, under our current corporate governance policies, the Nominating and Governance Committee may consider candidates recommended by stockholders as well as from other sources such as other directors and officers, third party search firms or other appropriate sources. For all potential candidates, the Nominating and Governance Committee may consider all factors it deems relevant, such as a candidate's personal integrity and sound judgment, business and professional skills and experience, independence, knowledge of the industry in which we operate, possible conflicts of interest, diversity, the extent to which the candidate would fill a present need on the Board, and concern for the long-term interests of the stockholders. In general, persons recommended by stockholders will be considered on the same basis as candidates from other sources. If a stockholder wishes to propose a candidate for consideration as a nominee by the Nominating and Governance Committee under our corporate governance policies, it should submit such recommendation in writing to: The ONE Group Hospitality, Inc., c/o Corporate Secretary, Nominating and Governance Committee, 1624 Market St., Suite 311, Denver, CO 80202.

The Nominating and Governance Committee considers issues of diversity among its members in identifying and considering nominees for director, and strives where appropriate to achieve a diverse balance of backgrounds, perspectives, experience, age, gender, ethnicity and country of citizenship on the Board and its committees.

A copy of the Nominating and Governance Committee's written charter is publicly available on the Company's website at [www.togrp.com](http://www.togrp.com).

## CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Our Audit Committee reviews all transactions in excess of \$120,000 between us and a related person, which includes nominees for directors, directors and executive officers and their immediate families and stockholders who beneficially own more than five percent of our outstanding shares of common stock. For its review, the Audit Committee obtains relevant information, including through the review of director and officer questionnaires. In some circumstances, the authority to review and approve or disapprove a transaction is delegated to our Audit Committee chair. The Audit Committee or its chair may approve a related party transaction only after a determination that the transaction is in, or not inconsistent with, the best interests of us and our stockholders, taking into account necessary facts and circumstances. These facts and circumstances will typically include the benefits of the transaction to us; the impact on a director's independence if the related party is a director, an immediate family member of a director or an entity in which a director is a partner, stockholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms of comparable transactions that would be available to unrelated third parties or to employees generally. No member of the Audit Committee may participate in any review, consideration or approval of any related party transaction with respect to which the member or the member's immediate family has an interest.

### *Lease Guarantees*

Mr. Segal is the Executive Chairman of the Board, the Director of Business Development and a principal stockholder of the Company. As of April 9, 2020, Mr. Segal beneficially owned approximately 25.4% of our issued and outstanding common stock. Mr. Segal is a limited personal guarantor of the leases for the Bagatelle New York premises with respect to JEC II, LLC's payment and performance under the lease.

### *Personal Interests in Subsidiaries*

Mr. Segal currently owns 100% of Hip Hospitality, LLC, which owns 10% of Bagatelle America, LLC ("Bagatelle America"). Bagatelle America is the Manager of Bagatelle Little West 12<sup>th</sup> LLC, which owns and operates the Bagatelle restaurant in New York City. As Manager, Bagatelle America receives an annual management fee of 5% of the Adjusted Gross Revenue (as defined in the management agreements with each subsidiary). Bagatelle America is also the holder of the trademark for "Bagatelle," which it licenses royalty-free to Bagatelle La Cienega, LLC and Bagatelle Little West 12<sup>th</sup> LLC.

### **Director Nominations**

We have arrangements with two stockholders — Argyle Street Management Limited and David Kanen and Kanen Wealth Management LLC (collectively, the "Kanen Group") — under which each of those stockholders may nominate a director for election to our Board (a "Designee"), subject to continued share ownership. Those arrangements are described above under "MANAGEMENT AND CORPORATE GOVERNANCE, Board of Directors". The Kanen Group also agreed to certain customary standstill provisions until the earliest to occur of (i) the end of the term for which a Designee is appointed (or such longer period as the Designee or, in certain circumstances, a replacement director selected pursuant to the agreement, continues to serve on the Board) and (ii) five business days after such date, if any, that the Kanen Group provides written notice to the Company that the Company materially breached any of its commitments under its agreement and where the Company has not cured such breach within 15 business days after such written notice. The standstill provisions generally prohibit the Kanen Group and its affiliates from taking specified actions during the standstill period with respect to the Company and its securities, including, among others: (i) soliciting or participating in the solicitation of proxies; (ii) joining any other "group" or becoming party to any voting arrangement or agreement; (iii) seeking or encouraging others to submit nominations for the election or removal of directors; or (iv) calling any meeting of stockholders, including by written consent, subject to certain conditions. During the standstill period, the Kanen Group has also agreed to vote its shares in favor of the Company's nominees of existing directors for election to the Board and in accordance with any recommendations of the Board on certain other matters.

## 2019 DIRECTOR COMPENSATION

Each non-employee director in 2019 received stock grants equal to \$50,000 at the fair market value on June 4, 2019, and \$50,000 in director fees for the fiscal year ended December 31, 2019. The Company reimburses all directors for reasonable expenses incurred traveling to and from Board meetings. The Company does not pay employee directors any compensation for services as a director. Non-employee directors who serve as chair of any committees earn an additional \$10,000 per annum for such services.

The following table sets forth the compensation paid or earned for the fiscal year ended December 31, 2019 to our non-employee directors.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Total
Dimitrios Angelis . . . . .	\$60,000	\$50,000	\$110,000
Eugene Bullis . . . . .	\$60,000	\$50,000	\$110,000
Michael Serruya . . . . .	\$60,000	\$50,000	\$110,000

- (1) Each non-employee director in 2019 was paid a director's fee of \$50,000 for the fiscal year ended December 31, 2019. A \$10,000 committee chair fee was paid to Michael Serruya, Chair of the Nominating and Governance Committee, Dimitrios Angelis, Chair of the Compensation Committee and Eugene M. Bullis, Chair of the Audit Committee.
- (2) Each non-employee director in 2019 received 15,823 shares of common stock of the Company at the fair market value on June 14, 2019.

### *2020 Compensation*

For 2020, each of our non-employee directors will receive their compensation in the form of common stock to help the Company conserve cash during the period when operations are affected by COVID-19. On the first business day following each quarterly board meeting, each non-employee director will receive a number of shares of Company common stock equal to \$27,500 divided by the closing share price on the trading day immediately before the award date. We believe this decision by our Board reflects their confidence in the Company and its ability to survive the effects of COVID-19 and thrive when the Company's operations are able to return to normal.

**RATIFICATION OF APPOINTMENT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

**(Proxy Item 2)**

The Audit Committee has appointed Plante Moran, P.C. as our independent registered public accounting firm for the fiscal year ending December 31, 2020. Plante Moran has been the Company's independent registered public accounting firm since the review of the third quarter in 2018. We expect that representatives of Plante Moran will be present at the annual meeting, will be able to make a statement if they so desire, and will be available to respond to appropriate questions.

In deciding to appoint Plante Moran, the Audit Committee reviewed auditor independence issues and existing commercial relationships with Plante Moran and concluded that Plante Moran has no commercial relationship with the Company that would impair its independence for the fiscal year ending December 31, 2020.

Effective October 4, 2018, the Audit Committee approved the engagement of Plante & Moran, PLLC as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2018 and approved the dismissal of Grant Thornton LLP ("Grant Thornton") as the Company's independent registered public accounting firm. Subsequently, Plante & Moran, PLLC informed the Company that, because the Company was headquartered in the State of New York and because, under State of New York licensing requirements, all owners of the accounting firm were required to be certified public accountants or public accountants, the audit engagement would be with Plante Moran, P.C., an entity affiliated with Plante & Moran, PLLC. Plante Moran, P.C. is licensed to perform audit services in the State of New York and is separately registered with the Public Company Accounting Oversight Board. After receiving assurances that the Company's audit engagement team would remain the same, the Audit Committee terminated the engagement of Plante & Moran, PLLC and approved the engagement of Plante Moran, P.C. as the Company's independent registered public accounting firm on March 22, 2019. Although the Company relocated its corporate headquarters to Denver, CO, in 2019 Plante Moran P.C. remained the Company's auditor.

Neither Grant Thornton nor Plante & Moran, PLLC issued an audit report on the Company's consolidated financial statements in the past two fiscal years.

During the fiscal years ended December 31, 2018 and December 31, 2019 up to and including the date of the dismissal (the "Specified Period"), there were no disagreements (as described in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between the Company and either of Grant Thornton or Plante & Moran, PLLC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the auditing firm's satisfaction, would have caused the auditing firm to make reference thereto in its report on the financial statements for such years.

During the Specified Period, there were no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K). Material weaknesses in the Company's internal controls over financial reporting identified by Grant Thornton for the fiscal year ended December 31, 2017 were discussed by the Company's Audit Committee with Grant Thornton and Grant Thornton was authorized to respond fully to the inquiries of Plante & Moran, PLLC and Plante Moran, P.C. with respect to the weaknesses.

The Company did not consult with Plante Moran, P.C. prior to its engagement regarding (i) the application of accounting principles to a specific completed or proposed transaction, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report was provided to the Company nor oral advice was provided that the newly appointed auditor concluded was an important factor in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either subject of a disagreement or a reportable event as defined and described in paragraph (a)(1)(iv) and (a)(1)(v) of Item 304 of Regulation S-K.

The following table presents fees for professional audit services rendered (a) by Plante Moran, P.C. for services rendered during the year ended December 31, 2018 and December 31, 2019 (b) by Grant Thornton for services rendered by Grant Thornton during the fiscal year ended December 31, 2018.

	<u>2019</u>	<u>2018</u>
<b>Audit fees<sup>(1)</sup></b>		
Current Auditors (Plante Moran) . . . . .	\$301,214	\$ 20,000
Previous Auditors (Grant Thornton) <sup>(2)</sup> . . . . .	116,000	622,707
<b>Audit related fees</b> . . . . .	40,000	—
<b>Tax fees</b> . . . . .	—	—
<b>All other fees</b> . . . . .	—	—
<b>Total</b> . . . . .	<u>\$457,214</u>	<u>\$642,707</u>

(1) Audit fees consisted of audit work performed in the preparation and audit of the annual financial statements, review of quarterly financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, such as the provision of consents and comfort letters in connection with the filing of registration statements, Current Reports on Form 8-K and related amendments and statutory audits.

(2) In 2019, audit fees for the previous auditor included transition work related to the change in primary audit firms and consents provide for various registration statements .

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-audit Services of Independent Public Accountant**

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of our independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm.

Prior to engagement of an independent registered public accounting firm for the next year’s audit, management will submit an aggregate of services expected to be rendered during that year for each of four categories of services to the Audit Committee for approval.

1. **Audit** services include audit work performed in the preparation of financial statements, as well as work that generally only an independent registered public accounting firm can reasonably be expected to provide, including comfort letters, statutory audits, and attest services and consultation regarding financial accounting and/or reporting standards.
2. **Audit-Related** services are for assurance and related services that are traditionally performed by an independent registered public accounting firm, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.
3. **Tax** services include all services performed by an independent registered public accounting firm’s tax personnel except those services specifically related to the audit of the financial statements, and includes fees in the areas of tax compliance, tax planning, and tax advice.
4. **Other Fees** are those associated with services not captured in the other categories. The Company generally does not request such services from our independent registered public accounting firm.

Prior to engagement, the Audit Committee pre-approves these services by category of service. The fees are budgeted and the Audit Committee requires our independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage our independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging our independent registered public accounting firm.

The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

In the event the stockholders do not ratify the appointment of Plante Moran, P.C. as our independent registered public accounting firm, the Audit Committee will reconsider its appointment.

**Required Vote**

The affirmative vote of a majority of the votes cast by the stockholders present or represented by proxy and entitled to vote at the annual meeting affirmatively or negatively at the annual meeting is required to ratify the appointment of the independent registered public accounting firm.

**Recommendation**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO RATIFY THE APPOINTMENT OF PLANTE MORAN, P.C. AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, AND PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE VOTED IN FAVOR OF SUCH RATIFICATION UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.**

## CERTAIN INFORMATION REGARDING SECURITY HOLDERS

The following table sets forth the number of shares of our common stock beneficially owned as of April 9, 2020, by (i) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock, (ii) each of our directors and named executive officers and (iii) all current officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of our common stock that may be acquired by an individual or group within 60 days of April 9, 2020, pursuant to the exercise of options, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

Percentage ownership calculations for beneficial ownership are based on 29,042,852 shares outstanding as of April 9, 2020. Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of our common stock shown to be beneficially owned by them, based on information provided to us by such stockholders. The address for each director and executive officer listed is 1624 Market St., Suite 311, Denver, CO 80202.

Name	Number of Shares	Number of Shares Subject to Options within 60 days of April 9, 2020	Number of Shares Subject to RSUs	Total <sup>(1)</sup>	Percent
Jonathan Segal . . . . .	7,010,349 <sup>(2)</sup>	476,416	—	7,486,765	<b>25.4%</b>
Kanen Wealth Management, LLC . . . . . 5850 Coral Gables Drive, Suite 309 Coral Springs, FL 33076	4,814,012	—	—	4,814,012 <sup>(3)</sup>	<b>16.6%</b>
Twinleaf Management, LLC . . . . . 131 Brookwood Lane New Canaan, CT 06840	1,681,354	—	—	1,681,354 <sup>(4)</sup>	<b>5.8%</b>
Emanuel P. N. Hilario . . . . .	512,830	222,667	—	735,497	<b>2.5%</b>
Tyler Loy . . . . .	34,933	—	—	34,933	*
Linda Siluk . . . . .	20,143	—	7,000	27,143	*
Michael Serruya . . . . .	340,722	—	—	340,722 <sup>(5)</sup>	<b>1.2%</b>
Eugene Bullis . . . . .	112,811	—	—	112,811	*
Dimitrios Angelis . . . . .	57,390	—	—	57,390	*
All current executive officers and directors as a group (7 individuals) . . . . .	<b>8,089,178</b>	<b>699,083</b>	<b>7,000</b>	<b>8,795,261</b>	<b>29.6%</b>

\* Represents less than 1% of the issued and outstanding shares.

- (1) All securities are beneficially owned directly by the persons listed on the table (except as otherwise indicated).
- (2) Includes (i) 156,952 shares of common stock held by Modern Hotels (Holdings) Limited, of which Mr. Segal is the Managing Director, (ii) 386,166 shares of common stock held by the Jonathan Segal 2012 Family Trust, of which Mr. Segal is a trustee, and (iii) 1,000,000 shares of common stock held by the Jonathan Segal 2016 Family Trust #2, of which Mr. Segal is a trustee.
- (3) Based solely on (i) a Schedule 13D/A filed with the SEC on July 22, 2019 by Kanen Wealth Management LLC, a Florida limited liability company (“KWM”), and David L. Kanen, the managing member for KWM, and (ii) a Form 4 filed with the SEC on April 4, 2019, by Mr. Kanen, KWM and The Philotimo Fund LLC (“Philotimo”). KWM, in its role as investment manager for customer accounts, has discretionary voting and dispositive power over the shares of common stock held in the accounts. Mr. Kanen, as the managing member of KWM, may be deemed to share voting and dispositive power over such shares of common stock with KWM. KWM, as the general partner of



Philotimo, and Mr. Kanen, as the managing member of KWM, may be deemed to share voting and dispositive power over the shares of common stock held by Philotimo. Mr. Kanen, as the managing member of KWM, may be deemed the beneficial owner of the shares owned by KWM and Philotimo. As of April 9, 2020, KWM directly owned 2,948,775 shares, Philotimo directly owned 1,845,000 shares, and Mr. Kanen directly owned 20,237 Shares.

- (4) Based solely on a Schedule 13G filed with the SEC on January 15, 2020, by Twinleaf Management, LLC, a Connecticut limited liability company. The shares are allocated across eleven discretionary client accounts. Such clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities. No client account contains an interest relating to more than five percent of the common stock. Spencer Grimes, as managing member of Twinleaf Management LLC, may be deemed to beneficially own the shares of common stock.
- (5) Includes 197,712 shares of common stock held by MOS Holdings Inc., an entity owned by Mr. Serruya.

## EXECUTIVE OFFICER COMPENSATION

The following table shows the total compensation paid or accrued during the last two fiscal years ended December 31, 2018 and 2019 to (i) our President and Chief Executive Officer and (ii) our next two most highly compensated executive officers who earned more than \$100,000 and served as executive officers during the fiscal year ended 2019. In addition, we have disclosed the compensation for our Chief Financial Officer, who was appointed to that office in April 2019.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus	Stock Awards <sup>(2)</sup>	Option Awards	Non Equity Incentive Plan Compensation <sup>(2)</sup>	Other <sup>(5)</sup>	Total
Emanuel P. N. Hilario President and Chief Executive Officer	2019	\$506,730	\$125,000	\$575,000 <sup>(3)</sup>	\$100,000 <sup>(4)</sup>	\$674,375	\$ 0	\$1,981,105
	2018	\$458,654	\$ 0	\$ 0	\$ 0	\$156,938	\$ 0	\$ 615,592
Jonathan Segal Director of Business Development	2019	\$356,731	\$ 0	\$ 0	\$ 0	\$219,844	\$25,000	\$ 601,575
	2018	\$356,731	\$ 0	\$ 0	\$ 0	\$109,594	\$ 0	\$ 466,325
Tyler Loy Chief Financial Officer	2019	\$241,346	\$ 90,000	\$ 43,800 <sup>(5)</sup>	\$ 0	\$ 84,875	\$ 0	\$ 460,021
	2018	\$ 51,033	\$ 0	\$ 0	\$ 0	\$ 11,835	\$ 0	\$ 62,868
Linda Siluk Chief Administrative Officer	2019	\$263,269	\$ 24,000	\$ 87,600 <sup>(6)</sup>	\$ 0	\$ 77,049	\$ 0	\$ 451,918
	2018	\$336,594	\$ 0	\$ 0	\$ 0	\$ 60,390	\$ 0	\$ 396,984

- (1) The amount presented for salary for each of 2018 and 2019 includes the payment of 53 weeks of salary.
- (2) In 2018, 25% of incentive compensation was paid in restricted stock units that vest no the one-year anniversary of the grant, and 75% was paid in cash. For amounts earned in 2019, each of our executives elected to take the nonequity incentive compensation in the form of stock to help us conserve cash in light of the effect of COVID-19 on our business. We have reported the cash value of the awards under “Nonequity Incentive Plan Compensation.” We believe this is appropriate, and consistent with Instruction 2 to Regulation S-K Item 402(n)(2)(iii) and (iv), because the cash payments were payable only upon the achievement of performance measures set in advance and were not discretionary.
- (3) Composed of 150,600 restricted stock units awarded on February 18, 2019 which vest ratably in annual installments over three years and 42,088 shares of issued in connection with the completion of the Kona Grill acquisition in November 2019.
- (4) Composed of an option to purchase 68,000 shares of common stock awarded on February 18, 2019 which vests ratably in annual installments over three years.
- (5) Composed of 15,000 restricted stock units awarded March 26, 2019 which vest ratably in annual installments over three years.
- (6) Composed of 30,000 restricted stock units awarded March 26, 2019 which vest ratably in annual installments over three years.
- (7) Relocation reimbursement for move from New York City to Denver

## **Employment Agreements with Executive Officers**

### **President and Chief Executive Officer**

#### **HILARIO AGREEMENT HIGHLIGHTS:**

##### Employment Agreement Highlights

Date of Agreement: September 3, 2019

Term of Agreement: Four Years

Base Salary: \$500,000

Bonus Rate: 100%

##### Separation Highlights:

###### Accrued Obligations

18 Months of Monthly Salary (paid monthly)

Monthly Target Bonus Amount paid for 18 months

Immediate Vesting of any Equity having vest dates 18 months in the future.

Cobra payments for 18 months

Emanuel P.N. Hilario serves as our President and Chief Executive Officer pursuant to an employment agreement dated September 3, 2019 (“Hilario Agreement”). The Hilario Agreement provides for a term of four years, with such term automatically extending for additional one-year periods unless either party provides 90 days written notice of a rejection of the renewal prior to the commencement of the renewal term. Mr. Hilario receives an annual base salary of \$500,000, and thereafter he is entitled to receive increases (but no decreases) in his base salary as determined by the Company’s Board or Compensation Committee. In addition, Mr. Hilario is eligible to receive incentive compensation for each calendar year during the term of the Hilario Agreement in an amount targeted at 100% of his then-effective annual base salary, based in part upon achievement of individual and corporate performance objectives determined by the Board. Mr. Hilario will be eligible to receive a bonus in excess of the target if the Company’s performance exceeds 100% of the targeted goals, and an amount below the target amount will be paid if actual performance equals at least a minimum threshold, each as approved by the Board in consultation with Mr. Hilario when annual performance goals are established. Whether Mr. Hilario receives incentive compensation, and the amount of the incentive compensation, will be determined by the Board in its sole absolute discretion, except that any portion of the incentive compensation that the Board determines to be based on targeted goals will be considered non-discretionary and payable based on achievement of the goals. Mr. Hilario is eligible to participate in the Company’s 401(k) plan, health plans and other benefits on the same terms as other salaried employees.

#### *Noncompetition; Non-Solicitation*

Under the Hilario Agreement, for a period of 18 months after the date on which his employment is terminated for any reason, Mr. Hilario is prohibited from (a) engaging in any Competing Business within any geographic area where the Company or its subsidiaries conducts, or plans to conduct, business at the time of his termination, (b) persuading or attempting to persuade any Customer, Prospective Customer or Supplier to cease doing business with an Interested Party or reduce the amount of business it does with an Interested Party, (c) persuading or attempting to persuade any Service Provider to cease providing services to an Interested Party, or (d) soliciting for hire or hiring for himself or for any third party any Service Provider unless such person’s employment was terminated by the Company or any of its affiliates or such person responded to a “blind advertisement”. All capitalized terms in this paragraph have the respective meanings set forth in the Hilario Agreement.

#### *Termination*

If the Hilario Agreement is terminated by the Company for cause, or by the executive without good reason, or due to his death or disability, the Company must pay him or his estate any earned but unpaid salary, any unpaid portion of the bonus from the prior year, any accrued vacation time, any vested benefits he may have under any employee benefit plan, and any unpaid expense reimbursement accrued through the date of termination (the “Hilario Accrued Obligations”).

If the Hilario Agreement is terminated (i) by the Company without cause or (ii) by the executive for good reason, the Company must pay Mr. Hilario: (1) the Hilario Accrued Obligations earned through the date of termination;(2) an amount of his base salary equal to his current base salary over an 18 month period, such payments to be made in accordance with Company's normal payroll practices, less all customary and required taxes and employment-related deductions; (3) an amount of his incentive compensation equal to a monthly amount equal to one-twelfth of the target bonus for an 18 month period, based on year-to-date performance as determined by the Board in good faith, payable when other senior executives receive their annual bonuses for such year, and in no event later than March 15 of the year following the year in which the termination occurs (to the extent milestones for such bonus have not yet been agreed upon as of the termination, reference will be made to the milestones established for the prior year); (4) any equity awards that vest over time and are unvested as of the termination date will be accelerated such that the portion of the equity awards that would have vested in the following 18 month period will vest as of the termination date; and (5) an amount equal to the "COBRA" premium for as long as Mr. Hilario, and if applicable, Mr. Hilario's dependents are eligible for COBRA, subject to a maximum of 18 months.

Notwithstanding anything in the Hilario Agreement to the contrary, if Mr. Hilario's employment is terminated within 24 months following a change of control and upon the fulfillment of certain other conditions, Mr. Hilario is entitled to receive his severance in a lump sum.

### **Director of Business Development**

#### **SEGAL AGREEMENT HIGHLIGHTS:**

##### **Employment Agreement Highlights**

Date of Agreement: October 30, 2017

Term of Agreement:

Initial Three Years

Renewal Term Renewable for one-year terms

Base Salary: \$350,000

Prior Salary: \$575,000

Bonus Rate: 75%

##### **Separation Highlights:**

Accrued Obligations

24 Months of Monthly Salary (paid monthly)

During the Initial Term = the greater of current monthly salary or the prior monthly salary

After the Initial Term = current monthly salary

Pro Rata Bonus Amount for the Year during which the separation takes place

Jonathan Segal serves as our Director of Business Development pursuant to an amended and restated employment agreement dated October 30, 2017 ("Segal Agreement"). The Segal Agreement provides for a term of three years, with such term automatically extending for additional one-year periods unless either party provides 90 days written notice prior to the commencement of the renewal term. Mr. Segal initially received an annual base salary of \$350,000, and thereafter he is entitled to receive such increases (but no decreases) in his base salary as the Board or compensation committee thereof may approve in its sole discretion from time to time, but not less than annually. In addition, Mr. Segal is eligible to receive incentive compensation for each calendar year during the term of the Segal Agreement in an amount targeted at 75% of his then-effective annual base salary, based in part upon achievement of individual and corporate performance objectives as determined by the Board. Mr. Segal will be eligible to receive a bonus in excess of the target if the Company's performance exceeds 100% of the targeted goals, and an amount below the target amount will be payable if actual performance equals at least a minimum threshold, each as approved by the Board in consultation with Mr. Segal at the time the annual performance goals are established. Whether Mr. Segal receives incentive compensation, and the amount of any such incentive compensation, will be determined by the Board in its sole discretion, except that any portion of the incentive compensation that the Board determines to be based on targeted goals will be considered non-discretionary and payable based on achievement of such goals. Mr. Segal is eligible to participate in the Company's 401(k) plan, health plans and other benefits on the same terms as other salaried employees.

### *Noncompetition; Non-Solicitation*

Under the Segal Agreement, for a period of 24 months after the date on which his employment is terminated for any reason, Mr. Segal is prohibited from (a) engaging in any Competing Business within any geographic area where the Company or its subsidiaries conducts, or plans to conduct, business at the time of his termination, (b) persuading or attempting to persuade any Customer, Prospective Customer or Supplier to cease doing business with an Interested Party or reduce the amount of business it does with an Interested Party, (c) persuading or attempting to persuade any Service Provider to cease providing services to an Interested Party, or (d) soliciting for hire or hiring for himself or for any third party any Service Provider unless such person's employment was terminated by the Company or any of its affiliates or such person responded to a "blind advertisement". All capitalized terms in this paragraph have the respective meanings set forth in the Segal Agreement.

### *Termination*

If the Segal Agreement is terminated by the Company for cause, or by Mr. Segal without good reason, the Company must pay him any earned but unpaid salary, any unpaid portion of the bonus from the prior year, any accrued vacation time, any vested benefits he may have under any employee benefit plan, and any unpaid expense reimbursement accrued through the date of termination (the "Segal Accrued Obligations").

If the Segal Agreement is terminated (i) by the Company without cause or (ii) by the executive for good reason, then the Company must pay Mr. Segal: (1) the Segal Accrued Obligations earned through the date of termination; (2) an amount of his base salary equal to his current base salary over a 24 month period, such payments to be made in accordance with Company's normal payroll practices, less all customary and required taxes and employment-related deductions; (3) an amount of his bonus compensation equal to a pro rata portion of the bonus for the year in which the termination occurs, based on year-to-date performance as determined by the Board in good faith, payable when other senior executives receive their annual bonuses for such year, and in no event later than March 15 of the year following the year in which the termination occurs (to the extent milestones for such bonus have not yet been agreed upon as of the termination, reference will be made to the milestones established for the prior year); and (4) an amount equal to the "COBRA" premium for as long as Mr. Segal and, if applicable, Mr. Segal's dependents are eligible for COBRA, subject to a maximum of 18 months.

If Mr. Segal's employment is terminated as a result of his death or disability, the Company must pay him or his estate, as applicable, (1) the Segal Accrued Obligations earned through the date of termination and (2) a portion of the bonus that he would have been eligible to receive for days employed by the Company in the year in which his death or disability occurs, determined by multiplying (x) the bonus based on the actual level of achievement of the applicable performance goals for such year, by (y) a fraction, the numerator of which is the number of days up to and including the date of termination, and the denominator of which is 365, such amount to be paid in the same time and the same form as the bonus otherwise would be paid. In the event of the death or disability, vested options held by Mr. Segal may be exercised by him or his survivors, as applicable, to the extent exercisable at the time of death for a period of one year from the time of death or disability.

If Mr. Segal's employment is terminated within 12 months following a change in control and upon the fulfillment of certain other conditions, then (1) notwithstanding the vesting and exercisability schedule in any stock option agreement between the Company and Mr. Segal, all unvested stock options granted by the Company to Mr. Segal will immediately vest and become exercisable and remain exercisable for not less than 360 days thereafter, and (2) Mr. Segal will be entitled to receive his severance; provided, however, that if such lump sum severance payment, either alone or together with other payments or benefits, either cash or non-cash, that the executive has the right to receive from the Company, including, but not limited to, accelerated vesting or payment of any deferred compensation, options, stock appreciation rights or any benefits payable to the executive under any plan for the benefit of employees, would constitute an "excess parachute payment" (as defined in Section 280G of the Internal Revenue Code of 1986), then such lump sum severance payment or other benefit will be reduced to the largest amount that will not result in receipt by the executive of an excess parachute payment. The determination of the amount of the payment described in this subsection will be made by the Company's independent auditors at the sole expense of the Company. For purposes of clarification the value of any options described above will be determined by the Company's independent auditors using a Black-Scholes valuation methodology.

## Chief Financial Officer

Tyler Loy has served as the Chief Financial Officer of the Company since April 1, 2019. Mr. Loy served as the Company's Vice President of Strategy from September 24, 2018 until April 1, 2019. Effective April 1, 2019, Mr. Loy's base annual salary was \$250,000 and he was eligible to receive a cash bonus for each calendar year of 40% of his base salary plus an amount equal to one week of salary upon the achievement of certain mutually agreed upon objectives. If Mr. Loy's employment is terminated in connection with a change of control for a reason other than cause, the Company will pay Mr. Loy his salary for 26 weeks following the termination in accordance with the Company's payroll practices.

## Chief Administrative Officer (Former Interim Chief Financial Officer)

Linda Siluk has served as our Chief Administrative Officer since April 1, 2019. Before that, she served as our Interim Chief Financial Officer from May 16, 2017. Effective April 1, 2019, Ms. Siluk's base annual salary as Chief Administrative Officer was \$230,000, and she was eligible to receive a cash bonus for each calendar year targeted at 40% of her base salary plus an amount equal to one week of salary, based upon achievement of individual and corporate performance objectives as determined by the Board. If Ms. Siluk's employment is terminated in connection with a change of control for a reason other than cause, the Company will pay Ms. Siluk her salary for 26 weeks following the termination in accordance with the Company's payroll practices.

## Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Exercise Expiration	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
<b>Emanuel P. N. Hilario</b> . . . . .	200,000 <sup>(1)</sup>	100,000	—	\$1.42	10/30/2027	163,678 <sup>(6)</sup>	\$595,788		
	—	68,000 <sup>(2)</sup>	—	\$2.99	02/18/2029				
<b>Jonathan Segal</b> . . . . .	397,000 <sup>(3)</sup>	—	—	\$5.00	10/16/2023	9,133 <sup>(7)</sup>	\$ 33,244	150,000 <sup>(10)</sup>	\$546,000
	79,402 <sup>(4)</sup>	—	—	\$5.00	10/16/2023	—	—	—	—
	—	—	500,000 <sup>(5)</sup>	\$2.73	04/08/2026	—	—	—	—
<b>Tyler Loy</b> . . . . .	—	—	—			47,986 <sup>(8)</sup>	\$174,669		
<b>Linda Siluk</b> . . . . .	—	—	—			56,033 <sup>(9)</sup>	\$194,995		

- (1) The option for 300,000 shares vests ratably over three years beginning October 30, 2017.
- (2) The option for 68,000 shares vests ratably over three years beginning February 18, 2019.
- (3) The option for 511,052 shares vested ratably over five years beginning on October 16, 2013. However, on February 27, 2016, 114,044 of the option shares were forfeited upon the expiration of the Company's publicly traded warrants.
- (4) Up to 20% of the option for 511,052 shares will vest upon the achievement of certain annual performance milestones to be set by the Company each year for a five-year period commencing with the 2014 fiscal year. However, on February 27, 2016, 114,044 of the option shares were forfeited upon the expiration of the Company's publicly traded warrants.
- (5) The option for 500,000 shares will vest upon the last day of the quarter in which the closing price of our common stock reaches \$5.00, \$5.50 and \$6.00 for ten consecutive trading days in the quarter, with 33% vesting at each respective price.

- (6) The RSUs for 150,600 shares vest ratably over three years beginning on February 18, 2019 and the RSU for 13,078, granted on March 29, 2019, vests on its one-year anniversary.
- (7) The RSUs for 9,133 shares granted on March 29, 2019, vests on the one-year anniversary of grant.
- (8) The RSUs for 40,000 shares vests ratably over five years beginning on November 8, 2018. The RSUs for 15,000 shares vest ratably over three years beginning on March 26, 2019 and the RSUs for 986, granted on March 29, 2019 vest on its one-year anniversary.
- (9) The RSUs for 35,000 shares vests ratably over five years beginning on May 16, 2017. The RSUs for 30,000 shares vest ratably over five years beginning on March 26, 2019 and the RSUs for 5,033, granted on March 29, 2019 vest on its one-year anniversary.
- (10) The RSUs for 100,000 shares will vest upon the last day of the quarter in which the closing price of our common stock reaches \$5.00, \$5.50 and \$6.00 for ten consecutive trading days in the quarter, with 33% vesting at each respective price.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2019, with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants or rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)(1)
Equity compensation plans approved by security holders .....	2,761,519	\$2.90	2,583,283
Equity compensation plans not approved by security holders .....	—	—	—

- (1) In addition to issuing securities upon the exercise of options, warrants or rights, under our 2019 Amended and Restated Equity Incentive Plan, we may grant stock (with our without restrictions) and other stock-based awards to employees, consultants and directors.



## REPORT OF AUDIT COMMITTEE

The Audit Committee of the Board, which consists entirely of directors who meet the independence and experience requirements of The NASDAQ Stock Market, has furnished the following report.

The Audit Committee assists the Board in overseeing and monitoring the integrity of our financial reporting process, compliance with legal and regulatory requirements and the quality of internal and external audit processes. The Audit Committee's role and responsibilities are set forth in the charter adopted by the Board, which is available on our website at [www.togrp.com](http://www.togrp.com). The Audit Committee reviews and reassesses our charter annually and recommends any changes to the Board for approval. The Audit Committee is responsible for overseeing our overall financial reporting process, and for the appointment, compensation, retention, and oversight of the work of Plante Moran, P.C. In fulfilling its responsibilities for the financial statements for fiscal year December 31, 2019, the Audit Committee took the following actions:

- Reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2019 with management and Plante Moran, P.C., our independent registered public accounting firm;
- Discussed with Plante Moran, P.C. the matters required to be discussed in accordance with Auditing Standard No. 1301, *Communications with Audit Committees*; and
- Received written disclosures and the letter from Plante Moran, P.C. regarding its independence as required by applicable requirements of the Public Company Accounting Oversight Board, and the Audit Committee further discussed with Plante Moran, P.C. their independence.

The Audit Committee also considered the status of pending litigation, taxation matters and other areas of oversight relating to the financial reporting and audit process that the committee determined appropriate.

Based on the Audit Committee's review of the audited financial statements and discussions with management and Plante Moran, P.C., the Audit Committee recommended to the Board that the audited financial statements be included in our Annual Report on Form 10-K, for the fiscal year ended December 31, 2019 for filing with the SEC.

Members of The ONE Group Hospitality, Inc.  
Audit Committee

Eugene M. Bullis  
Michael Serruya  
Dimitrios Angelis

## **DELINQUENT SECTION 16(a) REPORTS**

Section 16(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), requires our directors, executive officers and beneficial owners of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in the ownership of our common stock and other equity securities. Such persons are required to furnish us copies of all Section 16(a) filings.

Based solely upon a review of the copies of the forms furnished to us, our records reflect one report required to be filed in 2019 pursuant to Section 16(a) of the Exchange Act was not filed on a timely basis.. The delinquent Form 4 for a purchase of shares was completed on February 13, 2020 for Tyler Loy, the Company’s Chief Financial Officer to report a purchase of the Company’s common stock on November 11, 2019.

## APPROVAL OF EXECUTIVE COMPENSATION AS DISCLOSED IN THIS PROXY STATEMENT

### (Notice Item 3)

We are seeking your advisory vote as required by Section 14A of the Securities Exchange Act of 1934 on the approval of the compensation of our named executive officers as described in the Executive Officer and Director Compensation section of this proxy statement in the compensation tables and related disclosures. Because your vote is advisory, it will not be binding on our Compensation Committee or our Board. However, the Compensation Committee and the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation. We have determined to hold an advisory vote to approve the compensation of our named executive officers annually, and the next such advisory vote will occur at the 2020 Annual Meeting of Stockholders.

#### *Our Compensation Program and Philosophy*

The objective of the compensation program for our named executive officers is to motivate and reward fairly those individuals who perform over time at or above the levels that we expect and to attract, as needed, and retain individuals with the skills necessary to achieve our objectives. Our compensation program is also designed to reinforce a sense of ownership and to link compensation to the Company's performance as well as the performance of each of our named executive officers.

We rely on qualified, highly skilled and talented employees who have experience in the restaurant and hospitality industries to execute our business plan and strategy. Thus, our compensation program is patterned in a manner similar to companies in these industries in order to attract and retain talented employees who may have other opportunities in these industry areas.

Our compensation program consists of these general elements:

- a fixed portion of compensation to retain and provide a base level of compensation to our named executive officers; and
- a performance element to incentivize our named executive officers to achieve superior corporate performance.

In determining the total amount and mixture of the compensation for each of our named executive officers, the Compensation Committee subjectively considers the overall value to us of each named executive officer in light of numerous factors, including, but not limited to, the following:

- our competitive position;
- our financial performance and the contribution of each individual to our financial performance;
- individual performance, including past and expected contribution to our corporate goals and execution of our business plan and strategy; and
- our long-term needs and operational goals, including attracting and retaining key management personnel.

The Compensation Committee and the Board believe that these policies and procedures are effective in implementing our compensation philosophy and objectives and in achieving our goals.

#### *NEO Compensation in 2019*

We believe the aggregate compensation paid to our NEOs in 2019 was appropriate, that compensation appropriately weighted performance measures, and that discretionary stock awards made in connection with our successful acquisition of Kona Grill were appropriate.

Mr. Hilario's compensation package for the first three years was the amount we believed was equitable to hire him as our Chief Executive Officer and comprised base salary, 50% bonus potential and the grant of stock, RSUs and options. See "Employment Agreements with Executive Officers — President and Chief Executive Officer."

For 2019, our NEOs were eligible to earn a percentage of their base salary upon attaining specified performance measures as follows: Mr. Hilario — 100%; Mr. Loy — 40%; Mr. Segal 75%; Ms. Siluk — 40%. Each of Mr. Hilario, Mr. Segal, Mr. Loy and Ms. Siluk received incentive bonuses based on the attainment of Bonus Adjusted EBITDA relative to the Bonus Adjusted EBITDA Target of \$14.5 million consolidated (75% allocation), and the attainment of prescribed individual goals (25% allocation). Each component is further adjusted by the individual's goal performance factor. The Fiscal 2019 EBITDA target was met.

The goals for 2019 for the executive team were as follows:

#### **Grow Sales**

- Increase average reputation scores, secret shopper scores and likely to recommend scores
- Increase same store sales by 4%

#### **Improve Restaurant Profitability**

- Sales per man hour target of \$95.00
- Reduce employee turnover

#### **Reduce General and Administrative Expenses (in dollars and as a percent of total revenues)**

#### **Capital Light Growth**

- Open STKs on time and on budget
  - Open at least 5 STK or hospitality venues
  - Keep 15 active STK and hospitality deals in the pipeline
- Other Administrative Goals
- Achieve accelerated financial reporting and forecasting cycle
  - Reduce costs in legal and audit functions

For additional information about compensation arrangements, see “Executive Officer and Director Compensation — Summary Compensation Table.”

#### *2019 Performance*

We believe our compensation structure, including our bonus structure, appropriately compensated our executive officers and both contributed to and reflected our improved financial performance in 2019 compared to 2018, including:

- Total GAAP revenues increased 41.0% to \$120.7 million compared to \$85.6 million;
- Domestic comparable sales at STK restaurants rose 8.3%;
- GAAP income from operations was \$5.8 million compared to a loss from operations of \$2.7 million;
- GAAP net income attributable to The ONE Group Hospitality, Inc. was \$20.8 million or \$0.70 net income per share compared to GAAP net income of \$3.3 million or \$0.12 net income per share;
- Adjusted EBITDA (a non-GAAP measure which is reconciled to income from operations in our annual report to stockholders) increased 36% to \$14.3 million compared to \$10.5 million; and
- Total G&A decreased 350 basis points to 9.5% from 13.0% as a percentage of revenues.

## *2020 Compensation*

Fundamentally, our goals for 2020 are in line with goals established in 2019 and those are to grow the business profitably through increased sales, reduced expenses with profitable, capital light growth. Our goals remain the same despite radically different worldwide conditions as the coronavirus (COVID 19) situation develops. We have engaged the leadership team in supporting the deliver and take-out models and will have our restaurants ready to return strong when our dining rooms reopen. Thus far in 2020, our workforce has been reduced to a small team and other spending cutbacks have been put in place. Bonuses will be deferred until results return to 80% of 2019 results.

### **Say-on-Pay Vote**

Because your vote is advisory, it will not be binding on our Compensation Committee or our Board, nor will it directly affect or otherwise limit any compensation or award arrangements that have already been granted to any of our named executive officers. However, the Compensation Committee and the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation. In accordance with the rules recently adopted by the SEC, the following resolution, commonly known as a “say-on-pay” vote, is being submitted for a stockholder vote at the 2020 annual meeting:

“RESOLVED, that the compensation paid to the named executive officers of The ONE Group Hospitality, Inc., as disclosed pursuant to the compensation disclosure rules of the SEC, including the compensation tables and the related material disclosed in this proxy statement, is hereby APPROVED.”

### **Required Vote**

The affirmative vote of a majority of the votes cast by the stockholders present or represented by proxy and entitled to vote at the annual meeting affirmatively or negatively at the annual meeting is required to approve, on an advisory basis, this resolution.

### **Recommendation**

**THE BOARD RECOMMENDS A VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF SUCH APPROVAL UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.**

## **CODE OF CONDUCT AND ETHICS**

We have adopted a code of conduct and ethics that applies to all of our employees, including our chief executive officer and chief financial and accounting officer. The code of conduct and ethics is available on our website at *www.togrp.com*. We intend to publicly disclose any amendment to and any waiver of the Code of Conduct and Ethics on our website.

## **OTHER MATTERS**

The Board knows of no other business which will be presented to the annual meeting. If any other business is properly brought before the annual meeting, proxies will be voted in accordance with the judgment of the persons named therein.

## **STOCKHOLDER PROPOSALS AND NOMINATIONS FOR DIRECTOR**

To be considered for inclusion in the proxy statement relating to our 2021 Annual Meeting of Stockholders, we must receive stockholder proposals (other than for director nominations) no later than December 12, 2020. To be considered for presentation at the 2021 Annual Meeting, although not included in the proxy statement, proposals (including director nominations that are not requested to be included in our proxy statement) must be received no later than the close of business on February 26, 2021 and no earlier than the opening of business on January 26, 2021. Proposals that are not received in a timely manner will not be voted on at the 2021 Annual Meeting. If a proposal is received on time, the proxies that management solicits for the meeting may still exercise discretionary voting authority on the proposal under circumstances consistent with the proxy rules of the SEC. All stockholder proposals should be marked for the attention of the Secretary of The ONE Group Hospitality, Inc., 1624 Market St., Suite 311, Denver, CO 80202.

**Denver, Colorado 80202**

**April 17, 2020**