

# **Charter of the Governance and Nominating Committee of the Board of Directors of Muscle Maker Grill, Inc.**

This Charter governs the operations of the Governance and Nominating Committee of the Board of Directors. The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board of Directors for approval. This Charter may be amended only by the affirmative vote of the Board of Directors.

## **1. Organization**

The Committee shall be appointed annually by the Board of Directors and shall comprise at least two directors, each of whom has been affirmatively determined by the Board to be independent of the Company. A director shall not be considered independent if he or she (i) has a material relationship with the Company or any of its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company or a subsidiary and determined not merely from the standpoint of the director but also from that of organizations with which the director is affiliated) that may interfere with the exercise of his or her independence from management and the Company or (ii) does not meet any other independence requirement under applicable laws, rules or stock exchange listing standards. Members of the Committee may be removed by the Board of Directors in its discretion.

## **2. Meetings**

The Committee shall meet as often as it deems necessary to fulfill its responsibilities and shall report to the Board of Directors following each meeting. The Committee may delegate any of its responsibilities to one or more subcommittees, each of which shall be composed of two or more members, as it may deem appropriate. At least annually, the Committee shall coordinate with the Audit Committee with regard to matters of mutual interest within the context of each Committee's responsibilities for compliance with legal and regulatory requirements.

## **3. Statement of Purpose**

The purpose of the Committee shall be to assist the Board of Directors in discharging its responsibilities with respect to the following: the Company's governance practices; the composition, function and evaluation of the Board and its committees; and relations with shareholders on matters of governance. In addition, the Committee shall have oversight responsibility for compliance, legal and regulatory affairs/quality assurance issues.

## **4. Responsibilities and Processes**

4.1 The Committee in carrying out its responsibilities believes its policies and

procedures should remain flexible in order to best react to changing conditions and circumstances. The following shall be the principal duties and responsibilities of the Committee and are set forth as a guide, with the understanding that the Committee may supplement them as appropriate:

#### 4.2 Governance Practices.

4.2.1 The Committee is responsible for overseeing developments in law and practice relating to corporate governance and the Company's response to same.

4.2.2 The Committee shall develop and recommend to the Board corporate governance guidelines and shall review such guidelines at least annually and recommend changes as necessary.

4.2.3 The Committee shall review and recommend to the Board of Directors, as necessary, amendments to the Committee charter.

4.2.4 The Committee shall report to the Board of Directors recommendations from individual Directors concerning the governance of the Company.

#### 4.3 The Board and its Committees: Composition, Function and Evaluation.

4.3.1 The Committee shall conduct the search for and identify individuals qualified to become members of the Board of Directors to fill new positions and vacancies on the Board of Directors. The Committee shall recommend to the Board the slate of director nominees for shareholder approval at each annual meeting. As part of this process, the Committee shall consult with Board members, management and others and shall give consideration to candidates recommended by shareholders. The Committee shall consider the background and reputation of potential nominees in terms of character, personal and professional integrity, business and finance experience and acumen, and their availability to devote sufficient time to Board duties and any other criteria established by the Board. The Committee is committed to creating a Board with a diversity of expertise, experience, gender, and ethnicity. The Committee, acting on behalf of the Board, will commit to actively identify, recruit and advance diverse candidates, including women and minority candidates, in the search process. In considering whether to recommend a director for reelection, the Committee shall consider the individual's past attendance at meetings and participation in and contributions to the activities of the Board and committees thereof. The Committee shall specifically consider the effect of any change in a director's principal occupation or business association from that held when he or she became a member of the Board and the appropriateness of continued membership under the circumstances.

4.3.2 The Committee shall review Board composition each year after the Board meeting at which the Company's strategic plan is reviewed to ensure that the background, expertise and other attributes of the directors are in alignment with the strategic direction of the Company.

4.3.3 The Committee shall adopt procedures to be followed by shareholders in submitting recommendations of director candidates for consideration by the Committee.

4.3.4 The Committee shall have sole authority to retain, at the Company's expense, and terminate any search firm to be used to identify director candidates, and any legal and other advisor that it deems necessary for the fulfillment of its responsibilities, including the sole authority to approve fees and other retention terms.

4.3.5 The Committee shall periodically assess the current structure and operations of the committees of the Board of Directors and recommend changes to the Board.

4.3.6 The Committee shall recommend to the Board of Directors, after consultation with the Chairman of the Board and Chief Executive Officer, the members and chairs of the other committees of the Board, who shall be appointed annually at the meeting of the Board following the annual meeting of shareholders. The Committee shall recommend directors to fill committee vacancies as they occur, taking into account the special skills required for service on particular committees, past performance on the Board and committees and such other factors as the Committee deems appropriate. The Committee shall ensure that committee members meet the qualifications on independence and other criteria established by applicable laws, rules and stock exchange listing standards. The Committee shall develop and recommend to the Board procedures for the evaluation and self-evaluation of the Board and its committees and shall oversee the evaluation process. The Committee shall ensure that those evaluation procedures include an assessment of the effectiveness of the Board, of each director as a member of the Board and of each committee on which he or she serves.

4.3.7 The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.

4.3.8 The Committee shall provide the Board of Directors with information concerning continuing educational programs that may assist a director in carrying out his or her responsibilities. The Committee will cause each Director who attends such a program to provide a summary report to the Board of Directors, including any specific recommendations arising from the program.

#### 4.4 Relations with Shareholders on Matters of Governance.

4.4.1 The Committee shall establish a process for shareholders to send communications directly to the members of the Board of Directors.

4.4.2 The Committee shall be responsible for reviewing and making recommendation to the Board regarding the Company's response to shareholder proposals for inclusion in the Company's annual proxy statement.

#### 4.5 Oversight of Compliance, Legal and RA/QA Matters.

4.5.1 The Chief Executive Officer and Chief Financial Officer shall report at least once a year to the Committee in executive session on compliance and legal issues, including the key compliance and legal issues facing the Company.

4.5.2 The Committee shall review major issues regarding the status of the Company's compliance with laws and regulations, as well as major legislative and regulatory developments that may have a significant impact on the Company.

4.5.3 The Committee shall review the processes and procedures for management's monitoring of compliance with laws.

4.5.4 The Committee shall provide the Audit Committee with such reports, analyses and recommendations as the Audit Committee may request or as the Committee deems appropriate.

4.5.8 The Committee shall report any issue it deems appropriate to the Board of Directors.