

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

FORM S-8
 REGISTRATION STATEMENT
 Under
 The Securities Act of 1933

Diversified Restaurant Holdings, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

03-0606420

(I.R.S. Employer Identification No.)

27680 Franklin Road, Southfield, Michigan 48034
 (Address of Principal Executive Offices) (Zip Code)

**Diversified Restaurant Holdings, Inc.
 Stock Incentive Plan of 2017**

(Full title of the plan)

David G. Burke, President

Diversified Restaurant Holdings, Inc.
 27680 Franklin Road, Southfield, Michigan 48034
 (Name and address of agent for service)

(248) 223-9160

Telephone number, including area code, of agent for service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

Emerging growth company

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common Stock (Stock Incentive Plan of 2017)	2,500,000 Shares	\$2.60	\$6,500,000	\$753.35

- (1) In addition, pursuant to Rule 416(a) under the Securities Act of 1933, this registration statement also covers an indeterminate number of additional shares that may be offered or issued to adjust for an increase in the number of issued shares by reason of any stock dividend, stock split, recapitalization or other general distribution of common stock or other securities to holders of common stock.
 - (2) Estimated pursuant to Rule 457(h) and (c) solely for purposes of calculating the registration fee, based upon the average of high and low prices of common stock on Monday, July 10, 2017, as reported on The Nasdaq Stock Market LLC.
-

PART I
INFORMATION REQUIRED IN SECTION 10(A) PROSPECTUS

Item 1. Plan Information.*

Item 2. Registrant Information and Employee Plan Annual Information.*

* As permitted by Rule 428 under the Securities Act of 1933, as amended (the "Securities Act"), this registration statement omits the information specified in Part I of Form S-8. The documents containing the information specified in Part I will be delivered to the participants in the plan covered by this registration statement as required by Rule 428(b). Such documents are not being filed with the Securities and Exchange Commission (the "Commission") as part of this registration statement or as prospectuses or prospectus supplements pursuant to Rule 424(b) under the Securities Act.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

Diversified Restaurant Holdings, Inc. (the "Company") incorporates by reference in this registration statement the following documents previously filed with the Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

- (a) The Company's annual report on Form 10-K for the year ended December 25, 2016, as amended.
- (b) All other reports filed by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the annual report referred to in (a) above.
- (c) The description of the Company's common stock contained in the Company's registration statement on Form 8-A filed with the Commission under the Exchange Act on April 16, 2013, including any amendments or reports filed for the purpose of updating the description.

All documents subsequently filed with the Commission by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated in this registration statement by reference and to be a part of this registration statement from the date of filing of such documents.

Any statements contained in this registration statement or in a document incorporated or deemed to be incorporated by reference in this registration statement shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained in this registration statement or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this registration statement modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Not Applicable.

Item 6. Indemnification of Directors and Officers.

Section 78.138 of the Nevada Revised Statutes, or "NRS," provides that, except as otherwise provided in NRS 35.230, 90.660, 91.250, 452.200, 452.270, 668.045 and 694A.030, a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: (a) The director's or officer's act or failure to act constituted a breach of his or her fiduciary duties as a director or officer; and (b) The breach of those duties involved intentional misconduct, fraud or a knowing violation of law. Section 78.138 further provides that the articles of incorporation or an amendment thereto, may provide for greater individual liability. The Company's articles of incorporation do not contain any provision that would expand the individual liability of the Company's officers and directors beyond that prescribed by Section 78.138.

Pursuant to the Company's Bylaws, the Company shall indemnify each person who is or was a director, officer, employee or agent of the Corporation (including the heirs, executors, administrators or estate of such person) or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise to the full extent permitted under the NRS or any successor law or laws.

Section 78.7502(1) of the NRS permits a corporation to indemnify any director, officer, employee or agent of the corporation who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation), against expenses, judgments, fines, settlements, and other amounts incurred in connection with the proceeding, so long as that person: (a) is not liable for a breach of duty of good faith or loyalty to the corporation pursuant to NRS Section 78.138; or (b) acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

Section 78.7502(2) of the NRS permits indemnification against expenses actually and reasonably incurred in connection with the defense or settlement of an action by or in the right of the corporation to obtain a judgment in its favor, provided that a corporation may not provide indemnification for any: (a) claim, issue or matter for which the person has been found liable to the corporation; or (b) amounts paid in settlement to the corporation, unless the court determines that the person is fairly and reasonably entitled to indemnity for the expenses.

Further, Section 78.7502(3) of the NRS provides that a corporation must indemnify directors, officers, employees and agents against expenses actually and reasonably incurred to the extent the person was successful on the merits in defending a proceeding under Section 78.7502(1) or (2).

Section 78.751 provides that determination of discretionary indemnification must be made by (a) the stockholders; (b) the board of directors by a majority vote of a quorum consisting of directors who are not parties to the action, suit or proceeding; (c) if a majority vote of a quorum consisting of directors who

were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion; or (d) if a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

Section 78.752 of the NRS provides that a corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise for any liability asserted against the person and liability and expenses incurred by the person in his or her capacity as a director, officer, employee or agent, or arising out of his or her status as such, whether or not the corporation has the authority to indemnify such a person against such liability and expenses.

The other financial arrangements made by the corporation may include the following: (a) the creation of a trust fund; (b) the establishment of a program of self-insurance; (c) the securing of its obligation of indemnification by granting a security interest or other lien on any assets of the corporation; and (d) the establishment of a letter of credit, guaranty or surety. These financial arrangements may not provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals, to be liable for intentional misconduct, fraud or a knowing violation of law, except with respect to the advancement of expenses or indemnification ordered by a court.

Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Item 7. Exemption from Registration Claimed.

Not Applicable

Item 8. Exhibits.

The following exhibits are filed with this registration statement:

<u>Exhibit Number</u>	<u>Exhibit</u>
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of our registration statement on Form SB-2 (SEC File Number 333-145316) filed on August 10, 2007).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of our Form 8-K filed August 29, 2012).
3.3	First Amendment to Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of our Form 8-K filed October 31, 2012).
3.4	Second Amendment to the Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 of our Form 8-K filed July 29, 2016).
4.1	Specimen Stock Certificate (incorporated by reference to Exhibit 4.1 of our registration statement on Form SB-2 (SEC File Number 333-145316) filed on August 10, 2007).
4.2	Stock Incentive Plan of 2017
4.3	Form of Restricted Stock Award Agreement for restricted stock granted under the Stock Incentive Plan of 2017
5	Opinion of Counsel, Dickinson Wright PLLC
23.1	Consent of BDO USA, LLP
23.2	Consent of Dickinson Wright PLLC is included in Exhibit 5
24	Power of Attorney is included on the signature pages of the registration statement

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b), if in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration

statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant, in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southfield and the State of Michigan on July 13, 2017.

DIVERSIFIED RESTAURANT HOLDINGS, INC.

By /s/ David G. Burke

David G. Burke

President and Chief Executive Officer

(Principal Executive Officer)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints David G. Burke and Phyllis A. Knight, and each of them, his/her true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, severally, for him/her, and in his/her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on July 13, 2017.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David G. Burke</u> David G. Burke	President, Chief Executive Officer (Principal Executive Officer)	July 13, 2017
<u>/s/ Phyllis A. Knight</u> Phyllis A. Knight	Chief Financial Officer, Treasurer Principal Financial and Accounting Officer	July 13, 2017
<u>/s/ T. Michael Ansley</u> T. Michael Ansley	Executive Chairman of the Board, Director	July 13, 2017
<u>/s/ Jay Alan Dusenberry</u> Jay Alan Dusenberry	Director	July 13, 2017
<u>/s/ Philip Friedman</u> Philip Friedman	Director	July 13, 2017
<u>/s/ David Ligotti</u> David Ligotti	Director	July 13, 2017
<u>/s/ Joseph M. Nowicki</u> Joseph M. Nowicki	Director	July 13, 2017
<u>/s/ Gregory J. Stevens</u> Gregory J. Stevens	Director	July 13, 2017

EXHIBIT INDEX

Exhibit Number	Exhibit
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of our registration statement on Form SB-2 (SEC File Number 333-145316) filed on August 10, 2007).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of our Form 8-K filed August 29, 2012).
3.3	First Amendment to Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of our Form 8-K filed October 31, 2012).
3.4	Second Amendment to the Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 of our Form 8-K filed July 29, 2016).
4.1	Specimen Stock Certificate (incorporated by reference to Exhibit 4.1 of our registration statement on Form SB-2 (SEC File Number 333-145316) filed on August 10, 2007).
4.2	Stock Incentive Plan of 2017
4.3	Form of Restricted Stock Award Agreement for restricted stock granted under the Stock Incentive Plan of 2017
5	Opinion of Counsel, Dickinson Wright PLLC
23.1	Consent of BDO USA, LLP
23.2	Consent of Dickinson Wright PLLC is included in Exhibit 5
24	Power of Attorney is included on the signature pages of the registration statement

DIVERSIFIED RESTAURANT HOLDINGS, INC.
STOCK INCENTIVE PLAN OF 2017

SECTION I.
ESTABLISHMENT OF PLAN; PURPOSE OF PLAN

1.1 **Establishment of Plan.** The Company hereby establishes the STOCK INCENTIVE PLAN OF 2017 for its Directors, Consultants and certain of its Employees. The Plan permits the grant and award of Stock Options and Restricted Stock.

1.2 **Purpose of Plan.** The purpose of the Plan is to provide Directors, Consultants and Employees with an increased incentive to contribute to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of Directors, Consultants and Employees with the interests of the Company's shareholders through the opportunity for increased stock ownership and to attract and retain Participants. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives.

SECTION II.
DEFINITIONS

The following words have the following meanings unless a different meaning plainly is required by the context:

2.1 “**Act**” means the Securities Exchange Act of 1934, as amended.

2.2 “**Affiliate**” means any organization controlling, controlled by or under common control with the Company.

2.3 “**Board**” means the Board of Directors of the Company.

2.4 “**Cause**” means, with respect to termination of employment, (1) willful continued failure to perform or willful poor performance of duties (other than due to Disability) after warning and reasonable opportunity to meet reasonable required performance standards; (2) gross negligence causing or putting the Company or any Affiliate at risk of significant damage or harm; (3) misappropriation of or intentional damage to the property of the Company or any Affiliate; (4) conviction of a felony (other than negligent vehicular homicide); (5) intentional act or omission that the Participant knows or should know is significantly detrimental to the interests of the Company or any Affiliate; (6) removal of an Employee by order of or at the direction of a regulatory agency having jurisdiction over the Company or any of its Subsidiaries; or (7) material violation of any employment agreement between the Company (or any Affiliate) and the Participant. Notwithstanding the foregoing, if a Participant's employment agreement or consulting agreement defines "Cause," then that definition shall apply to that Participant in lieu of the definition in this Plan. The existence of Cause in the case of an Employee or a Consultant shall in each case be determined by the Committee in its sole discretion and consistent with the definition set forth in this *Section 2.4*. The Committee may make such determination before or after the termination of employment or cessation of services. A Director will be removed for “Cause” for purposes of this Plan if and only if he or she has been removed for cause in compliance with the Company's Articles of Incorporation and applicable law.

2.5 “**Change in Control**,” unless otherwise defined in an Incentive Award agreement, means (a) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (b) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 issued under the Act) of 50% or more of the outstanding Common Stock or the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors; (c) a reorganization, merger or consolidation other than such a transaction (i) that is done for the purpose of reincorporation or (ii) after which the Company's shareholders immediately prior to the transaction continue to beneficially own more than 50% of the total fair market value and total voting power of the outstanding capital stock of the entity surviving the transaction; (d) a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company; or (e) the occurrence of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A issued under the Act.

2.6 “ **Code** ” means the Internal Revenue Code of 1986, as amended. Each reference herein to a section or sections of the Code shall, unless otherwise noted, be deemed to include a reference to the rules and regulations issued under such section or sections of the Code.

2.7 “ **Committee** ” means the Compensation Committee of the Board or such other committee as the Board may designate from time to time. The Committee shall consist of at least two Directors and all of its members shall be “non-employee directors” as defined in Rule 16b-3 issued under the Act and “outside directors” as defined in Section 162(m) of the Code.

2.8 “ **Common Stock** ” means the Company’s common stock, par value \$.0001 per share.

2.9 “ **Company** ” means Diversified Restaurant Holdings, Inc., a Nevada corporation, and its successors and assigns.

2.10 “ **Consultant** ” means a natural person who provides *bona fide* services to the Company and such services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities.

2.11 “ **Continuing Directors** ” means the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company’s shareholders was approved by a vote of a majority of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation subject to Rule 14a-12(c) of Regulation 14A issued under the Act or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.12 “ **Covered Employee** ” means any Employee who is or may become a “Covered Employee,” as defined in Section 162(m) of the Code, and who is designated, either as an individual Employee or class of Employees, by the Committee within the shorter of (i) 90 days after the beginning of the Performance Period, or (ii) the period of time after the beginning of the Performance Period and before 25% of the Performance Period has elapsed, as a “Covered Employee” under this Plan for such applicable Performance Period.

2.13 “ **Director** ” means a member of the Board.

2.14 “ **Disability** ” means that a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. Notwithstanding the foregoing, with respect to an incentive stock option, "Disability" means permanent and total disability as defined in Code Section 22(e)(3).

2.15 “ **Employee** ” means an employee of the Company or one of its Subsidiaries.

2.16 “ **Employee Benefit Plan** ” means any plan or program established by the Company or a Subsidiary for the compensation or benefit of Employees.

2.17 “ **Excluded Holder** ” means the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.

2.18 “ **Incentive Award** ” means the award or grant of a Stock Option or Restricted Stock to a Participant pursuant to the Plan.

2.19 “ **Market Value** ” shall equal the closing price of Common Stock reported on NASDAQ on the date of grant, exercise or vesting, as applicable, or if NASDAQ is closed on that date, the last preceding date on which NASDAQ was open for trading and on which shares of Common Stock were traded. If the Common Stock is not listed on NASDAQ, the Market Value shall be determined by any means deemed fair and reasonable by the Committee in a manner consistent with the valuation principles of Section 409A of the Code except when the Committee expressly determines not to use Section 409A valuation principles, which determination shall be final and binding on all parties.

If the relevant date is not a trading day, the determination shall be made as of the next preceding trading day. As used herein, the term “trading day” means a day on which public trading of securities occurs and as reported by NASDAQ or other United States-based quotation system, or if the Common Stock is not listed or admitted to trading on a national securities exchange or included for quotation on the NASDAQ, any business day.

2.20 “ **Mature Shares** ” means shares of Common Stock that a Participant has owned for at least six months and that meet any other holding requirements established by the Committee for the shares to be used for attestation.

2.21 “ **NASDAQ** ” means the NASDAQ National Market, or if the Common Stock is not listed for trading on the NASDAQ National Market on the date in question, then such other United States-based quotation system or stock exchange on which the Common Stock may be traded on the date in question.

2.22 “ **Participant** ” means a Director, Consultant or Employee who is granted an Incentive Award under the Plan.

2.23 “ **Performance** ” means the level of achievement of the performance goals established by the Committee pursuant to *Section 8.1* .

2.24 “ **Performance Measures** ” means measures as described in *Section VIII* on which the performance goals are based.

2.25 “ **Performance Period** ” means the period of time during which the performance goals must be met to determine the degree of payout, the vesting, or both, with respect to an Incentive Award that is intended to qualify as Performance-Based Compensation.

2.26 “ **Performance-Based Compensation** ” means compensation under an Incentive Award that satisfies the requirements of Section 162(m) of the Code for certain “performance based compensation” paid to Covered Employees. Notwithstanding the foregoing, nothing in this Plan shall be construed to mean that an Incentive Award that does not satisfy the requirements for performance-based compensation under Section 162(m) of the Code does not constitute performance-based compensation for other purposes, including Section 409A of the Code.

2.27 “ **Person** ” has the same meaning as set forth in Sections 13(d) and 14(d)(2) of the Act.

2.28 “ **Plan** ” means the Diversified Restaurant Holdings, Inc. Stock Incentive Plan of 2017 as set forth herein, as it may be amended from time to time.

2.29 “ **Restricted Period** ” means the period of time during which Restricted Stock that is awarded under the Plan is subject to the risk of forfeiture, restrictions on transfer and other restrictions or conditions pursuant to *Section VI* . The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.30 “ **Restricted Stock** ” means Common Stock awarded to a Participant pursuant to *Section VI* of the Plan while such Common Stock remains subject to the risk of forfeiture, restrictions on transfer and other restrictions or conditions pursuant to *Section VI* .

2.31 “ **Stock Option** ” means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.32 “ **Subsidiary** ” means any corporation or other entity of which 50% or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company. The term “Subsidiary” includes present and future Subsidiaries of the Company.

2.33 “ **Termination** ” or “ **Cessation** ” of employment or service shall be considered to occur on the date on which the Employee or Consultant is no longer obligated to perform services for the Company or any of its Subsidiaries and the Employee’s right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the Employee continues to receive compensation from the Company or any of its Subsidiaries after such date and "Cessation" of service as a Director shall occur on the effective date of the removal or resignation of the Director from the Board. The following shall not be considered such a termination or cessation: (i) a transfer of an Employee among the Company and its Subsidiaries; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the Employee’s right to re-employment is guaranteed by statute, contract or written policy of the Company; (iv) a termination of employment as an officer with continued service as an Employee or Director; or (v) a termination of service as a Consultant with continued service as an Employee or Director.

**SECTION III.
ADMINISTRATION**

3.1 **Power and Authority.** The Committee shall administer the Plan, and subject to the express provisions of the Plan, the Committee shall be authorized and empowered to do all things that it determines to be necessary or appropriate in connection with the administration of this Plan. Any power or authority of the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such power or authority would cause any Incentive Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Act or cause an Incentive Award intended to qualify for treatment as performance-based compensation under Section 162(m) of the Code not to qualify for such treatment. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

The Committee may delegate any, some or all of its record keeping, calculation, payment and other ministerial or administrative authority and responsibility from time to time to and among one or more individuals, who are members of the Committee or Employees of the Company or its Subsidiaries or Affiliates, but all actions taken pursuant to delegated authority and responsibility shall be subject to such review, change and approval by the Committee as the Committee considers appropriate. Except as limited in the Plan, the Committee shall have all of the express and implied powers and duties set forth in the Bylaws of the Company and the Plan, shall have full power and authority to interpret the provisions of the Plan and Incentive Awards granted under the Plan and shall have full power and authority to supervise the administration of the Plan and Incentive Awards granted under the Plan and to make all other determinations and do all things considered necessary or advisable for the administration of the Plan. All determinations, interpretations and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it considers advisable. Action may be taken by a written instrument signed by all of the members of the Committee and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall prescribe, amend and rescind rules and regulations for the conduct of its business and shall define terms not otherwise defined herein, in each case as it considers advisable.

In addition to the authority granted to the Committee herein, the Chief Executive Officer of the Company shall have the authority to grant Incentive Awards to any Employee who is not an officer of the Company, subject to the following: (a) the Chief Executive Officer may grant Incentive Awards of up to 2,500 shares of Common Stock per year to a current store manager or any other eligible non-officer Employee, and up to 10,000 shares of Common Stock to a newly hired non-officer Employee, or subject to such other per-person limits as may be approved by the Compensation Committee from time to time; (b) all such grants must comply with all terms and conditions set forth in this Plan, including but not limited to, that such grants be made at Market Value on the date of the grant and shall be evidenced by a grant agreement in the form approved by the Committee; (c) for each annual period commencing July 13, 2017, the total Incentive Awards granted by the Chief Executive Officer under this authority shall not exceed 150,000 shares; and (d) the Chief Executive Officer shall report any such grants to the Committee on an annual basis.

3.2 **Grants or Awards to Participants.** In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards including, without limitation: (a) the persons who shall be selected as Participants; (b) the nature and, subject to the limitations set forth in *Sections 4.1* and *4.2* of the Plan, extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise or purchase price, the manner in which an Incentive Award will vest or become exercisable and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject. Except for Incentive Awards granted with respect to a maximum of five percent of the shares authorized in the first sentence of *Section 4.1* and any shares granted to members of the Board or members of the board of directors of a Subsidiary, Incentive Award agreements shall not provide for vesting prior to the first anniversary of the grant date, provided, that the Committee may provide for shorter or earlier vesting in connection with a Change in Control, death, Disability or other event or circumstance that the Committee determines to be appropriate.

3.3 **Amendments or Modifications of Incentive Awards.** Subject to *Section X*, the Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect and provided that such actions do not cause an Incentive Award not otherwise subject to Section 409A of the Code to become subject to Section 409A of the Code. The Committee shall without limitation, have

the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; provided that any increase in the number of shares of an Incentive Award other than pursuant to *Section 4.3* will be considered to be a new grant with respect to such additional shares for purposes of Section 409A of the Code and such new grant shall be made at Market Value on the date of the new grant; (b) extend the term of an Incentive Award to a date that is no later than the earlier of the latest date upon which the Incentive Award could have expired by its terms under any circumstances or the 10th anniversary of the date of grant (for purposes of clarity, as permitted under Section 409A of the Code, if the term of a Stock Option is extended at a time when the Stock Option exercise price equals or exceeds the Market Value, it will not be an extension of the term of the Stock Option, but instead will be treated as a modification of the Stock Option and a new Stock Option will be treated as having been granted); (c) accelerate the exercisability or vesting or otherwise terminate, waive or modify any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; and (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards (such grant of new Incentive Awards will be considered to be a new grant for purposes of Section 409A of the Code and such new grant shall be made at Market Value on the date of the new grant); provided, that Incentive Awards issued under the Plan may not be repriced, replaced, regranted through cancellation or modified without shareholder approval if the effect of such repricing, replacement, regrant or modification would be to reduce the exercise price of such Incentive Awards to the same Participants.

3.4 **Indemnification of Committee Members.** No member or former member of the Committee, or any individual or group to whom authority or responsibility is or has been delegated, shall be personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and implementation of the Plan. Each person who is or was a member of the Committee, and any other individual or group exercising delegated authority or responsibility with respect to the Plan, shall be indemnified and held harmless by the Company from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan or the exercise of discretion or judgment in the administration and implementation of the Plan. This *Section 3.4* shall not be construed as limiting the Company's or any Subsidiary's ability to terminate or otherwise alter the terms and conditions of the employment of an individual or group exercising delegated authority or responsibility with respect to the Plan, or to discipline any such person. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION IV. SHARES SUBJECT TO THE PLAN

4.1 **Number of Shares.** Subject to adjustment as provided in *Section 4.3* of the Plan, the maximum total number of shares available for Incentive Awards under the Plan shall be 2,500,000 shares of Common Stock. Such shares shall be authorized and may be unissued shares, shares issued and repurchased by the Company (including shares purchased on the open market), shares issued and otherwise reacquired by the Company and shares otherwise held by the Company.

To the extent that any Incentive Award is forfeited, terminates, expires or lapses instead of being exercised, the shares subject to such Incentive Awards not delivered as a result thereof shall again be available for Incentive Awards under this Plan. If the exercise price of any Stock Option and/or the tax withholding obligations relating to any Incentive Award are satisfied by delivering shares (either actually or through a signed document affirming a Participant's ownership and delivery of such shares) or withholding shares relating to such Incentive Award, the gross number of shares subject to the Incentive Award shall nonetheless be deemed to have been granted for purposes of the first sentence of this *Section 4.1*.

4.2 **Limitation on Incentive Awards.** No Participant shall be granted, during any calendar year, Incentive Awards with respect to more than 20% of the shares of Common Stock available for Incentive Awards under the Plan set forth in *Section 4.1* of the Plan (*i.e.* , 500,000 shares), subject to the last sentence of this Section 4.2 and subject to adjustment as provided in *Section 4.3* of the Plan, but only to the extent that such adjustment will not affect the status of any Incentive Award previously issued or that may thereafter be issued as Performance-Based Compensation. The purpose of this *Section 4.2* is to ensure that Incentive Awards qualify as Performance-Based Compensation where deemed appropriate by the Committee, and this *Section 4.2* shall be interpreted, administered and amended if necessary to achieve that purpose. For the purposes of the foregoing limits on annual Incentive Awards, any Incentive Awards that are not intended to qualify as Performance-Based Compensation will not be counted,

and the Board retains full authority to make such grants in a manner and amounts that otherwise conform to law and the Board's fiduciary duties.

4.3 Adjustments.

(a) **Stock Dividends and Distributions.** If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization or other general distribution of Common Stock or other securities to holders of Common Stock, the number and kind of securities subject to outstanding Incentive Awards and available for issuance under the Plan, and the limitation provided in *Section 4.2*, together with applicable exercise prices, shall be adjusted in such manner and at such time as shall be equitable under the circumstances, and as shall generally reflect the proportionate percentage change in the number of shares outstanding and the share price. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from such adjustments shall be eliminated from the respective Incentive Awards.

(b) **Other Actions Affecting Common Stock.** If there occurs, other than as described in *Section 4.3(a)*, any merger, business combination, recapitalization, reclassification, subdivision or combination approved by the Board that would result in the persons who were shareholders of the Company immediately prior to the effective time of any such transaction owning or holding, in lieu of or in addition to shares of Common Stock, other securities, money and/or property (or the right to receive other securities, money and/or property) immediately after the effective time of such transaction, then the outstanding Incentive Awards (including exercise prices) and reserves for Incentive Awards under the Plan shall be adjusted in such manner and at such time as shall be equitable under the circumstances. It is intended that in the event of any such transaction, Incentive Awards under the Plan shall entitle the holder of each Incentive Award to receive (upon exercise in the case of Stock Options), in lieu of or in addition to shares of Common Stock, any other securities, money and/or property receivable upon consummation of any such transaction by holders of Common Stock with respect to each share of Common Stock outstanding immediately prior to the effective time of such transaction; upon any such adjustment, holders of Incentive Awards under the Plan shall have only the right to receive in lieu of or in addition to shares of Common Stock such other securities, money and/or other property as provided by the adjustment.

SECTION V. STOCK OPTIONS

5.1 **Grant.** A Participant may be granted one or more Stock Options under the Plan. No Participant shall have any rights as a shareholder with respect to any shares of stock subject to Stock Options granted hereunder until said shares have been issued. For purposes of determining the number of shares available under the Plan, each Stock Option shall count as the number of shares of Common Stock subject to the Stock Option. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. The Committee, in its sole discretion, may establish vesting schedules (i) based upon Company performance, or (ii) that extend over a period of time selected by the Committee. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. Subject to the limitation imposed by *Section 4.2* of the Plan, the Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code; *provided*, that the number of shares of Common Stock that may be designated as subject to incentive stock options for any given Participant shall be limited to that number of shares that become exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Subsidiaries) and have an aggregate Market Value less than or equal to \$100,000 (or such other amount as may be set forth in relevant sections of the Code) and all shares subject to an Incentive Award that have a Market Value in excess of such aggregate amount shall automatically be subject to Stock Options that are not incentive stock options. No Stock Option granted to a Director or a Consultant who is not an Employee shall be considered an incentive stock option under Section 422(b) of the Code.

5.2 **Stock Option Agreements.** Stock Options shall be evidenced by stock option agreements, certificates of award, or both, containing the terms and conditions applicable to such Stock Options. To the extent not covered by a stock option agreement or certificate of award, the terms and conditions of this *Section V* shall govern.

5.3 **Stock Option Exercise Price.** The per share Stock Option exercise price shall be determined by the Committee, but shall be a price that is equal to or greater than 100% of the Market Value (or such higher amount as may be necessary under *Section 5.5* below). The date of grant of a Stock Option shall be the date the Stock Option is authorized by the Committee or a future date specified by the Committee as the date for issuing the Stock Option.

5.4 **Medium and Time of Payment.** The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents or provides in the applicable stock option agreement or grant, in Mature Shares or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option, provided that such amendment would not cause a Stock Option to become subject to Section 409A of the Code. The Committee may implement a program for the broker-assisted cashless exercise of Stock Options.

5.5 **Stock Options Granted to 10% Shareholders.** No Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least 110% of the Market Value and the exercise of the Stock Option after the expiration of five years from the date of grant of the Stock Option is prohibited by its terms.

5.6 **Limits on Exercisability.** Except as set forth in *Section 5.5*, Stock Options shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee. At the time of exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company or its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions.

5.7 **Restrictions on Transferability.**

(a) **General.** Unless the Committee otherwise consents or permits (before or after the stock option grant) or unless the stock option agreement or grant provides otherwise, Stock Options granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution, and, as a condition to any transfer permitted by the Committee or the terms of the stock option agreement or grant, the transferee must execute a written agreement permitting the Company to withhold from the shares subject to the Stock Option a number of shares having a Market Value at least equal to the amount of any federal, state or local withholding or other taxes associated with or resulting from the exercise of a Stock Option. All provisions of a Stock Option that are determined with reference to the Participant, including without limitation those that refer to the Participant's employment with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Option.

(b) **Other Restrictions.** The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, holding periods or further transfer restrictions, forfeiture or "claw-back" provisions, and restrictions under applicable federal or state securities laws.

5.8 **Termination of Employment or Cessation of Service.** Unless the Committee otherwise consents or permits (before or after the stock option grant) or unless the stock option agreement or grant provides otherwise:

(a) **General.** If a Participant ceases to be a Director, Consultant or an Employee for any reason other than the Participant's death, Disability, or termination for Cause, the Participant may exercise his or her Stock Options in accordance with their terms for a period of three months after such termination of employment or cessation of service, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination or cessation.

(b) **Death.** If a Participant dies either while an Employee, Consultant or Director or after the termination of employment or cessation of service other than for Cause but during the time when the Participant could have exercised a Stock Option, the Stock Option issued to such Participant shall be exercisable in accordance with its terms by the personal representative

of such Participant or other successor to the interest of the Participant for one year after the Participant's death, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of death, termination of employment or cessation of service, whichever first occurred, and not beyond the original terms of the Stock Option.

(c) **Disability.** If a Participant ceases to be an Employee, Consultant or Director of the Company or one of its Subsidiaries due to the Participant's Disability, the Participant may exercise his or her Stock Options in accordance with their terms for one year following such termination of employment or cessation of service, but only to the extent that the Participant was entitled to exercise the Stock Options on the date of such event and not beyond the original terms of the Stock Options.

(d) **Termination for Cause.** If a Participant's employment is terminated for Cause, a Consultant's services are terminated for Cause, or a Participant is removed as a Director for Cause, the Participant shall have no further right to exercise any Stock Options previously granted and all of the Participant's outstanding Stock Options shall automatically be forfeited and returned to the Company. The Committee or officers designated by the Committee shall have absolute discretion to determine whether a termination or removal is for Cause.

SECTION VI. RESTRICTED STOCK

6.1 **Grant.** Subject to the limitations set forth in *Sections 4.1* and *4.2* of the Plan, Restricted Stock may be granted to Participants under the Plan. Shares of Restricted Stock are shares of Common Stock the retention, vesting and/or transferability of which is subject, during specified periods of time, to such conditions (including continued employment and/or achievement of one or more performance goals established by the Committee pursuant to *Section VIII*) and terms as the Committee deems appropriate, but in no case shall the Committee provide for any deferral of compensation after such conditions and terms are satisfied. To the extent determined by the Committee, Restricted Stock may be satisfied or settled in cash, in shares of Common Stock or in a combination thereof. Restricted Stock granted pursuant to the Plan need not be identical but shall be consistent with the terms of the Plan. Subject to the requirements of applicable law, the Committee shall determine the price, if any, at which awards of Restricted Stock shall be sold or awarded to a Participant, which may vary from time to time and among Participants.

6.2 **Restricted Stock Agreements.** Awards of Restricted Stock shall be evidenced by restricted stock agreements or certificates of award containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Shares of Restricted Stock not evidenced by a certificate shall be recorded in "book entry" form in the Company's stock records. Unless the restricted stock agreement or certificate of award provides otherwise, awards of Restricted Stock shall be subject to the terms and conditions set forth in this *Section VI*.

6.3 **Vesting.** The grant, issuance, retention and vesting of shares of Restricted Stock shall occur at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or issuance of, the ability to retain and the vesting and/or the settlement of shares of Restricted Stock subject to continued employment, passage of time and/or Performance Measures as deemed appropriate by the Committee. In no event shall the grant, issuance, retention, vesting or settlement of shares of Restricted Stock that is based on Performance Measures or a level of achievement measured against Performance Measures be subject to a performance period of less than one year. No condition that is based upon continued employment or the passage of time shall provide for vesting or settlement in full of Restricted Stock over a period of less than one (1) year from the date the Award is made, other than as a result of or upon the death or Disability of the Participant or a Change in Control.

6.4 **Termination of Employment or Cessation of Directorship Status.** Unless the Committee otherwise consents or permits (before or after the grant or Restricted Stock) or unless the restricted stock agreement or grant provides otherwise:

(a) **General.** Except as set forth in *Section 6.4(b)* below, if a Participant ceases to be a Director, Consultant or Employee during the Restricted Period, the Participant shall have no further right to retain or receive any Restricted Stock and all Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company.

(b) **Death or Disability.** If a Participant's employment or service with the Company is terminated because of death or Disability during the Restricted Period, then all restrictions remaining on any or all shares of Restricted Stock shall terminate automatically with respect to all such shares granted to such Participant.

6.5 **Restrictions on Transferability.**

(a) **General.** Unless the Committee otherwise consents or permits or unless the terms of the restricted stock agreement or grant provide otherwise: (i) shares of Restricted Stock may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant or his or her guardian or legal representative.

(b) **Other Restrictions.** The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee considers advisable, including, without limitation, holding periods or further transfer restrictions, forfeiture or "claw-back" provisions, and restrictions under applicable federal or state securities laws.

6.6 **Legending of Restricted Stock.** In addition to any other legend that may be set forth on a Participant's share certificate, any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Diversified Restaurant Holdings, Inc. Stock Incentive Plan of 2017 (the "Plan"). This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events. Copies of the Plan and the restricted stock agreement are on file in the office of the Secretary of the Company. The Committee may require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Restricted Stock so retained have been satisfied or lapsed.

6.7 **Rights as a Shareholder.** A Participant shall have all dividend, liquidation and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; provided, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to this *Section VI* and the terms and conditions set forth in the Participant's restricted stock agreement. Unless the Committee determines otherwise or unless the terms of the applicable restricted stock agreement or grant provide otherwise, any non-cash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions and vesting schedule as the shares to which such dividends or distributions relate. Any dividend payment with respect to Restricted Stock shall be made no later than the end of the calendar year in which the dividends are paid to shareholders, or, if later, the 15th day of the third month following the date the dividends are paid to shareholders.

6.8 **Voting Rights.** Unless otherwise determined by the Committee, Participants holding shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those shares during the Restricted Period.

SECTION VII. CHANGE IN CONTROL

7.1 **Acceleration of Vesting.** If a Change in Control of the Company occurs, then, unless the Committee or the Board otherwise determines and expressly states in the agreements governing one or more Incentive Awards, without action by the Committee or the Board: (a) all outstanding Stock Options shall become vested and exercisable in full immediately prior to the effective time of a Change in Control and shall remain exercisable during the remaining terms thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and exercisable and nonforfeitable.

7.2 **Cash Payment for Stock Options.** If a Change in Control of the Company occurs, then the Committee, in its sole discretion and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to and in lieu of some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the excess of the greater of (a) the highest sales price of the shares on NASDAQ on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company, over the exercise price per share of such Stock Options. Upon a Participant's receipt of such amount with respect to some or all of his or her Stock Options, the respective Stock Options shall be cancelled and may no longer be exercised by such Participant.

SECTION VIII. PERFORMANCE MEASURES

8.1 **Performance Measures.** Unless and until the Committee proposes for shareholder vote and the shareholders approve a change in the general Performance Measures set forth in this *Section VIII*, the performance goals upon which the payment or vesting of an Incentive Award to a Covered Employee that is intended to qualify as Performance-Based Compensation may be based shall be limited to the following Performance Measures:

- (a) Net income (before or after taxes, interest, depreciation, and/or amortization) at the Company or restaurant level;
- (b) Net income per share;
- (c) Return on equity;
- (d) Cash earnings;
- (e) Cash earnings per share (reflecting dilution of the Common Stock as the Committee deems appropriate and, if the Committee so determines, net of or including dividends);
- (f) Cash earnings return on equity;
- (g) Operating income;
- (h) Operating income per share;
- (i) Operating income return on equity;
- (j) Return on assets;
- (k) Cash flow;
- (l) Cash flow return on capital;
- (m) Return on capital;
- (n) Productivity ratios;
- (o) Share price (including without limitation growth measures, total shareholder return or comparison to indices);
- (p) Expense or cost levels;
- (q) Margins;
- (r) Customer satisfaction, satisfaction based on specified objective goals or a Company-sponsored customer survey;
- (s) Economic value added measurements;
- (t) Market share or market penetration with respect to specific designated products or services, product or service groups and/or specific geographic areas; and
- (u) Same store sales.

One or more Performance Measures may be used to measure the performance of one or more of the Company, its Subsidiaries, its Affiliates or any combination of the foregoing, compared to pre-determined levels, as the Committee may deem appropriate, or compared to the performance of a pre-established peer group, or published or special index that the Committee, in its sole discretion, deems appropriate. The Committee also has the authority to provide for accelerated vesting of any Incentive Award based on the achievement of performance goals pursuant to the Performance Measures specified in this *Section VIII*.

8.2 **Evaluation of Performance.** The Committee may provide in any such Incentive Award that any evaluation of Performance may include or exclude any of the following events or their effects that occurs during a Performance Period: (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) changes in tax laws, accounting principles, or other laws or

provisions affecting reported results, (d) any reorganization and restructuring programs, (e) extraordinary nonrecurring items as described in Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification* (“ASC”) 225-20 “Extraordinary and Unusual Items” and/or in management’s discussion and analysis of financial condition and results of operations appearing in the Company’s annual report to shareholders for the applicable fiscal year, (f) acquisitions, mergers, divestitures or accounting changes, (g) amortization of goodwill or other intangible assets, (h) discontinued operations, and (i) other special charges or extraordinary items. To the extent such inclusions or exclusions affect Incentive Awards to Covered Employees, they shall be prescribed in a form that meets the requirements of Section 162(m) of the Code for deductibility.

8.3 **Committee Discretion.** In the event that applicable tax laws, securities laws, or both, change to permit Committee discretion to alter the governing Performance Measures without obtaining shareholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining shareholder approval. In addition, in the event that the Committee determines that it is advisable to grant Incentive Awards that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of Section 162(m) of the Code and may base vesting on Performance Measures other than those set forth in *Section 8.1*.

8.4 **Adjustment of Performance-Based Compensation.** Incentive Awards that are designed to qualify as Performance-Based Compensation, and that are held by Covered Employees, may not be increased or adjusted upward. The Committee shall retain the discretion to decrease or adjust such Incentive Awards downward, and such Incentive Awards may be forfeited in whole or in part.

8.5 **Performance-Based Compensation Conditioned on Performance.** Payment of Performance-Based Compensation to a Participant for a Performance Period under this Plan shall be entirely contingent upon achievement of the performance goals established by the Committee pursuant to this *Section VIII*, the satisfaction of which must be substantially uncertain when established by the Committee for the Performance Period.

8.6 **Time of Determination of Performance Goals by Committee.** All performance goals to be made by the Committee for a Performance Period pursuant to this *Section VIII* shall be established in writing by the Committee during the first 90 days of such Performance Period and before 25% of the Performance Period has elapsed.

8.7 **Section 162(m) Purpose.** It is intended that the Plan may provide performance-based compensation under Section 162(m) of the Code, and the Plan shall be interpreted, administered and amended if necessary to achieve that purpose.

8.8 **Objective Standards.** Performance-Based Compensation shall be based solely upon objective criteria, consistent with this *Section VIII*, from which an independent third party with knowledge of the facts could determine whether the performance goal or range of goals is met and from that determination could calculate the Performance-Based Compensation to be paid. Although the Committee has authority to exercise reasonable discretion to interpret this Plan and the criteria it shall specify pursuant to this *Section VIII* of the Plan, it may not amend or waive such criteria after the 90th day of the respective Performance Period. The Committee shall have no authority or discretion to increase any Performance-Based Compensation or to construct, modify or apply the measurement of a Participant’s Performance in a manner that will directly or indirectly increase the Performance-Based Compensation for the Participant for any Performance Period above the amount determined by the applicable objective standards established within the time period set forth in *Section 8.6*.

SECTION IX.
GENERAL PROVISIONS

9.1 **No Rights to Incentive Awards.** No Participant or other person shall have any claim to be granted any Incentive Award under the Plan and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant or the same Participant.

9.2 **Withholding.** The Company or a Subsidiary shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, local and other withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, taxes on income deemed to be recognized as a result of grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied by withholding Common Stock to be received upon exercise or vesting of an Incentive Award or by delivery to the Company of previously owned Common Stock. The Company may establish such rules and procedures concerning timing of any withholding election as it deems appropriate. In addition, the Company may reasonably delay the issuance or delivery of shares of Common Stock pursuant to an Incentive Award as it determines appropriate to address tax withholding and other administrative matters.

9.3 **Compliance with Laws; Listing and Registration of Shares.** All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issuance or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

9.4 **No Limit on Other Compensation Arrangements.** Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting, continuing in effect or discontinuing other or additional compensation arrangements, including the grant of Stock Options and other stock-based and stock-related awards, and such arrangements may be either generally applicable or applicable only in specific cases.

9.5 **No Right to Employment.** The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained as an Employee, Consultant or Director of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with the Participant.

9.6 **No Liability of Company.** The Company and any Subsidiary or Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant or any other person as to: (a) the non-issuance or non-sale of Common Stock as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; (b) any tax consequence to any Participant or other person due to the receipt, exercise or settlement of any Incentive Award granted hereunder; and (c) any provision of law or legal restriction that prohibits or restricts the transfer of shares of Common Stock issued pursuant to any Incentive Award.

9.7 **Suspension of Rights under Incentive Awards.** The Company, by written notice to a Participant, may suspend a Participant's and any transferee's rights under any Incentive Award for a period not to exceed 60 days while the termination for Cause of that Participant's employment or service with the Company and its Subsidiaries is under consideration or while the removal for Cause of the Participant as a Director is under consideration.

9.8 **Governing Law.** The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Nevada and applicable federal law.

9.9 **Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included, unless such construction would cause the Plan to fail in its essential purposes.

9.10 **409A .** The terms and conditions of all grants under the Plan shall be designed to comply with the applicable requirements, if any, of Code Section 409A. To the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Code Section 409A or is otherwise payable or distributable to a Participant under the Plan or any Incentive Award agreement solely by reason of the occurrence of a change in control of the Company or due to the Participant's disability or "separation from service" (as such term is defined in Treasury Regulation Section 1.409A-1(h)), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such change in control, disability or separation from service meet the definition of a change in ownership or effective control, disability or separation from service, as the case may be, in Code Section 409A(a)(2)(A) and applicable regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Participant who is a specified employee (as hereinafter defined and as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the specified employee's separation from service (or, if earlier upon the specified employee's death) unless the payment or distribution is exempt from the application of Code Section 409A by reason of the short-term deferral exemption or otherwise. A "specified employee" means a specified employee as defined in Code Section 409A(a)(2)(B) and applicable regulations under Code Section 409A, determined in accordance with procedures established by the Committee and applied uniformly with respect to all plans maintained by the Company that are subject to Code Section 409A.

9.11 **Claw Back Conditions .** Notwithstanding anything to the contrary contained herein or in an Incentive Award agreement, Incentive Awards and benefits otherwise provided by Incentive Awards made under the Plan shall be subject to the Company's incentive compensation claw back policies as in effect from time to time, and, as applicable, the claw back requirements of Section 954 of the Dodd-Frank Act.

SECTION X. TERMINATION AND AMENDMENT

10.1 **Board and Committee Actions.** The Board may terminate the Plan at any time or may from time to time amend or alter the Plan or any aspect of it; provided, that no such amendment may be made, without the approval of shareholders of the Company, that would (i) except as provided in *Section 4.3* , reduce the exercise price at which Stock Options may be granted below the prices provided for in *Section 5.3* , (ii) except as provided in *Section 4.3* , reduce the exercise price of outstanding Stock Options, (iii) increase the individual maximum limits in *Section 4.2* , or (iv) otherwise amend the Plan in any manner requiring shareholder approval by law or, if the Company is then subject to the NASDAQ listing requirements, under NASDAQ listing requirements or other applicable NASDAQ rules and provided further that the Plan may not be amended in any way that causes the Plan to fail to comply with or be exempt from Code Section 409A.

10.2 **No Impairment.** Notwithstanding anything to the contrary in *Section 10.1* , no such amendment or alteration to the Plan or to any previously granted award agreement or Incentive Award shall be made which would impair the rights of the holder of the Incentive Award, without such holder's consent; *provided* , that no such consent shall be required if the Committee determines in its sole discretion and prior to the date of any Change in Control that such amendment or alteration either is required or advisable in order for the Company, the Plan or the Incentive Award to satisfy any law or regulation or to meet the requirements of or avoid adverse tax or financial accounting consequences under any tax or accounting standard, law or regulation.

SECTION XI.
EFFECTIVE DATE AND DURATION OF THE PLAN

The Plan was approved by the Board of Directors on June 9, 2017 and shall take effect on July 13, 2017, upon approval by the shareholders at the adjourned meeting. Unless earlier terminated by the Board of Directors, no Incentive Award shall be granted under the Plan after July 13, 2027.

**DIVERSIFIED RESTAURANT HOLDINGS, INC.
STOCK INCENTIVE PLAN OF 2017**

**RESTRICTED STOCK AWARD AGREEMENT
NOTIFICATION OF AWARD AND TERMS AND CONDITIONS OF AWARD**

Name of Grantee:

Grant Date: _____, 20__

Number of Shares:

Restricted Period(s) See Paragraph 5

This Restricted Stock Award Agreement (the “Agreement”) contains the terms and conditions of the restricted stock award granted to you by Diversified Restaurant Holdings, Inc., a Nevada corporation (the “Company”), under the Diversified Restaurant Holdings, Inc. Stock Incentive Plan of 2017, as amended from time to time (the “Plan”).

1. Grant of Restricted Stock. Pursuant to the Plan, the Company has granted to you, effective on the Grant Date (shown above), the right to receive the number of shares shown above of the Common Stock of the Company (“Shares”) at the end of the applicable Restricted Period (as provided for in Paragraph 5 below). The Shares, or any installment of the Shares respectively, while subject to risk of forfeiture or any restrictions imposed by the Plan or this Agreement, are referred to in this Agreement as “Restricted Stock.”

2. Stock Incentive Plan Governs. The award and this Agreement are subject to the terms and conditions of the Plan. The Plan is incorporated into this Agreement by reference and all capitalized terms used in this Agreement have the meaning set forth in the Plan, unless this Agreement specifies a different meaning. By signing this Agreement, you accept this award, acknowledge receipt of a copy of the Plan and the prospectus covering the Plan and acknowledge that the award is subject to all the terms and provisions of the Plan and this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Committee of the Plan and this Agreement.

3. Payment. The Restricted Stock is granted without requirement of payment.

4. Shareholder Rights. Your Restricted Stock shall be held for you by the Company, in book entry or certificated form, in your name, during the applicable Restricted Period. You shall have all the rights of a shareholder for your Restricted Stock after the applicable Restricted Period. With respect to your Restricted Stock during the applicable Restricted Period:

A. You will have the right to vote such shares at any meeting of shareholders of the Company;

B. You will have, and the right to receive, free of restrictions (but subject to applicable withholding taxes) all cash dividends and any liquidation amounts paid with respect to such shares; and

C. Any non-cash dividends and other non-cash proceeds of such shares, including stock dividends and any other securities issued or distributed in respect of such shares, other than liquidation payments, will be subject to the same restrictions and risk of forfeiture as the shares of Restricted Stock to which they relate, and the term “Restricted Stock” when used in this Agreement shall also include any related stock dividends and other securities issued or distributed in respect of such shares, other than liquidation payments.

5. Vesting of Restricted Stock.

A. *Vesting*. The Restricted Period for the Restricted Stock, or applicable installment of the Restricted Stock, will end, the risk of forfeiture and restrictions will lapse, and the Restricted Stock will vest, provided you have not incurred a Forfeiture Event (as defined below) on _____, 20___. All or part of your Restricted Stock may vest earlier than described above in this Paragraph 5A under the circumstances provided for in Paragraphs 5C or 5D below.

B. *Forfeiture Event*. Subject to Paragraphs 5C, 5D, 5E and 5F below, the shares of your Restricted Stock that would otherwise vest on a Vesting Date will not vest and shall automatically be forfeited and returned to the Company, if after the Grant Date and prior to the Vesting Date for such Restricted Stock (i.e. during the applicable Restricted Period), you cease to be an Employee (a “Forfeiture Event”).

C. *Accelerated Vesting Upon Death or Disability*. If you cease to be an Employee because of death or Disability during the Restricted Period, then all restrictions remaining on your Restricted Stock shall terminate automatically with respect to all such shares granted to you hereunder.

D. *Accelerated Vesting at the Committee’s Discretion*. The Committee may, in its discretion, at any time accelerate the vesting of your Restricted Stock on such terms and conditions as it deems appropriate.

E. *Change in Control*. If a Change in Control of the Company occurs, all of your Restricted Stock that is outstanding and has not previously been forfeited, shall become immediately fully vested and nonforfeitable as provided in Section VII of the Plan.

F. *Mandatory Deferral of Vesting*. If the vesting of Restricted Stock in any year could, in the Committee’s opinion, when considered with your other compensation, result in the Company’s inability to deduct the value of your Shares because of the limitation on deductible compensation under Internal Revenue Code Section 162(m), then the Committee, in its sole discretion, may defer the Vesting Date applicable to your Restricted Stock (but only to the extent that, in the Committee’s judgment, the value of your Restricted Stock would not be deductible) until the first business day of January in the year immediately following the date on which you cease to be an Employee. This Paragraph 5F shall not apply to the vesting of your Restricted Stock upon a Change in Control.

6. Forfeiture of Restricted Stock. If any of your Restricted Stock is forfeited as provided for in Paragraph 5, such forfeiture shall be immediate, and forfeited Restricted Stock (including any cash dividends or liquidation payments for which the record date occurs on or after the date of the forfeiture, and any noncash dividends or noncash distributions with respect to Restricted Stock that is forfeited), and all of your rights to and interest in the forfeited Restricted Stock shall terminate without payment of consideration. Forfeited Restricted Stock shall be reconveyed to the Company, and you agree to promptly take such action and sign such documents as the Company may request to facilitate such reconveyance to the Company.

7. Restricted Stock Not Transferable. Unless the Committee otherwise consents or permits, neither the Restricted Stock, nor any interest in the Restricted Stock, may be sold, exchanged, transferred, pledged, assigned, or otherwise alienated or hypothecated during the Restricted Period except by will or the

laws of descent and distribution, and all of your rights with respect to the Restricted Stock shall be exercisable during your lifetime only by you, or your guardian or legal representative. Any attempted action in violation of this paragraph shall be null, void, and without effect.

8. Taxes and Tax Withholding

A. The vesting of your Restricted Stock, or making an Internal Revenue Code Section 83(b) election with respect to this award of Restricted Stock, will cause you to have income with respect to the Restricted Stock, and will subject you to income tax on that income.

B. You agree to consult with any tax consultants you think advisable in connection with your Restricted Stock and acknowledge that you are not relying, and will not rely, on the Company for any tax advice.

C. Whenever any Restricted Stock becomes vested under the terms of this Agreement, or an Internal Revenue Code Section 83(b) election is made with respect to this award of Restricted Stock, you must remit, on or prior to the due date thereof, the minimum amount necessary to satisfy all of the federal, state and local withholding (including FICA) tax requirements imposed on the Company (or the Subsidiary that employs you) relating to your Shares. This withholding tax obligation may be satisfied by any (or a combination) of the following means: (i) cash, check, or wire transfer; (ii) authorizing the Company (or Subsidiary that employs you) to withhold from other cash compensation payable to you by the Company or a Subsidiary; or (iii) unless the Committee determines otherwise, authorizing the Company to withhold Shares otherwise deliverable to you as a result of the vesting of the Restricted Stock, or delivering other unencumbered shares of the Common Stock of the Company which have been held for at least six months, equal to the amount of the withholding obligation. The Company will automatically withhold 25% of your Shares to satisfy all applicable tax withholding obligations from the Shares that are otherwise deliverable to you as a result of the vesting of the Restricted Stock, unless you notify the Company not to withhold at least five (5) business days prior to the date the Shares become vested.

D. You may within the thirty day period after the Grant Date, in your sole discretion, make an election with the Internal Revenue Service under, and to the extent permitted by, Section 83(b) of the Internal Revenue Code. If you make this election, you will promptly give the Company notice that you have made the election, and provide the Company a copy of the election with the notice.

9. Value of Shares Not Included In Other Computations. The value of the Shares under this Agreement will not be taken into account in computing the amount of your salary or other compensation for purposes of determining any incentive compensation, pension, retirement, death or other benefit under any employee benefit plan of the Company or any Subsidiary, except to the extent, if any, that such plan or another agreement between you, and Company or a Subsidiary, specifically provides otherwise.

10. Legending Restricted Stock. The Company may, without liability for its good faith actions, place legend restrictions upon the Restricted Stock or unrestricted Shares obtained upon vesting of the Restricted Stock and issue “stop transfer” instructions requiring compliance with applicable securities laws and the terms of the Restricted Stock.

In addition to any other legend or notice that may be set forth on the certificate or book entry records relating to any Restricted Stock, any certificate or book entry records evidencing shares of Restricted Stock awarded pursuant to this Agreement may bear a legend or notice substantially as follows:

The shares represented by this certificate were issued subject to certain restrictions under the Diversified Restaurant Holdings, Inc. Stock Incentive Plan of 2017 (the "Plan"). This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events. Copies of the Plan and the restricted stock agreement are on file in the office of the Secretary of the Company. The Committee may require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Restricted Stock so retained have been satisfied or lapsed.

11. Committee Determinations Are Conclusive. Determinations regarding this Agreement (including, but not limited to whether an event has occurred resulting in the forfeiture of or vesting of Restricted Stock) shall be made by the Committee in accordance with this Agreement and the Plan, and all determinations of the Committee shall be final and conclusive and binding on all persons.

12. No Right of Continuing Employment. Neither this Agreement nor the Plan creates any contract of employment, and nothing in this Agreement or the Plan shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate your employment or service at any time, nor confer upon you the right to continue in the employ of the Company or any Subsidiary. Nothing in this Agreement or the Plan creates any fiduciary or other duty to you owed by the Company, any Subsidiary, or any member of the Committee except as expressly stated in this Agreement or the Plan.

13. Amendment of Plan and this Agreement. The Company reserves the right to amend the Plan and this Agreement as provided for or not prohibited by the Plan. Any amendment to this Agreement shall be in writing and signed by the Company, and to the extent required by the Plan, signed by you.

14. Additional Information. By signing this Agreement, you agree to provide any information relating to this Agreement or the Restricted Stock that is reasonably requested from time to time by the Company.

15. Notices. Any notice by you to the Company under this Agreement shall be in writing and shall be deemed duly given only upon receipt of the notice by the Company at its principal executive office addressed to its Secretary or Chief Financial Officer. Any notice by the Company to you shall be in writing or by electronic transmission, and shall be deemed duly given if mailed or sent by electronic transmission to you at the address specified below by you, or to your email address at the Company, or to such other address as you may later designate by notice given to the Company.

16. Governing Law. The validity, construction and effect of this Agreement shall be governed by the laws of the State of Nevada.

The Company has caused this Agreement to be executed by its duly authorized officer, and the Grantee has executed this Agreement, each as of the Grant Date set forth above.

DIVERSIFIED RESTAURANT HOLDINGS, INC.

By:

David G. Burke
Its: Chief Executive Officer and President

GRANTEE

I acknowledge having received, read and understood the Plan and this Agreement, and agree to all of the terms and provisions of this Agreement.

(Signature)

(Please print your residence address)

July 13, 2017

Diversified Restaurant Holdings, Inc.
27860 Franklin Road
Southfield, Michigan 48034

Re: Diversified Restaurant Holdings, Inc. -- Registration Statement on Form S-8 for Stock Incentive Plan of 2017

Ladies and Gentlemen:

We are acting as counsel for Diversified Restaurant Holdings, Inc., a Nevada corporation ("DRH"), in connection with its registration, on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended, (the "Securities Act"), of 2,500,000 shares of the Company's common stock (the "Plan Shares") that may be issued under the Diversified Restaurant Holdings, Inc. Stock Incentive Plan of 2017 (the "Plan"). This opinion is being delivered pursuant to the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933 (the "Act").

As counsel to DRH and in connection with this opinion, we have examined and relied upon copies, certified or otherwise identified to our satisfaction, of (i) the Articles of Incorporation of DRH, (ii) the Bylaws of DRH, (iii) records of actions of the stockholders and Board of Directors of DRH, (iv) resolutions of the Board of Directors of DRH relating to the adoption of the Plans, (v) the Registration Statement, and (vi) such other documents as we have deemed appropriate in connection with this opinion.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons signing or delivering a document, the authenticity and completeness of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, telecopied, facsimile, conformed or photostatic copies, and the absence of any understandings, waivers, or amendments which would vary the terms of any document which we have reviewed. As to various questions of fact material to this opinion, we have relied upon oral or written statements and representations of officers or other representatives of DRH and upon certificates or other documents of public officials. We have further assumed that this opinion will be used only in connection with the offer and sale of Plan Shares under the Plan while the Registration Statement remains in effect under the Act.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, it is our opinion that:

1. The Plan Shares have been duly authorized and, once the Registration Statement has become effective under the Act, when and to the extent Plan Shares are duly issued, sold, and paid for in accordance with the terms of the Plan and Article II, Section 2.10 of the Bylaws of DRH, such Plan Shares will be legally issued, fully paid and non-assessable.

Our opinions expressed herein are subject to bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity.

We have not reviewed for purposes of this opinion, and this opinion does not address: any ERISA laws, rules or regulations; any Federal or state securities or "blue sky" laws, rules or regulations; any Federal or state banking laws, rules or regulations, any laws relating to fiduciary duties; or any Federal, state or local taxation laws, rules or regulations.

This opinion is limited in all respects to matters arising under Chapter 78 (Private Corporations) of the Nevada Revised Statutes, and, to the extent addressed herein, the Federal law of the United States of America.

This opinion is limited to the matters set forth herein and no opinion is intended to be implied or may be inferred beyond those expressly stated herein. This opinion is predicated solely upon laws and regulations in existence as of the current date, and as they currently apply, and to the facts as they currently exist. We assume no obligation to revise or supplement this opinion should such matters change by legislative action, judicial decision or otherwise.

We consent to the filing of this opinion as Exhibit 5 to the Registration Statement and to the reference to our Firm's name in Item 5, Interests of Named Experts and Counsel, of the Registration Statement. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission.

Very truly yours,

/s/ Dickinson Wright PLLC

Consent of Independent Registered Public Accounting Firm

Diversified Restaurant Holdings, Inc.
Southfield, Michigan

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of our report dated March 27, 2017, relating to the consolidated financial statements of Diversified Restaurant Holdings, Inc. appearing in the Company's Annual Report on Form 10-K for the year ended December 25, 2016.

/s/ BDO USA, LLP

Troy, Michigan

July 13, 2017