
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 1, 2018

RUTH'S HOSPITALITY GROUP, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 000-51485

Delaware
(State or other jurisdiction
of incorporation)

72-1060618
(IRS Employer
Identification No.)

1030 W. Canton Avenue, Ste. 100
Winter Park, FL 32789
(Address of principal executive offices, including zip code)

(407) 333-7440
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 1, 2018, the Board of Directors (the “Board”) of Ruth’s Hospitality Group, Inc. (the “Company”) elected Cheryl J. Henry, 44, the Company’s current President & Chief Operating Officer, to the position of President and Chief Executive Officer, effective August 10, 2018 (the “Transition Date”). The Board also increased the number of directors of the Company from six to seven and elected Ms. Henry to the Board effective as of the Transition Date. Ms. Henry will stand for election by the stockholders of the Company at the next annual meeting of stockholders in 2019.

As part of this planned executive transition, the Board elected Michael P. O’Donnell, the Company’s current Chairman and Chief Executive Officer, to the position of Executive Chairman of the Company, effective as of the Transition Date. Mr. O’Donnell has served as Chief Executive Officer of the Company since 2008.

Ms. Henry has substantial experience as a senior executive. Currently, Ms. Henry serves as the Company’s President and Chief Operating Officer, a position she has held since July 2016. Prior to this role, Ms. Henry was Senior Vice President and Chief Branding Officer from August 2011 to July 2016. From June 2007 to August 2011, she served in various roles with the Company, including as Chief Business Development Officer. Prior to joining the Company, she was the Chief of Staff for the Mayor of Orlando. Ms. Henry has served on the Board of Trustees of the Culinary Institute of America since December 2017 and on the Board of Governors of the Center for Creative Leadership since June 2017. There is no family relationship between Ms. Henry and any Company director or executive officer, or any person nominated or chosen by the Company to become a director or executive officer. Ms. Henry has not engaged in any transactions with the Company or its subsidiaries that are required to be disclosed under Item 404(a) of Regulation S-K, nor have any such transactions been proposed.

In connection with the promotion of Ms. Henry, the Board approved an increase in Ms. Henry’s annual base salary to \$650,000 and an increase in her annual performance-based bonus opportunity to a target of 100% of her annual base salary, effective as of the Transition Date. In addition, the Board approved a special restricted stock grant to Ms. Henry in connection with her promotion of 125,000 shares of restricted stock with a grant date of the Transition Date, vesting one-third per year beginning on August 10, 2021, subject to the standard terms and conditions of the Company’s 2018 Omnibus Incentive Plan. The Board approved a new employment agreement with Ms. Henry, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference. Under this agreement, if Ms. Henry’s employment is terminated by the Company without “cause,” or by Ms. Henry for “good reason” (as defined in the agreement), she will be entitled to continue to receive an amount equal to her base salary for 24 months after the date of such termination and 12 monthly payments in the aggregate equal to 100% of her prior year bonus compensation and earned bonus for the year of termination. Ms. Henry would also receive 24 months of continued health, welfare and retirement benefits, 24 months of automobile allowance payments, all unreimbursed expenses and continued vesting rights for her restricted stock for 24 months.

In connection with Mr. O’Donnell’s transition to the role of Executive Chairman, the Board has approved an annual base salary of \$500,000 and annual performance-based bonus opportunity to a target of 100% of his annual base salary, both effective March 31, 2019. He will continue to receive all other perquisites and benefits at his current levels. The Board approved a new employment agreement with Mr. O’Donnell, a copy of which is filed as Exhibit 10.2 hereto and is incorporated herein by reference. Under this agreement, if Mr. O’Donnell’s employment is terminated by the Company without “cause,” or by Mr. O’Donnell for “good reason” (as defined in the agreement), he will be entitled to continue to receive his remaining cash compensation through the remainder of the given term of the agreement and 18 months of continued health, welfare and retirement benefits, 18 months of automobile allowance payments, all unreimbursed expenses and continued vesting rights for all outstanding restricted stock grants.

The Company issued a press release announcing the foregoing events, which is attached hereto as Exhibit 99.1.

Also, at the Annual Meeting of Stockholders of the Company held on May 15, 2018, the stockholders of the Company approved the Company’s 2018 Omnibus Incentive Plan (the “2018 Plan”). The 2018 Plan replaces the Company’s Amended and Restated 2005 Long-Term Equity Incentive Plan, which expired on May 30, 2018. The 2018 Plan will provide for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, other stock-based awards and other cash-based awards to employees, consultants, and directors of our company and its affiliates performing services for us, including our named executive officers, who will be eligible to receive awards under the 2018 Plan. The material terms of the 2018 Plan are described under “Proposal No. 3 – Approval of the 2018 Omnibus Incentive Plan” in the Company’s definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on March 30, 2018, which is incorporated by reference herein.

Item 9.01(d). Financial Statement and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 10.1	Terms of Employment/Letter of Understanding and Salary Continuation Agreement dated June 4, 2018 between the Company and Cheryl J. Henry.
Exhibit 10.2	Terms of Employment/Letter of Understanding and Salary Continuation Agreement dated June 4, 2018 between the Company and Michael P. O'Donnell.
Exhibit 99.1	Press Release issued by Ruth's Hospitality Group, Inc., dated June 4, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RUTH'S HOSPITALITY GROUP, INC.

Date: June 4, 2018

By: /s/ Alice G. Givens
Alice G. Givens
Vice President – General Counsel, Chief Compliance Officer and
Secretary

**CHERYL J. HENRY
TERMS OF EMPLOYMENT/
LETTER OF UNDERSTANDING AND SALARY CONTINUATION
AGREEMENT**

Ruth's Hospitality Group, Inc. (hereafter referred to as "Employer") and Cheryl J. Henry, (hereinafter referred to as "Executive") agree upon the following terms of employment of Executive by Employer.

1. **Duties.** Executive shall be employed during the term of this Agreement as set forth in Section 3 in the position of President and Chief Executive Officer. Executive will advance the best interests of Employer at all times during her employment and shall at all such times faithfully, industriously and to the best of her ability, perform all duties as may be required of her by virtue of her title and position and in accordance with the job description for her title and position as established by the Employer's Board of Directors and/or its Designee from time to time. Employer shall provide Executive with a written job description. Executive shall comply with any and all written personnel and corporate policies and employment manuals of Employer in the conduct of her duties that are applied on a consistent basis. During the Term and any renewals thereof, Executive will be nominated to the slate of proposed directors put to shareholder vote for possible election as a member of the Board of Directors of Employer.

2. **Extent of Service.** Executive shall devote her full time and best efforts to the performance of her duties. Executive shall not engage in any business or perform any services in any capacity that would, in the reasonable judgment of Employer, interfere with the full and proper performance by Executive of her duties.

3. **Term.** This Agreement shall expire and terminate and be of no further effect (with the exception of terms herein which by their terms survive the termination of this Agreement) on the close of business of the first anniversary of the date this Agreement was first executed (the "Termination Date"), provided, however, that commencing on the first anniversary of the Effective Date, which is hereinafter defined as August 10, 2018, and each subsequent anniversary of the Effective Date, this Agreement shall automatically renew and extend for an additional one (1) year term if Executive is not otherwise in default, remains in the employ of the Employer, and this Agreement is not otherwise terminated. Notwithstanding the foregoing, Employer must give Executive a minimum of 60 days' notice prior to the expiration of any given Term of its decision not to renew, otherwise this Agreement shall automatically renew for a successive term.

4. **Compensation**

a. **Salary.** For all duties to be performed by Executive in the capacity referenced hereunder, Executive shall receive an initial annual base salary of \$650,000.00, that cannot be reduced and which shall be paid in accordance with Employer's normal payroll practice. Executive's base salary will be subject to annual review by the Compensation Committee of the Board of Directors for any renewal term.

b. **Bonus.** Executive will be entitled to a discretionary bonus of up to 100% of her annual base salary, subject to the budget and performance targets as defined by the Board of Directors on an annual basis pursuant to the Employer's Executive Bonus Plan or 2018 Home Office Bonus Program, whichever is in effect ("Plan") and which may be increased or decreased according to the Plan, to be paid to Executive after the issuance of the Employer's audited financial statements relating to that year, assuming Executive is employed by Employer at the end of the fiscal year.

c. **Automobile Allowance.** Executive shall receive a monthly automobile allowance of \$1,000.00 per month during the term of this Agreement.

d. Restricted Stock. Pursuant to the Employer's 2018 Omnibus Incentive Plan, as amended from time to time, Executive shall receive upon commencement of this agreement 125,000 shares of restricted stock with a vesting schedule of one-third (1/3) at anniversary of the Effective Date of this Agreement in 2021, one-third (1/3) at anniversary of the Effective Date of this Agreement in 2022 and one-third (1/3) at anniversary of Effective Date of this Agreement in 2023. The vesting schedule of these grants shall not be effected by the provisions of 7(d).related to post-termination vesting. Executive has previously been awarded grants pursuant to the Employer's 2005 Equity Incentive Plan and other Employer-related grants, as amended from time to time, and nothing in this Agreement alters or amends Executive entitlement or receipt of those grants.

5. **Benefits**.

a. Vacation/Leave - Executive shall be entitled to four (4) weeks of paid vacation per calendar year, with normal sick and holiday leave as defined by Employer's policies.

b. Benefit Plan - Executive shall be eligible to participate in the health and welfare plans provided by Employer for Executives.

c. Retirement Benefits - Executive will be eligible for all applicable retirement benefits offered by Employer, if any.

d. Reimbursement of Expenses—Employer agrees to reimburse Executive for reasonable and appropriate Employer-related expenses (as determined by Employer) paid by Executive in furtherance of her duties, including, but not limited to, travel expenses, food, lodging, entertainment expenses and automobile expenses, upon submission of proper accounting records for such expenses. Employer agrees to reimburse Executive for in-transition living expenses and moving expenses pursuant to its written relocation policy, including any terms in addition thereto as may be agreed by the parties.

e. **Board Service** – Executive shall be entitled to serve on outside Boards of her choosing, so long as such Board service does not interfere with her obligations to the Employer and upon written notice to the Employer.

6. **Disability or Incapacity.** If, for a period of twelve (12) months during the continuing term of this Employment Agreement, Executive is disabled or incapacitated for mental, physical or other cause to the extent that she is unable to perform her duties as herein contemplated during said twelve (12) months, Employer shall immediately thereafter have the right to terminate this Employment Agreement upon providing ten (10) days written notice to Executive and shall be obligated to pay Executive compensation up to the effective date of said termination. The right of termination in this section in no way affects or diminishes other rights of termination as stated in this Employment Agreement, Equity or Bonus Plan.

7. **Termination.** Notwithstanding any other provision hereof, Executive's employment shall be terminated immediately: 1) upon her death; 2) notice after disability as defined in Section 6; 3) Executive's discharge for Cause; 4) Executive's discharge without Cause; 5) Executive's resignation with Good Reason; or 6) Executive's resignation without Good Reason.

a. For purposes of this Agreement, Executive's employment shall be terminated by the death of Executive as of the date of death. In the event of the death of Executive, Company's obligations hereunder shall automatically cease and terminate provided, however, that Company shall pay Executive's accrued and earned but unpaid Salary, and other compensation and defined benefits from any Employer policy in effect at the time of death (if any) owed as of the date of her death to: the beneficiary or beneficiaries designated in writing by Executive to Company and

delivered to Company prior to Executive's death; or, in the absence of such designation, in accordance with Section 222.15, Florida Statutes, or if there are no such family members, then to Executive's estate. No other monies will be due and owing to Executive, her beneficiary or beneficiaries, to any family members, or to her estate.

b. For purposes of this Agreement, "Cause" shall mean (i) Executive's theft or embezzlement, or attempted theft or embezzlement, of money or property of Employer, her perpetration or attempted perpetration of fraud, or her participation in a fraud or attempted fraud, on Employer or her unauthorized appropriation of, or her attempt to misappropriate, any tangible or intangible assets or property of Employer, (ii) any act or acts of disloyalty, misconduct or moral turpitude by Executive injurious to the interest, property, operations, business or reputation of Employer or her commission of a crime which results in injury to Employer or (iii) her willful disregard of lawful directive given by a superior or the Board or a violation of an Employer employment policy injurious to the interest of the Employer. Executive may not be terminated for cause under (ii) and (iii) unless provided written notice and the circumstance has not been cured within 10 business days. Cause shall not include termination due to Death or Disability.

c. Should Employer terminate Executive's employment for cause, as defined in Section b, then, Executive is entitled to be paid no more than her salary through the date of termination, any unused vacation days, unreimbursed expenses, car allowance, earned but unpaid bonus per Plan. All vested but not exercised option rights will be subject to repurchase by Employer according to the terms of the Equity Plan.

d. Employer reserves the right to terminate Executive's employment without cause, as defined in Section b. However, in the event that occurs, then: 1) Executive will receive twenty-four (24) monthly payments of the Executive's then current monthly base salary compensation; 2) Executive shall receive twelve (12) monthly payments in the aggregate equal to 100% of prior year bonus and prorated share of earned but not paid bonus for current year; 3) Executive will be eligible to receive twenty-four (24) months continued health, welfare and retirement Benefits (as defined hereinabove), according to the same terms and conditions Executive would have been entitled to had Executive's employment with Employer not been terminated; 4) twenty-four (24) monthly payments of the automobile allowance Executive would have been entitled to had Executive's employment with Employer not been terminated, including reimbursement for fuel and routine maintenance costs for one automobile; and 5) all unreimbursed expenses; and 6) all vesting rights of Executive's stock options and restricted stock granted during Executive's tenure shall continue for 24 months post-termination notwithstanding any terms of the Equity Plan to the contrary. The payment of all amounts under this Section 7.d is contingent on Executive's compliance with Sections 8 and 9, and the signing of a customary general release in favor of the Employer. Employer and Executive intend that any amounts or benefits payable or provided under this Agreement comply with the provisions of, or exemptions from, Section 409A of the Internal Revenue Code and the treasury regulations relating thereto so as not to subject Executive to the payment of the tax, interest, and any tax penalty which may be imposed under Code Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with such intent.

e. Should Executive resign her employment for Good Reason, as defined below, Executive will receive as severance the identical compensation and benefit payments that are set forth in section 7.d (1-6). The payment of all amounts under this Section 7.d is contingent upon Executive's compliance with Sections 8 and 9, and the signing of a customary general release in favor of the Employer.

f. For purposes of this Agreement, “Good Reason” shall mean (i) the assignment by the Board to Executive of any material duties that are clearly inconsistent with Executive’s status, title and position as President/Chief Executive Officer of Employer; (ii) a failure by Employer to pay Executive any amounts required to be paid under this Agreement, which failure continues uncured for a period of fifteen (15) days after written notice thereof is given by Executive to the Board; (iii) relocation of Employer requiring Executive to relocate; or (iv) Employer provides Executive notice 60 days before expiration of a given Term of its decision not to renew this Agreement.

g. Executive understands that should Executive resign her employment without Good Reason, then Executive is entitled to no more than her salary through the date of termination (said termination date to be determined by Employer upon notice of resignation), any earned but unused vacation days and unreimbursed business expenses.

h. Notwithstanding the foregoing, and in the event of a change in the composition of the Board of Directors at any time between the date that this Agreement is effective and two years thereafter whereby more than a majority of the Board members in place at the time this Agreement is effective resign or are otherwise replaced and Executive is terminated without cause by the newly comprised Board of Directors, Executive shall receive, in addition to the benefits in Section 7.d (1-6), an additional payment of fifty-percent (50%) of her annual base salary as of the date of termination.

i. Notwithstanding the foregoing, and in the event of a sale of Employer or substantially all of Employer’s assets resulting in a change in control of the Employer (as such transactions are defined in the Equity Plan) at any time during the term of this Agreement, in addition to the benefits in Section 7.d (1-6), there shall be an accelerated vesting of all equity grants notwithstanding any contrary terms of the Equity Plan. These Sections 7.h and 7.i of this Agreement shall be referred to as a “Change in Control” for purposes of this Agreement.

8. **Disclosure of Information.** Executive agrees that she will not, during employment or any time after termination of employment hereunder, without authorization of Employer, disclose to, or make use of for herself or for any person, corporation or other entity, any files, videos, trade secrets, papers, photographs, presentations, recipes, specifications, drawings, salary structures, sources of income, business plans, minutes of meetings, contractual arrangements, or other confidential information concerning the business, clients, methods, operations, financing or services of Employer. Trade secrets and confidential information shall mean information disclosed to Executive or known by her as a consequence of her employment by Employer, and not generally known to the restaurant industry.

9. **Non-Compete.**

a. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that in the course of her employment with Employer and its Subsidiaries and Affiliates she shall become familiar, and during her employment with Employer she has become familiar, with Employer's trade secrets and with other Confidential Information concerning Employer and its predecessors and its Subsidiaries and Affiliates and that her services have been and shall be of special, unique and extraordinary value to Employer. Therefore, Executive agrees that during her employment and for a period of one year following her last day of employment (hereafter referred to as the "Non-compete Period"), Executive shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, or in any manner engage in any business or enterprise identical to or similar to any such business which is engaged in by Employer, its Subsidiaries or Affiliates or any of their respective franchises,

which shall include any restaurant business that derives more than 25% of its revenues from the sale of steak and steak dishes and which has an average guest check greater than \$65, escalating by five percent (5%) per year, (the “Business”), as of the date of this Agreement and which is located in the United States, which shall for purposes of illustration and not limitation include the following chains and their parent companies, subsidiaries and other affiliates: Morton’s Restaurant Group, The Palm, Smith & Wollensky, Del Frisco’s, Sullivan’s, The Capital Grille, Mastro’s and Fleming’s. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation. This restriction will not apply if Executive is employed as an officer of a business, including, but not limited to, a casino or hotel, that as an ancillary service provides fine dining as defined in this paragraph. The term “ancillary” assumes that less than fifty-percent 50% of the business revenues are derived from its dining facilities.

b. During the Non-compete Period, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any non-hourly or management Executive of Employer or any Subsidiary or Affiliate to leave the employ of Employer or such Subsidiary or Affiliate, or in any way interfere with the relationship between Employer or any Subsidiary or Affiliate and any Executive thereof, (ii) hire any person who was an Executive of Employer or any Subsidiary or Affiliate at any time during the Employment Period, unless such person responded to a general solicitation or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of Employer or any Subsidiary or Affiliate to cease doing business between any such customer, supplier, licensee or business relation and Employer or any Subsidiary or Affiliate (including, without limitation, making any negative, derogatory or disparaging statements or communications regarding Employer or its Subsidiaries, Affiliates, employees or franchisees).

10. **Surrender of Books and Records.** Executive acknowledges that all files, lists, books, records, photographs, videotapes, slides, specifications, drawings or any other materials used or created by Executive or used or created by Employer in connection with the conduct of its business, shall at all times remain the property of Employer and that upon termination of employment hereunder, irrespective of the time, manner or cause of said termination, Executive will surrender to Employer all such files, lists, books, records, photographs, videotapes, slides, specifications, drawings or any other materials.

11. **Severability.** If any provision of this Letter of Understanding shall be held invalid or unenforceable, the remainder of this Letter shall, nevertheless, remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall, nevertheless, remain in full force and effect in all other circumstances.

12. **Notice.** All notices required to be given under the terms expressed hereunder shall be in writing, shall be effective upon receipt, and shall be delivered to the addressee in person or mailed by certified mail, returned receipt requested:

If to Employer, addressed to:

Attn: General Counsel
Ruth's Hospitality Group, Inc.
1030 W. Canton Avenue, Suite 100
Orlando, FL 32789

If to Executive, addressed to:

Cheryl J. Henry
at the address contained in records of the Employer as updated from time to time

or such other address as a party shall have designated for notices to be given to her or it by notice given in accordance with this paragraph.

13. **Governing Law and Resolution of Dispute.** Executive's terms of employment shall be governed by and construed in accordance with the laws of or applicable to the State of Florida. Any dispute, controversy or claim arising out of or relating to Executive's terms of employment, or the breach thereof, shall be resolved by arbitration conducted in accordance with the rules then existing of the American Arbitration Association, applying the substantive law of the State of Florida. The parties further agree that any such arbitration shall be conducted in Seminole County, Florida.

14. **Waiver.** No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

[Signatures appear on the following page]

The parties hereby agree that this Agreement shall be deemed executed and effective as of the 4th day of June, 2018.

RUTH'S HOSPITALITY GROUP, INC.

By: /s/ Robin Selati
Name: Robin Selati
Title: Lead Director
Date: June 4, 2018

CHERYL J. HENRY

By: /s/ Cheryl J. Henry
Cheryl J. Henry
Date: June 4, 2018

**MICHAEL O'DONNELL
TERMS OF EMPLOYMENT/
LETTER OF UNDERSTANDING AND SALARY CONTINUATION
AGREEMENT**

Ruth's Hospitality Group, Inc. (hereafter referred to as "Employer") and Michael O'Donnell, (hereinafter referred to as "Executive") agree upon the following terms of employment of Executive by Employer.

1. **Duties.** Executive shall be employed during the term of this Agreement as set forth in Section 3 in the position of Executive Chairman. Executive will advance the best interests of Employer at all times during his employment and shall at all such times faithfully, industriously and to the best of his ability, perform all duties as may be required of him by virtue of his title and position and in accordance with the job description for his title and position as established by the Employer's Board of Directors and/or its Designee from time to time. Executive shall comply with any and all written personnel and corporate policies and employment manuals of Employer in the conduct of his duties that are applied on a consistent basis. During the Term and any renewals thereof, Executive will be nominated to the slate of proposed directors put to shareholder vote for possible election as a member of the Board of Directors of Employer.

2. **Extent of Service.** Executive shall devote his full time and best efforts to the performance of his duties. Executive shall not engage in any business or perform any services in any capacity that would, in the reasonable judgment of Employer, interfere with the full and proper performance by Executive of his duties. Notwithstanding the foregoing, Executive shall be permitted to continue to serve as a member of the Board of Directors of the following companies: Logan's Roadhouse, Hickory Tavern and any others that Employer may also permit during the term of this Agreement.

3. **Term.** Unless sooner terminated pursuant to the terms herein, this Agreement shall remain in full force and effect for a period of one (1) year from the Effective Date of this Agreement, which is hereinafter defined as August 10, 2018, provided, however, that commencing on the first anniversary of the Effective Date and each subsequent anniversary of the Effective date, this Agreement shall automatically renew and extend for additional one (1) year term if Executive is not otherwise in default, remains in the employ of the Employer, and this Agreement is not otherwise terminated. Once the Agreement is terminated, it shall be of no further effect (with the exception of terms herein which by their terms survive the termination of this Agreement). Notwithstanding the foregoing, Employer must give Executive a minimum of 60 days' notice prior to the expiration of any given Term of its decision not to renew, otherwise this Agreement shall renew for a successive term.

4. **Compensation**

a. **Salary.** For all duties to be performed by Executive in the capacity referenced herein, Executive shall receive an initial annual base salary of \$675,000.00, which will be reduced on March 31, 2019 to \$500,000.00 and paid in accordance with Employer's normal payroll practice, subject to annual review by the Compensation Committee of the Board of Directors for any renewal term.

b. **Bonus.** Executive will be entitled to a discretionary bonus of up to 100% of his base salary, subject to meeting or exceeding the budget and performance targets as defined in writing by the Board of Directors on an annual basis pursuant to the Employer's Executive Bonus Plan or Home Office Bonus Program, whichever is in effect ("Plan") and which may be increased or decreased according to the Plan, to be paid to Executive after the issuance of the Employer's audited financial statements relating to that year, assuming Executive is actively employed by Employer at the end of the fiscal year.

c. Equity. Pursuant to the terms and conditions of the Employer's 2005 Long-Term Equity Incentive Plan, as amended from time to time and the 2018 Omnibus Incentive Plans (collectively the "Equity Plan"), Executive shall be granted options and/or Equity in an amount to be determined by the express terms of the Equity Plan.

d. Automobile Allowance Executive shall also receive a monthly automobile allowance of not less than \$1,000.00 per month during the term of this Agreement.

5. Benefits.

a. Vacation/Leave - Executive shall be entitled to four (4) weeks of paid vacation per calendar year, with normal sick and holiday leave as defined by Employer's written policies.

b. Benefit Plan - Executive shall be eligible to participate in the health and welfare plans provided by Employer for Executives.

c. Retirement Benefits - Executive will be eligible for all applicable retirement benefits offered by Employer, if any.

d. Summary Plan Descriptions - Where applicable, Executive should refer to the Summary Plan Descriptions he will receive for a complete detailed explanation of the benefits described in this paragraph. Executive understands that the Summary Plan Descriptions are the controlling documents as to the nature of, and entitlement to, these benefits.

e. Reimbursement of Expenses - In accordance with the Company's expense reimbursement policies, Employer agrees to reimburse Executive for reasonable and appropriate Employer-related expenses (as determined by Employer) paid by Executive in furtherance of his duties, including, but not limited to, travel expenses, food, lodging, entertainment expenses and automobile expenses, upon submission of proper accounting records for such expenses. Employer agrees to reimburse Executive for in-transition living expenses and moving expenses pursuant to its written relocation policy, including any terms in addition thereto as may be agreed by the parties.

6. Disability or Incapacity of Executive.

If, for a period of twelve (12) months during the term of this Employment Agreement, Executive is disabled or incapacitated for mental, physical or other cause to the extent that he is unable to perform his duties as herein contemplated during said twelve (12) months, Employer shall immediately thereafter have the right to terminate this Employment Agreement upon providing ten (10) days written notice to Executive and shall be obligated to pay Executive compensation up to the effective date of said termination. The right of termination in this section in no way affects or diminishes other rights of termination as stated in this Employment Agreement, Equity or Bonus Plan.

7. Termination.

a. Notwithstanding any other provision hereof, Executive's employment shall be terminated immediately: 1) upon his death; 2) notice after disability as defined in Section 6; 3) Executive's discharge with or without Cause; or 4) Executive's resignation with or without Good Reason.

b. For purposes of this Agreement, Executive's employment shall be terminated by the death of Executive as of the date of death. In the event of the death of Executive, Company's obligations hereunder shall automatically cease and terminate provided, however, that Company shall pay Executive's accrued and earned but unpaid Salary, and other compensation and defined benefits

from any Employer policy in effect at the time of death (if any) owed as of the date of his death to: the beneficiary or beneficiaries designated in writing by Executive to Company and delivered to Company prior to Executive's death; or, in the absence of such designation, in accordance with Section 222.15, Florida Statutes, or if there are no such family members, then to Executive's estate. No other monies will be due and owing to Executive, his beneficiary or beneficiaries, to any family members, or to his estate.

c. For purposes of this Agreement, "Cause" shall mean (i) Executive's theft or embezzlement, or attempted theft or embezzlement, of money or property of Employer, his perpetration or attempted perpetration of fraud, or his participation in a fraud or attempted fraud, on Employer or his unauthorized appropriation of, or his attempt to misappropriate, any tangible or intangible assets or property of Employer, (ii) any act or acts of disloyalty, misconduct or moral turpitude by Executive injurious to the interest, property, operations, business or reputation of Employer or his commission of a crime which results in injury to Employer or (iii) his willful disregard of lawful directive given by the Board or a violation of an Employer employment policy injurious to the interest of the Employer. Executive may not be terminated for cause under (ii) and (iii) unless provided notice and the same has not been cured within 10 business days. Cause shall not include termination due to Death or Disability.

d. Should Employer terminate Executive's employment for cause, as defined in Section 7.c, then, Executive is entitled to no more than his salary through the date of termination, any unused vacation days, unreimbursed expenses, car allowance, earned but unpaid bonus per Plan. All vested but not exercised option rights will be subject to repurchase by Employer according to the terms of the Equity Plan.

e. Employer reserves the right to terminate Executive's employment without cause, as defined in Section 7.c. However, in the event that occurs, then: 1) Executive will receive the remaining cash compensation owed to the Executive through the remainder of the given Term as if he was still employed through the end of the Term;; 2) Executive will be eligible to receive eighteen (18) months continued health, welfare and retirement Benefits (as defined hereinabove), according to the same terms and conditions Executive would have been entitled to had Executive's employment with Employer continued through the end of the respective reporting period; 3) eighteen (18) monthly payments of the automobile allowance Executive would have been entitled to had Executive's employment with Employer continued through the end of the respective reporting period and that includes reimbursement for fuel and routine maintenance costs for one automobile; 4) unreimbursed expenses; and 5) all vesting rights of Executive's stock options and restricted stock granted during Executive's tenure shall continue as if the Executive was still employed notwithstanding any term of the Equity Plan to the contrary. The payment of all amounts under this Section 7.e is contingent on Executive's compliance with Sections 8 and 9, and the signing of a customary general release in favor of the Employer. Employer and Executive intend that any amounts or benefits payable or provided under this Agreement comply with the provisions of, or exemptions from, Section 409A of the Internal Revenue Code and the treasury regulations relating thereto so as not to subject Executive to the payment of the tax, interest, and any tax penalty which may be imposed under Code Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with such intent.

f. Should Executive resign his employment for Good Reason, as defined below, Executive will receive severance equal to that appearing in Section 7.e (1-5). The payment of all amounts under this Section 7(f) is contingent upon Executive's compliance with Sections 8 and 9, and the signing of a customary general release in favor of the Employer.

g. For purposes of this Agreement, "Good Reason" shall mean (i) the assignment by the Board to Executive of any material duties that are clearly inconsistent with Executive's status, title and position as Executive Chairman; (ii) a failure by Employer to pay Executive any amounts required to be paid under this Agreement, which failure continues uncured for a period of fifteen (15) days after written notice thereof is given by Executive to the Board; (iii) relocation of Employer requiring Executive to relocate; (iv) Employer provides Executive notice 60 days before expiration of a given Term of its decision not to renew this Agreement; or (v) the Agreement is renewed through and including August 10, 2020 and Executive provides 30 days' notice to the Employer that the Executive wishes to retire on August 10, 2020.

h. Executive understands that should Executive resign his employment without Good Reason, then Executive is entitled to no more than his salary through the date of termination (said termination date to be determined by Employer upon notice of resignation), any earned but unused vacation days, unreimbursed medical, earned by unpaid bonus per Plan. All vested but not exercised option rights will be subject to repurchase by the Employer according to the terms of the Equity Plan.

i. Any termination (voluntary or involuntary) of Executive's employment shall also trigger Executive's immediate resignation as a member of the Employer's Board of Directors (and all affiliates).

j. Notwithstanding the foregoing, and in the event of a change in the composition of the Board of Directors at any time between the date that this Agreement is effective and two years thereafter whereby more than a majority of the Board members in place at the time this Agreement is effective resign or are otherwise replaced and Executive is terminated without cause by the newly comprised Board of Directors, Executive shall receive, in addition to the benefits in Section 7.e (1-5), an additional payment of fifty-percent (50%) of his annual base salary as of the date of termination.

k. Notwithstanding the foregoing, and in the event of a sale of Employer or substantially all of Employer's assets resulting in a change in control of the Employer (as such transactions are defined in the Equity Plan) at any time during the term of this Agreement, in addition to the benefits in Section 7.e (1-5), there shall be an accelerated vesting of all equity grants notwithstanding any contrary terms of the Equity Plan.

8. **Disclosure of Information.** Executive agrees that he will not, during employment or any time after termination of employment hereunder, without authorization of Employer, disclose to, or make use of for himself or for any person, corporation or other entity, any files, videos, trade secrets, papers, photographs, presentations, recipes, specifications, drawings, salary structures, sources of income, business plans, minutes of meetings, contractual arrangements, or other confidential

information concerning the business, clients, methods, operations, financing or services of Employer. Trade secrets and confidential information shall mean information disclosed to Executive or known by him as a consequence of his employment by Employer, and not generally known to the restaurant industry.

9. **Non-Compete.**

a. In further consideration of the compensation to be paid to Executive hereunder, Executive acknowledges that in the course of his employment with Employer and its Subsidiaries and Affiliates he shall become familiar, and during his employment with Employer he has become familiar, with Employer's trade secrets and with other Confidential Information concerning

Employer and its predecessors and its Subsidiaries and Affiliates and that his services have been and shall be of special, unique and extraordinary value to Employer. Therefore, Executive agrees that during his employment and for a period of one year following his last day of employment (hereafter referred to as the "Non-compete Period"), Executive shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, or in any manner engage in any business or enterprise identical to or similar to any such business which is engaged in by Employer, its Subsidiaries or Affiliates or any of their respective franchises, which shall include any restaurant business that derives more than 25% of its revenues from the sale of, steak and steak dishes and which has an average guest check greater than \$65, escalating by five percent (5%) per year, (the "Business"), as of the date of this Agreement and which is located in the United States, which shall for purposes of illustration and not limitation include the following chains and their parent companies, subsidiaries and other affiliates: Morton's Restaurant Group, The Palm, Smith & Wollensky, Del Frisco's, Sullivan's, The Capital Grille, Mastro's and Fleming's. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation. This restriction will not apply if Executive is employed as an officer of a business, including, but not limited to, a casino or hotel, that as an ancillary service provides fine dining as defined in this paragraph. The term "ancillary" assumes that less than fifty-percent 50% of the business revenues are derived from its dining facilities.

b. During the Non-compete Period, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any non-hourly or management Executive of Employer or any Subsidiary or Affiliate to leave the employ of Employer or such Subsidiary or Affiliate, or in any way interfere with the relationship between Employer or any Subsidiary or Affiliate and

any Executive thereof, (ii) solicit, directly or indirectly, any person who was an Executive of Employer or any Subsidiary or Affiliate at any time during the Employment Period, unless such person responded to a general solicitation or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of Employer or any Subsidiary or Affiliate to cease doing business between any such customer, supplier, licensee or business relation and Employer or any Subsidiary or Affiliate (including, without limitation, making any negative, derogatory or disparaging statements or communications regarding Employer or its Subsidiaries, Affiliates, Executives or franchisees).

10. **Surrender of Books and Records**. Executive acknowledges that all files, lists, books, records, photographs, videotapes, slides, specifications, drawings or any other materials used or created by Executive or used or created by Employer in connection with the conduct of its business, shall at all times remain the property of Employer and that upon termination of employment hereunder, irrespective of the time, manner or cause of said termination, Executive will surrender to Employer all such files, lists, books, records, photographs, videotapes, slides, specifications, drawings or any other materials.

11. **Severability**. If any provision of this Agreement shall be held invalid or unenforceable, the remainder of this Letter shall, nevertheless, remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall, nevertheless, remain in full force and effect in all other circumstances.

12. **Notice**. All notices required to be given under the terms expressed hereunder shall be in writing, shall be effective upon receipt, and shall be delivered to the addressee in person or mailed by certified mail, returned receipt requested:

If to Employer, addressed to:

Ruth's Hospitality Group, Inc.
Ruth's Hospitality Group, Inc.
1030 W. Canton Avenue, Suite 100
Orlando, FL 32789
Attn: General Counsel

If to Executive, addressed to:

Michael O'Donnell
at the address contained in records of the Employer as updated from time to time

or such other address as a party shall have designated for notices to be given to him or it by notice given in accordance with this paragraph.

13. **Governing Law and Resolution of Dispute.** Executive's terms of employment shall be governed by and construed in accordance with the laws of or applicable to the State of Florida. Any dispute, controversy or claim arising out of or relating to Executive's terms of employment, or the breach therefore, shall be resolved by arbitration conducted in accordance with the rules then existing of the American Arbitration Association, applying the substantive law of the State of Florida. The parties further agree that any such arbitration shall be conducted in Seminole County, Florida.

Date: June 4, 2018

WITNESS:

RUTH'S HOSPITALITY GROUP, INC.

By: /s/ Robin Selati

Title: Lead Director

/s/ Michael O'Donnell

MICHAEL O'DONNELL

PRESS RELEASE

Ruth's Chris Steak House Announces Cheryl Henry's Appointment as CEO

Michael O'Donnell to assume role of Executive Chairman

WINTER PARK, Fla.—(BUSINESS WIRE)—June 4, 2018— Ruth's Hospitality Group, Inc. (the "Company") (NASDAQ:RUTH) today announced that Cheryl Henry, currently President & Chief Operating Officer, will assume the role of President and CEO effective August 10, 2018. Ms. Henry replaces Michael P. O'Donnell who will assume the role of Executive Chairman. Ms. Henry was also appointed to the Board of Directors effective August 10, 2018.

Ms. Henry joined the company in June of 2007, and over the last eleven years has been responsible for nearly every aspect of the company's day-to-day field operations including culinary, beverage, brand marketing, real estate development, human resources and information technology.

Michael P. O'Donnell, Executive Chairman Elect of Ruth's Hospitality Group stated, "Cheryl's appointment as Chief Executive Officer is the culmination of a multi-year succession planning process. Her experience and success managing virtually all aspects of our business over the last decade uniquely qualifies her for the position. We are highly confident that her proven leadership abilities, combined with a world class team and strong business foundation, will continue to create long term value for all our stakeholders."

Cheryl Henry, President and CEO Elect stated, "I'm excited to build on our last decade of work and further expand the Ruth's Chris brand. We have the team in place and a winning strategy, so our goal from here is continued operational execution, the centerpiece of which is a strong and positive brand connection with each and every guest."

Nancy and Mark Oswald, the Company's largest franchisee added, "We speak on behalf of the entire franchise community when we say we are delighted to welcome Cheryl as our new CEO. Her continuous and unwavering support through the years has been crucial to the growth and success of our brand and we are confident she will bring great things as CEO. At the same time, we thank Mike for his invaluable work over the past ten years and look forward to his continued role as Executive Chairman."

Rob Selati, Lead Director of the Ruth's Hospitality Group Board added, "On behalf of the Board of Directors, I would like to thank Mike O'Donnell for his decade of service as Chairman and CEO. Under his watch the company navigated the financial crisis, emerged stronger and more focused, and ultimately excelled across numerous growth and shareholder value metrics, including a five-fold increase in shareholder value. His role as Executive Chairman will ensure that he remains an important part of our leadership team, and we are thrilled with his continued presence as one of the Company's largest shareholders."

About Ruth's Chris Steak House

Ruth's Chris Steak House was founded by Ruth Fertel 50 years ago in New Orleans, Louisiana. Ruth had a recipe for everything – from how to prepare her signature sizzling steaks to how to treat her guests. This timeless formula is a testament to how one neighborhood eatery has become the largest collection of upscale steak houses in the world, with over 150 restaurant locations around the globe. Ruth's Chris remains true to its heritage, helping guests make their best memories on 500-degree sizzling plates. This is how it's done.

For information about our restaurants, to make reservations, or to purchase gift cards, please visit www.RuthsChris.com. For more information about Ruth's Hospitality Group, Inc. please visit www.rhgi.com

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" that reflect, when made, the Company's expectations or beliefs concerning future events that involve risks and uncertainties. Forward-looking statements frequently are identified by the words "believe," "anticipate," "expect," "estimate," "intend," "project," "targeting," "will be," "will continue," "will likely result," or other similar words and phrases. Similarly, statements herein that describe the Company's objectives, plans or goals. For a discussion of these and other risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is available on the SEC's website at www.sec.gov. All forward-looking statements are qualified in their entirety by this cautionary statement, and the Company undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof. You should not assume that material events subsequent to the date of this press release have not occurred. Unless the context otherwise indicates, all references in this report to the "Company," "Ruth's," "we," "us," "our" or similar words are to Ruth's Hospitality Group, Inc. and its subsidiaries. Ruth's Hospitality Group, Inc. is a Delaware corporation formerly known as Ruth's Chris Steak House, Inc., and was founded in 1965.

SOURCE Ruth's Chris Steak House