

Habit Restaurants, Inc.
Form DEF 14A
May 12, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

THE HABIT RESTAURANTS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- (4) Proposed maximum aggregate value of transaction:
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- (1) Amount Previously Paid:
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The Habit Restaurants, Inc.

17320 Red Hill Avenue

Suite 140

Irvine, CA 92614

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

The 2015 Annual Meeting of Stockholders (the Annual Meeting) of The Habit Restaurants, Inc. (the Company , we or Habit) will be held on June 23, 2015, at 10:00 a.m. local time, at 18700 MacArthur Blvd., Irvine, CA 92612, for the purpose of considering two company-sponsored proposals:

1. To elect Ira Fils and Christopher Reilly as Class I directors, each for a three-year term.
2. To ratify the appointment of Moss Adams LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 29, 2015.

Any other matters that properly come before the Annual Meeting or any adjournment or postponement thereof will also be acted upon.

If you were a stockholder of record on May 4, 2015, you will be entitled to vote on the above matters. A list of stockholders as of the record date will be available for stockholder inspection at the headquarters of the Company, 17320 Red Hill Avenue, Suite 140, Irvine, CA 92614, during ordinary business hours, from May 13, 2015 to the date of the Annual Meeting. The list also will be available for inspection at the Annual Meeting.

Important!

Whether or not you plan to attend the Annual Meeting, your vote is very important.

After reading the Proxy Statement, you are encouraged to vote by (1) toll-free telephone call, (2) the Internet or (3) completing, signing and dating the printable proxy card and returning it as soon as possible. If you are voting by telephone or the Internet, please follow the instructions on the proxy card. You may revoke your proxy at any time before it is voted by following the instructions provided below.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting To Be Held on June 23, 2015. The proxy materials and the annual report to stockholders are available at <http://www.astproxyportal.com/ast/19786>.

If you need assistance voting your shares, please call Investor Relations at (949) 943-8692.

The Board of Directors recommends a vote **FOR** the election of the two nominees for directors, and a vote **FOR** ratification of the selection of Moss Adams LLP as the Company's independent registered public accounting firm.

Each outstanding share of the Company's Class A and Class B common stock (the common stock) (NASDAQ: HABT) entitles the holder of record at the close of business on May 4, 2015 to receive notice of and to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting.

At the Annual Meeting, you will have an opportunity to ask questions about the Company and its operations. You may attend the Annual Meeting and vote your shares in person even if you vote by telephone or the Internet or return your proxy card. Your proxy (including a proxy granted by telephone or the Internet) may be revoked by sending in another signed proxy card with a later date, sending a letter revoking your proxy to the Company's Secretary in Irvine, CA, voting again by telephone or Internet, or attending the Annual Meeting and voting in person.

We look forward to seeing you. Thank you for your ongoing support of and interest in The Habit Restaurants, Inc.

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Sincerely,

Ira Fils

*Chief Financial Officer, Secretary and
Director*

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The Habit Restaurants, Inc.

17320 Red Hill Avenue

Suite 140

Irvine, CA 92614

IMPORTANT INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Q: Why did you send me a Notice of Internet Availability of Proxy Materials?

A: We sent you the Notice of Internet Availability of Proxy Materials because the Board of Directors of the Company (the Board) is soliciting your proxy to vote at the 2015 Annual Meeting of Stockholders (the Annual Meeting). The Annual Meeting will be held at the 18700 MacArthur Blvd., Irvine, CA 92612, on June 23, 2015, at 10:00 a.m.

This Proxy Statement summarizes the information regarding the matters to be voted upon at the Annual Meeting. You do not need to attend the Annual Meeting, however, to vote your shares. You may simply vote your shares by telephone or over the Internet in accordance with the instructions contained on the proxy card or print, complete, sign, and return the proxy card.

On May 4, 2015 there were 26,002,754 shares of Class A and Class B common stock of the Company outstanding. If you owned shares of our common stock at the close of business on the record date, you are entitled to one vote for each share of common stock you owned as of that date. We made this Proxy Statement available on or about May 13, 2015 to all stockholders entitled to vote their shares at the Annual Meeting.

Q: How many votes do I have?

A: You have one vote for each share of common stock that you owned on the record date. The proxy card will indicate the number of shares.

Q: How do I vote by proxy?

A: If you properly cast your vote by either voting your proxy by telephone or via the Internet or executing and returning the proxy card, and your vote is not subsequently revoked by you, your vote will be voted in accordance with your instructions. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board as follows:

FOR the election of each of the nominees for director;

FOR ratification of the selection of Moss Adams LLP as the Company's independent registered public accounting firm.

If any other matter is presented, your proxy will vote in accordance with his best judgment. At the time we printed this Proxy Statement, we knew of no matters that needed to be acted on at the Annual Meeting other than those discussed in this Proxy Statement.

Q: May my broker vote for me?

A: Under the rules of the Financial Industry Regulatory Authority, if your broker holds your shares in its street name, the broker may vote your shares on routine matters even if it does not receive instructions from you. At the Annual Meeting your broker may, without instructions from you, vote on Proposal 2, but not on any of the other proposals.

Q: What are abstentions and broker non-votes?

A: An abstention represents the action by a stockholder to refrain from voting for or against a proposal. Broker non-votes represent votes that could have been cast on a particular matter by a broker, as a stockholder of record, but that were not cast because the broker (i) lacked discretionary voting authority on the matter and did not receive voting instructions from the beneficial owner of the shares or (ii) had discretionary voting authority but nevertheless refrained from voting on the matter.

Q: May I revoke my proxy?

A: Yes. You may change your mind after you send in your proxy card or vote your shares by telephone or via the Internet by following these procedures. To revoke your proxy:

Vote again by telephone or Internet;

Send in another signed proxy card with a later date;

Send a letter revoking your proxy to Habit's Secretary at the Company's offices in Irvine, California; or

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Attend the Annual Meeting and vote in person.

Q: How do I vote in person?

A: If you plan to attend the Annual Meeting and vote in person, we will give you a ballot when you arrive. If your shares are held in a brokerage account or by another nominee, the Notice of Internet Availability of Proxy Materials is being forwarded to you. Follow the instructions on the Notice of Internet Availability of Proxy Materials in order to vote your shares by proxy or in person. Alternatively, you may contact the person in whose name your shares are registered and obtain a proxy from that person and bring it to the Annual Meeting. Please note, you must present a form of personal picture identification in order to vote in person at the Annual Meeting.

Q: What is the quorum requirement for the Annual Meeting?

A: The quorum requirement for holding the Annual Meeting and transacting business is one-third of the outstanding shares entitled to be voted. The shares may be present in person or represented by proxy at the Annual Meeting. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

Q: What vote is required to approve the election of directors (Proposal 1)?

A: The two nominees for director who receive the most votes will be elected. Therefore, if you do not vote for a nominee, or you withhold authority to vote for a nominee, your vote will not count either for or against the nominee. Abstentions and broker non-votes will have no effect on the outcome of voting for directors.

Q: What vote is required to ratify the selection of Moss Adams LLP as the Company's independent registered public accounting firm (Proposal 2)?

A: The affirmative vote of a majority of the votes properly cast on the proposal at the 2015 Annual Meeting is required to ratify the appointment of Moss Adams LLP as the Company's independent registered public accounting firm. Abstentions and broker non-votes will have no effect on the outcome of Proposal 2.

Q: Is voting confidential?

A: We keep all the proxies and ballots private as a matter of practice.

Q: What are the costs of soliciting these proxies?

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A: The Company will pay all the costs of soliciting these proxies. In addition to the solicitation of proxies by mail, our officers and employees also may solicit proxies by telephone, fax or other electronic means of communication, or in person. We will reimburse banks, brokers, nominees, and other fiduciaries for the expenses they incur in forwarding the proxy materials to you.

Q: Who should I call if I have any questions?

A: If you have any questions about the Annual Meeting, voting or your ownership of Habit common stock, please call us at (949) 943-8692 or send an e-mail to HabitIR@habitburger.com.

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DISCUSSION OF PROPOSALS RECOMMENDED BY THE BOARD

PROPOSAL NO. ONE Election of Directors

In accordance with the Company's certificate of incorporation and bylaws, the Board is divided into three classes of approximately equal size. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. Ira Fils and Christopher Reilly are the Class I directors whose terms expire at the Company's 2015 Annual Meeting of stockholders. Each of Messrs. Fils and Reilly has been nominated for and has agreed to stand for re-election to the Board to serve as a Class I director of the Company for three years and until their successors are duly elected and qualified or until their earlier death, resignation or removal.

The two nominees for director with the highest number of affirmative votes will be elected as directors. It is intended that, unless you give contrary instructions, shares represented by proxies will be voted for the election of the three nominees listed above as director nominees. Habit has no reason to believe that any nominee will be unable to serve. In the event that one or more nominees is unexpectedly not available to serve, proxies may be voted for another person nominated as a substitute by the Board, or the Board may reduce the number of directors to be elected at the Annual Meeting. Information relating to each nominee for election as director and for each continuing director, including his or her period of service as a director of Habit, principal occupation and other biographical material is shown earlier in this proxy statement.

Our certificate of incorporation states that our Board shall consist of not fewer than three and not more than fifteen members, and the precise number of directors shall be fixed by a resolution of our Board. Each director holds office until his or her successor is duly elected and qualified or until his or her death, resignation or removal. Our certificate of incorporation provides that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the voting power of the outstanding shares of our capital stock entitled to vote in the election of directors, voting together as a single class, at a meeting of the stockholders called for that purpose. Any vacancy in the Board, including a vacancy that results from an increase in the number of directors, may be filled by a vote of the majority of the directors then in office.

Our certificate of incorporation provides that our Board is divided into three classes of directors, with the classes as nearly equal in number as possible. Each of our directors identified below serves in the class indicated. Subject to any earlier resignation or removal in accordance with the terms of our certificate of incorporation and bylaws, our Class I directors will serve until the 2015 annual meeting of stockholders; our Class II directors will serve until the 2016 annual meeting of stockholders; and our Class III directors will serve until the 2017 annual meeting of stockholders. Any additional directorships resulting from an increase in the number of directors will be apportioned by our Board among the three classes.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THESE NOMINEES FOR CLASS I DIRECTOR, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR THEREOF UNLESS A STOCKHOLDER HAS INDICATED OTHERWISE ON THE PROXY.

(PROPOSAL 1 ON YOUR PROXY CARD)

We seek individuals to serve as directors with established strong professional reputations, sophistication and experience in strategic planning, leadership, business management, innovation and in substantive areas that affect our business such as: restaurant development; sourcing, financing; finance and accounting; business operations; government contracts; legal and regulatory; and sales and marketing. We believe that each of our current directors possesses the professional and personal qualifications necessary for board service and have highlighted particularly

noteworthy attributes for each director in the individual biographies below.

Set forth below are the name, position held and age of each of the nominees for director of the Company. The principal occupation and recent employment history of each nominee is described below.

Name	Age	Position
Ira Fils	49	Chief Financial Officer, Secretary and Director (Class I)
Christopher Reilly	52	Director (Class I)

Ira Fils was appointed Chief Financial Officer and Secretary of The Habit Restaurants, LLC in August 2008 and was appointed Chief Financial Officer and Secretary of The Habit Restaurants, Inc. in August 2014. He has served as a director of The Habit Restaurants, Inc. since August 2014. Previously, Mr. Fils served as Chief Financial Officer of Mimi's Café from 2005 to 2008, after joining the company as Vice President of Finance in 2003. From 1998 to 2003, he served in various financial capacities with increasing responsibility which led to him becoming Chief Financial Officer at Rubio's Restaurants,

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Inc. He holds an undergraduate degree in economics and an MBA from the University of California, Irvine. Because of his experience in the restaurant industry and his financial knowledge, we believe Mr. Fils is qualified to serve on our Board. Mr. Fils has consented to being named in this Proxy Statement and to serve if elected.

Christopher Reilly has served as a director of The Habit Restaurants, LLC since July 2007, and as a director of The Habit Restaurants, Inc. since July 2014. He is a founding partner of KarpReilly, LLC. Prior to KarpReilly, Mr. Reilly was a partner at Apax Partners, L.P. Prior to Apax Partners, Mr. Reilly was a Partner at Saunders, Karp & Megrue, LLC. Mr. Reilly currently serves as a Director of Norcraft Companies, Inc. (NYSE: NCFT) and on the boards of a number of privately held companies. He is also a member of the board of trustees of Providence College. Mr. Reilly holds a B.S. from Providence College and an M.B.A. from New York University's Leonard N. Stern School of Business. Because of Mr. Reilly's substantial experience with portfolio companies and his private equity, financial and investment banking experience, we believe he is qualified to serve on our Board.

Current Directors Not Standing for Election at the Annual Meeting

Russell W. Bendel was appointed Chief Executive Officer and President of The Habit Restaurants, LLC in June 2008 and was appointed Chief Executive Officer and President of The Habit Restaurants, Inc. in August 2014. He has served as a director of The Habit Restaurants, LLC since August 2008, and has served as a director of The Habit Restaurants, Inc. since August 2014. Previously, Mr. Bendel was President and Chief Operating Officer of The Cheesecake Factory. Beginning in June 2001, Mr. Bendel worked at Mimi's Café as Chief Executive Officer and President. He currently sits on the Board of the California Restaurant Association and on the board of advisors for the Collins School of Hospitality Management at California State Polytechnic University. He holds a Bachelor of Science degree in Hotel Administration from Florida International University. Because of his extensive experience in leadership positions in the restaurant industry, including at the Company, we believe Mr. Bendel is qualified to serve on our Board.

Allan Karp has served as a director of The Habit Restaurants, LLC since July 2007, and as a director of The Habit Restaurants, Inc. since August 2014. He is a founding partner of KarpReilly, LLC. Prior to KarpReilly, Mr. Karp was the Co-Chief Executive Officer at Apax Partners, L.P. Prior to Apax Partners, Mr. Karp was a Co-Founder of Saunders, Karp & Megrue, LLC. Mr. Karp currently serves on the boards of directors of a number of privately held companies. Mr. Karp holds a B.S. in Chemistry from University of California-Santa Cruz, and a M.S. in Management from M.I.T. Sloan School of Business. Because of Mr. Karp's extensive experience with portfolio companies and his private equity, financial and investment banking experience, we believe he is qualified to serve on our Board.

Ira Zecher has served as a director of The Habit Restaurants, Inc. since August 2014. Mr. Zecher is a managing member of ILZ, LLC, and is a director, audit committee chairman and Compensation Committee member of the board of Chuy's Holdings, Inc. (NYSE: CHUY) and a director, audit committee chairman and Compensation Committee member of the board of Norcraft Companies, Inc. (NYSE: NCFT). Prior to joining the Company, Mr. Zecher was with Ernst & Young LLP, a registered public accounting firm, for over 36 years until his retirement as a partner in 2010. Mr. Zecher gained extensive experience in audits and transactions at Ernst & Young LLP, where he served as a partner in the Audit and Transaction Advisory Services groups in New York and as the director of the Far East Area Private Equity practice, based in Hong Kong. Mr. Zecher is a CPA and holds a B.A. in accounting from Queens College of the City University of New York. He also completed the Executive Program of the Kellogg School of Management at Northwestern University. He recently taught in the Graduate Accounting program at Rutgers, the State University of New Jersey. Because of Mr. Zecher's broad accounting and financial experience, we believe he is qualified to serve on our Board.

A. William Allen III has served as a director of The Habit Restaurants, Inc. since October 2014. Mr. Allen served as the CEO of OSI Restaurant partners (Bloomin Brands, Inc.) for five years until November 2009. He served as Chairman of the Bloomin Brands board of directors from November 2009 through December 2011. Since December 2011, Mr. Allen has acted as an investor, advisor and/or board member to a variety of established and early-stage growth companies, including Fleming's, Il Fornaio/Corner Bakery, Bruxië and Hubworks. Prior to Bloomin Brands, Mr. Allen was Co-Founder of Fleming's Prime Steakhouse & Wine Bar. Because of his extensive experience in the restaurant industry, we believe Mr. Allen is qualified to serve on our Board.

Director Independence

Under the listing requirements and rules of the NASDAQ Stock Market LLC, or NASDFAQ, independent directors must compose a majority of our Board within one year of listing on NASDAQ, subject to specified exceptions. In addition, applicable NASDAQ rules require that, subject to specified exceptions, each member of our audit, compensation and nominating and corporate governance committees must be independent within the meaning of applicable NASDAQ rules. We are required to have a majority of independent directors on our Board and an Audit Committee, Compensation Committee and nominating and corporate governance committee composed entirely of independent directors as defined under the NASDAQ

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rules, subject to a phase-in period of one year following the loss of our controlled company status. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934 (the Exchange Act).

The Board has reviewed the independence of our directors under the corporate governance standards of NASDAQ. Based on this review, the Board determined that each of Messrs. Karp, Reilly, Zecher and Allen is independent within the meaning of the corporate governance standards of NASDAQ. In making this determination, our Board considered the relationships that each of these non-employee directors has with us and all other facts and circumstances our Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock held by each non-employee director. As required under applicable NASDAQ rules, we anticipate that our independent directors will meet in regularly scheduled executive sessions at which only independent directors are present.

Board Meetings and Attendance

Because the Company did not complete its initial public offering (the IPO) until November 2014, the Board did not hold any meetings during the fiscal year ended December 30, 2014. For future fiscal years, including the fiscal year ending December 29, 2015, our policy is that each of the directors must attend at least seventy-five percent (75%) of the meetings of the Board and the committees of the Board on which he or she served during the fiscal year (in each case, which were held during the period for which he or she was a director and/or a member of the applicable committee and excluding any meetings in which a director was an interested party).

Board of Directors Leadership Structure

We have not designated a chair or a lead director of the Board. The independent members of the Board have periodically reviewed the Board s leadership structure and have determined that Habit and our stockholders are well served with this structure.

The Board of Directors Role in Risk Oversight

The Board plays an important role in risk oversight at Habit through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that Habit faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of Habit s business by the Audit, Compensation and Nominating and Corporate Governance Committees, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting Habit to the attention of the Board.

Pursuant to the Audit Committee s charter, the Audit Committee is responsible for reviewing and discussing with management and Habit s independent registered public accounting firm, Habit s system of internal control, its critical accounting practices, and policies relating to risk assessment and management. As part of this process, the Audit Committee discusses Habit s major financial risk exposures and steps that management has taken to monitor and control such exposure. In addition, the Audit Committee has established procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or accounting matters.

Because of the role of the Board and the Audit Committee in risk oversight, the Board believes that any leadership structure that it adopts must allow it to effectively oversee the management of the risks relating to Habit's operations. The Board acknowledges that there are different leadership structures that could allow it to effectively oversee the management of the risks relating to the Company's operations and believes its current leadership structure enables it to effectively provide oversight with respect to such risks.

Board Committees

The Board has a standing Audit, Compensation and Nominating and Corporate Governance Committee. Each committee operates pursuant to a written charter and each reviews and assesses the adequacy of its charter periodically and submits its charter to the Board for approval. The charters for each committee are all available on our website (www.habitburger.com) under Investor Relations at Governance.

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The following table describes which directors serve on each of the Board committees.

Name	Nominating & Corporate Governance Committee	Audit Committee	Compensation Committee
Russell W. Bendel			
Ira Fils (1)	X		
Christopher Reilly (1)	X(2)	X	
Allan Karp		X	X
Ira Zecher	X	X(2)	
A. William Allen III			X(2)

(1) Sitting for election in Proposal 1.

(2) Chair of the committee.

Audit Committee

Our Audit Committee consists of Ira Zecher, A. William Allen III and Christopher Reilly. Mr. Zecher is both an independent director and an Audit Committee financial expert within the meaning of Item 407 of Regulation S-K, and serves as chair of the Audit Committee. Christopher Reilly is an affiliated person under Rule 10A-3 of the Exchange Act and therefore does not meet the independence criteria for Audit Committee membership pursuant to NASDAQ rules. We are permitted to phase in our compliance with the independent Audit Committee requirements set forth in NASDAQ rules and relevant Exchange Act rules as follows: (i) one independent member at the time of listing, (ii) a majority of independent members within 90 days of listing and (iii) all independent members within one year of listing. We expect that, within one year of our listing on NASDAQ, Mr. Reilly will have resigned from our Audit Committee and an independent director for Audit Committee purposes (as determined under NASDAQ rules and Exchange Act rules) will have been added to the Audit Committee. A copy of our Audit Committee charter is available on our website. The Audit Committee's responsibilities are to:

Appoint or replace, compensate and oversee the outside auditors for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us. The outside auditors report directly to the audit committee;

Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by our outside auditors, subject to de minimis exceptions which are approved by the audit committee prior to the completion of the audit;

Review and discuss with management and the outside auditors the annual audited and quarterly unaudited financial statements and the selection, application and disclosure of critical accounting policies and practices used in such financial statements;

Review and approve all related party transactions; and

Discuss with management and the outside auditors significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in

our selection or application of accounting principles, any major issues as to the adequacy of our internal controls and any special steps adopted in light of material control deficiencies.

Because the Company did not complete its IPO until November 2014, the Audit Committee did not hold any meetings during the fiscal year ended December 30, 2014. The report of the Audit Committee is included in this proxy statement under Report of the Audit Committee.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is composed of Christopher Reilly, Ira Fils and Ira Zecher, with Mr. Reilly serving as Chair of the committee. Our Board has determined that each of Mr. Reilly and Mr. Zecher is independent as defined under the applicable listing standards of NASDAQ. The Nominating and Corporate Governance Committee's responsibilities include:

- developing and recommending to the Board criteria for Board and committee membership;
- establishing procedures for identifying and evaluating Board of Director candidates, including nominees recommended by stockholders;
- identifying individuals qualified to become members of the Board;

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recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;

developing and recommending to the Board a set of corporate governance principles;

articulating to each director what is expected, including reference to the corporate governance principles and directors' duties and responsibilities;

reviewing and recommending to the Board practices and policies with respect to directors;

reviewing and recommending to the Board the functions, duties and compositions of the committees of the Board;

reviewing and assessing the adequacy of the committee charter and submitting any changes to the Board for approval;

considering and reporting to the Board any questions of possible conflicts of interest of Board members;

providing for new director orientation and continuing education for existing directors on a periodic basis;

performing an evaluation of the performance of the committee; and

overseeing the evaluation of the Board and management.

Our Nominating and Corporate Governance Committee did not meet in the fiscal year ended December 30, 2014. Because we have availed ourselves of certain exceptions applicable to controlled companies under the Nasdaq listing standards, prior to our public offering completed on April 15, 2015, we had not had a nominating committee and the responsibilities that would otherwise be undertaken by a nominating committee have been undertaken by the full board of directors or, at its discretion, by a special committee established under the direction of the full board of directors.

Compensation Committee

Our Compensation Committee is composed of A. William Allen III and Allan Karp, with Mr. Allan serving as Chair of the committee. Our Board has determined that each member of the Compensation Committee is independent as defined under the applicable listing standards of NASDAQ and meets the independence criteria set forth in Rule 10C-1. The Compensation Committee has the authority to delegate to subcommittees of the Compensation Committee any of the responsibilities of the full committee. The Compensation Committee's responsibilities include:

annually reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer;

evaluating the performance of our chief executive officer in light of such corporate goals and objectives and determining and approving the compensation of our chief executive officer;

reviewing and approving the compensation of our other executive officers;

appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the Compensation Committee;

conducting the independence assessment outlined in NASDAQ rules with respect to any compensation consultant, legal counsel or other advisor retained by the Compensation Committee;

annually reviewing and reassessing the adequacy of the committee charter in its compliance with the listing requirements of NASDAQ;

reviewing and establishing our overall management compensation, philosophy and policy;

overseeing and administering our equity compensation and other compensatory plans;

reviewing and approving our equity and incentive policies and procedures for the grant of equity-based awards and approving the grant of such equity-based awards;

reviewing and making recommendations to the Board with respect to director compensation; and

reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement.

Because the Company did not complete its IPO until November 2014, the Compensation Committee did not hold any meetings during the fiscal year ended December 30, 2014.

Compensation Committee Interlocks and Insider Participation

All compensation and related matters are reviewed by our Compensation Committee. Our Compensation Committee consists of Allan Karp and A. William Allen III. None of the members of our Compensation Committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the Board or Compensation Committee of any entity that has one or more executive officers serving on our Board or Compensation Committee.

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Risks Related to Compensation Practices and Policies

The Compensation Committee maintains a pay-for-performance compensation philosophy, but also recognizes that providing certain types of compensation incentives may inadvertently motivate individuals to act in ways that could be detrimental to the Company in order to maximize personal compensation. To minimize such risk, the Compensation Committee reviews at least annually the overall structure and components of our compensation program. The Compensation Committee also performs an annual evaluation to ensure that salary levels, equity awards and other elements of compensation are benchmarked against appropriate standards and that incentives provided for achievement of target goals are balanced between short-term rewards and longer-term enhancement of stockholder value. Our Compensation Committee has reviewed and evaluated the philosophy and standards on which our compensation plans have been developed and implemented across Habit. It is our belief that our compensation program does not encourage inappropriate actions or risk taking by our executive officers. We do not believe that any risks arising from our employee compensation policies and practices are reasonably likely to have a material adverse effect on our business. In addition, we do not believe that the mix and design of the components of our executive compensation program encourage management to assume excessive risks. We believe that our current business process and planning cycle fosters the behaviors and controls that would mitigate the potential for adverse risk caused by the action of our executives, including the following:

- the establishment of base salaries consistent with our executive officers' responsibilities and market comparables to ensure that our executive officers would not be motivated to take excessive risks to achieve a reasonable level of financial security;
- annual establishment of corporate objectives for our performance-based cash bonus program for our executive officers that are consistent with our annual operating and strategic plans, that are designed to achieve the proper risk/reward balance, and that should not require excessive risk taking to achieve;
- the mix between fixed and variable, annual and long-term and cash and equity compensation are designed to encourage strategies and actions that balance our short-term and long-term best interests;
- stock option awards vest over a period of time, which we believe encourages executives to take a long-term view of our business; and
- the discretion available to our Compensation Committee not to apply fixed formulae in assessing our company performance, which allows the Compensation Committee to, among other things, (a) eliminate the potential incentive for management to conduct activities that are in our annual corporate goals, but which may not, due to new data or other developments, ultimately prove to be in the best interest of our stockholders, and (b) reward management for making decisions that are in the long-term best interest of our therapeutic candidate development programs, even when those decisions result in the failure to meet short-term objectives.

Code of Business Conduct and Ethics

Our Board established a Code of Conduct and Business Ethics applicable to our directors and officers. The Code of Conduct and Business Ethics is accessible on our website at www.habitburger.com. If we make any substantive amendments to the Code of Conduct and Business Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Conduct and Business Ethics to our officers, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K.

Director Nomination Process

The Nominating and Corporate Governance Committee recommends, and the Board nominates, candidates to stand for election as directors. Stockholders may also nominate persons to be elected as directors. If a stockholder wishes to nominate a person for election as director, he or she must follow the procedures contained in our bylaws and satisfy the requirements of Regulation 14A of the Exchange Act. To nominate a person to stand for election as a director at the annual meeting of stockholders for 2016, a stockholder must provide our Secretary with timely notice of the nomination. To be timely, the stockholder's notice must be delivered to or mailed and received by us not earlier than the close of business on the 120th day nor later than the close of business on the 90th day prior to the anniversary date of the prior year's annual meeting, except that if the annual meeting is set for a date that is not within 30 days before or after such anniversary date, we must receive the notice not later than the close of business on the tenth day following the day on which we first provide notice or public disclosure of the date of the Annual Meeting. The notice must include the following information:

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Each director will be elected by the vote of the plurality of the votes cast by the holders of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors.

Additional information regarding requirements for stockholder nominations for next year’s annual meeting is described in this proxy statement under “General Matters” Stockholder Proposals and Nominations.

Contacting the Board of Directors

Stockholders wishing to communicate with our Board may do so by writing to the Board or to the non-employee members of the Board as a group, at:

The Habit Restaurants, Inc.

17320 Red Hill Avenue

Suite 140

Irvine, CA 92614

The communication must prominently display the legend “BOARD COMMUNICATION” in order to indicate to the Secretary that it is a communication for the Board. Upon receiving such a communication, the Secretary will promptly forward the communication to the relevant individual or group to which it is addressed. Certain items that are unrelated to the Board’s duties and responsibilities may be excluded, such as spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys and business solicitations or advertisements. The Secretary will not forward any communication determined in his or her good faith belief to be frivolous, unduly hostile, threatening, illegal or similarly unsuitable.

Executive Officers

Below is a list of the names, ages as of May 8, 2015 and positions, and a brief account of the business experience of the individuals who serve as our executive officers.

Name	Age	Position
Russell W. Bendel	60	Chief Executive Officer, President and Director (Class III)
Ira Fils	49	Chief Financial Officer, Secretary and Director (Class I)
Anthony Serritella	54	Chief Operating Officer
Peter Whitwell	55	Chief Quality Officer
Russell Friend	54	Chief Development Officer
Matthew Hood	45	Chief Marketing Officer

Russell W. Bendel was appointed Chief Executive Officer and President of The Habit Restaurants, LLC in June 2008 and was appointed Chief Executive Officer and President of The Habit Restaurants, Inc. in August 2014. He has served as a director of The Habit Restaurants, LLC since August 2008, and has served as a director of The Habit Restaurants, Inc. since August 2014. Previously, Mr. Bendel was President and Chief Operating Officer of The Cheesecake Factory. Beginning in June 2001, Mr. Bendel worked at Mimi’s Café as Chief Executive Officer and President. He currently sits on the board of directors of the California Restaurant Association and on the board of advisors for the Collins School of Hospitality Management at California State Polytechnic University. He holds a

Bachelor of Science degree in Hotel Administration from Florida International University. Because of his extensive experience in leadership positions in the restaurant industry, including at the Company, we believe Mr. Bendel is qualified to serve on our Board.

Ira Fils was appointed Chief Financial Officer and Secretary of The Habit Restaurants, LLC in August 2008 and was appointed Chief Financial Officer and Secretary of The Habit Restaurants, Inc. in August 2014. He has served as a director of The Habit Restaurants, Inc. since August 2014. Previously, Mr. Fils served as Chief Financial Officer of Mimi's Café from 2005 to 2008, after joining the company as Vice President of Finance in 2003. From 1998 to 2003, he served in various financial capacities with increasing responsibility which led to him becoming Chief Financial Officer at Rubio's Restaurants, Inc. He holds an undergraduate degree in economics and an MBA from the University of California, Irvine. Because of his experience in the restaurant industry and his financial knowledge, we believe Mr. Fils is qualified to serve on our Board.

Anthony Serritella joined The Habit Restaurants, LLC in 1997 as Vice President of Operations and was later appointed Chief Operating Officer. Beginning in 1991, Mr. Serritella worked as the Vice President of Operations for McAthco Enterprises, one of the leading Sizzler franchises. He attended the University of California, San Diego where he studied economics and psychology.

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Peter Whitwell joined The Habit Restaurants, LLC in 2005 as Vice President. From 2001 to 2004 he was the Senior Vice President of Baja Fresh Mexican Grill, transitioning from the position of Senior Vice President of Franchise Operations and Quality Assurance, a position he held beginning in 1999. Mr. Whitwell attended Moorpark College, where he studied Communications and Business, and California State University, Northridge where he studied speech communications.

Russell Friend joined The Habit Restaurants, LLC in December 2010 as Chief Development Officer. Prior to that, he served as the exclusive real estate development consultant to The Habit Restaurants, LLC from 2007 to 2010. From 2006 to 2007, he served as Senior Real Estate Partner of P.F. Chang's China Bistro after joining the company as the Director of Real Estate of Pei Wei Asian Diner in 2003. Mr. Friend attended the University of Arizona and Menlo College.

Matthew Hood joined The Habit Restaurants, LLC in July 2014 as Chief Marketing Officer. Prior to joining The Habit, Mr. Hood served as Chief Marketing Officer at BJ's Restaurants Inc. from 2008 until 2014. Prior to joining BJ's Restaurants, Mr. Hood served as the national brand consultant for Google, Inc. From 2002 to 2006, Mr. Hood served in several leadership roles for Carino's Italian Restaurants, including Senior Vice President, Marketing and Brand Development. He holds a B.S. in Journalism and Advertising from Texas Christian University, and an MBA in Marketing and Entrepreneurship from Northwestern University's Kellogg Graduate School of Management.

PROPOSAL NO. 2 Ratification of Selection of Independent Registered Public Accounting Firm

We are asking our stockholders to ratify the Audit Committee's selection of Moss Adams LLP, or Moss Adams, as our independent registered public accounting firm for the fiscal year ending December 29, 2015. Moss Adams has served as our independent registered public accounting firm since 2007.

The Audit Committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm's performance. Although ratification is not required by our bylaws or otherwise, the Board is submitting the selection of Moss Adams to our stockholders for ratification as a matter of good corporate practice. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if the committee determines that such a change would be in the best interests of the Company and our stockholders.

We expect that a representative of Moss Adams will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee pre-approves all auditing services, internal control related services and permitted non-audit services (including the fees and terms thereof) to be performed by Moss Adams, subject to the de minimis exception for non-audit services that are approved by the Audit Committee prior to the completion of an audit. The Audit Committee may delegate pre-approval authority to one or more members of the Audit Committee consistent with applicable law and listing standards, provided that the decisions of such Audit Committee member or members must

be presented to the full Audit Committee at its next scheduled meeting.

Principal Accountant Fees and Services

Moss Adams served as our independent registered public accounting firm in 2014 and 2013. The following sets forth fees billed by Moss Adams for the audit of our annual financial statements and other services rendered:

	Fiscal Year Ended	
	December 31, 2013	December 30, 2014
Audit fees ⁽¹⁾	\$ 64,000	\$ 141,000
Audit related fees ⁽²⁾		793,627
Tax fees ⁽³⁾	13,983	21,875
Total	\$ 77,983	\$ 956,502

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- (1) Includes fees for audits of our annual financial statements, reviews of the related quarterly financial statements, and services that are normally provided by the independent accountants in connection with statutory and regulatory filings or engagements, including reviews of documents filed with the SEC.
- (2) Audit related fees include all costs associated with services provided by Moss Adams in connection with our IPO in 2014.
- (3) Tax fees relate to professional services rendered for tax compliance, tax return review and preparation and related tax advice.

Pursuant to the charter of the Audit Committee, adopted in connection with our IPO, the Audit Committee is responsible for the oversight of our accounting, reporting and financial practices. The Audit Committee has the responsibility to select, appoint, engage, oversee, retain, evaluate and terminate our external auditors; pre-approve all audit and non-audit services to be provided, consistent with all applicable laws, to us by our external auditors; and establish the fees and other compensation to be paid to our external auditors.

The Audit Committee pre-approved all services performed since the pre-approval policy was adopted.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR

THE RATIFICATION OF THE APPOINTMENT OF MOSS ADAMS AS THE COMPANY'S

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF SUCH RATIFICATION UNLESS A STOCKHOLDER HAS INDICATED OTHERWISE ON THE PROXY.

(PROPOSAL 2 ON YOUR PROXY CARD)

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OTHER BUSINESS

The Company knows of no other matters to be voted on at the Annual Meeting or any adjournment or postponement of the Annual Meeting. If, however, other matters are presented for a vote at the Annual Meeting, the proxy holders (the individuals designated on the proxy card) will vote your shares according to their judgment on those matters.

Table of Contents**EXECUTIVE COMPENSATION****Introduction**

This compensation discussion provides an overview of our executive compensation program, together with a description of the material factors underlying the decisions that resulted in the compensation provided to our chief executive officer and our two other highest paid executive officers during fiscal year 2014 (collectively, the named executive officers), as presented in the tables which follow this discussion. This discussion contains statements regarding our performance targets and goals. These targets and goals are disclosed in the limited context of our compensation program and should not be understood to be statements of management's expectations or estimates of financial results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Summary Compensation Table

The following table sets forth, for the fiscal year ending December 30, 2014 as well as our 2013 fiscal year, the compensation earned by our named executive officers.

Name and principal position	Year	Salary (\$)	Stock Awards (\$) ⁽¹⁾	Non-equity	All Other Compensation (\$) ⁽³⁾	Total (\$)
				incentive plan compensation (\$) ⁽²⁾		
Russell W. Bendel, President and Chief Executive Officer	2014	\$ 630,000	\$ 780,309	\$	\$ 18,179	\$ 1,428,488
	2013	\$ 611,154	\$	\$	\$ 12,000	\$ 623,154
Ira Fils, Chief Financial Officer	2014	\$ 325,000	\$ 445,986	\$	\$ 9,188	\$ 780,174
	2013	\$ 315,731	\$	\$	\$ 6,000	\$ 321,731
Anthony Serritella, Chief Operating Officer	2014	\$ 244,119 ⁽⁴⁾	\$ 334,545	\$ 38,401 ⁽⁴⁾	\$ 10,867	\$ 627,932
	2013	\$ 239,887	\$	\$ 34,347	\$ 8,400	\$ 282,634

- (1) Reflects the grant date fair value calculated under ASC Topic 718 for Class C units granted in July 2014 to our named executive officers. These Class C units were converted into common units of The Habit Restaurants, LLC immediately prior to the completion of the IPO.
- (2) Amounts shown reflect bonuses earned based on the achievement of Company performance goals, including the achievement of target EBITDA, increases in Company sales, customer satisfaction and reduction in employee turnover. Bonuses are paid in the immediately following fiscal year. Neither Mr. Bendel nor Mr. Fils participates in our annual cash bonus program and did not receive cash bonuses for fiscal year 2013 or 2014.
- (3) Represents (i) for both fiscal years 2014 and 2013, Company paid automobile allowances in the amount of \$1,000 per month for Mr. Bendel, \$500 per month for Mr. Fils and \$700 per month for Mr. Serritella and (ii) for fiscal year 2014 only, Company matching contributions of \$6,179, \$3,188 and \$2,467 with respect to amounts deferred by Messrs. Bendel, Fils and Serritella, respectively, under The Habit Restaurants, LLC Deferred Compensation Plan.
- (4)

Mr. Serritella's base salary has been updated from the amount as reported in the Summary Compensation Table included in Item 11 from our 2014 annual report on Form 10-K to exclude \$38,401 in non-equity incentive plan compensation, which is separately reported in the table above.

Base Salaries

In connection with commencement of their employment, base salaries of our named executive officers were reviewed and approved by our board of directors. The initial base salaries for Mr. Bendel and Mr. Fils, as well as the annual adjustment to such base salaries for the first three years following commencement of employment, were set forth in each executive's employment agreement. In March 2012, the board of directors amended Mr. Bendel's and Mr. Fils' employment agreements to set each executive's base salary for calendar years 2012 (\$575,000 and \$295,000, respectively), 2013 (\$600,000 and \$310,000, respectively) and 2014 (\$630,000 and \$325,000, respectively). Following 2014, Mr. Bendel's and Mr. Fils' base salary will be subject to annual review and potential increase by our board of directors.

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The base salary for Mr. Serritella is set forth in his employment agreement and is subject to annual increase by the President and Chief Executive Officer. Effective August 8, 2012, Mr. Serritella's base salary was set at \$231,002, and was most recently increased to \$260,552 on August 27, 2014.

Annual Cash Bonuses

Mr. Serritella is our only named executive officer who participates in our annual cash bonus program, although our Compensation Committee is authorized to and may decide to include our other named executive officers at a later date. Mr. Serritella's target annual incentive compensation opportunity (expressed as a percentage of base salary) was initially established at the time he commenced employment with us. Pursuant to the terms of his employment agreement, Mr. Serritella is eligible to receive an annual cash performance bonus, which may be set at a target of up to 20% of base salary, based upon achievement of performance goals determined by our President and Chief Executive Officer. For 2014, Mr. Serritella's cash bonus was set at a target of up to 15% of base salary, based upon achievement of Company performance goals, including achievement of target EBITDA, increases in Company sales, customer satisfaction and reduction in employee turnover.

2014 Equity Grants

On July 1, 2014, Messrs. Bendel, Fils and Serritella were granted 3,508, 2,005 and 1,504 Class C units, respectively, each of which grant vests over five years commencing on July 1, 2014, subject to continued employment. These Class C units were converted into 116,111, 66,364 and 49,781 common units, respectively, of The Habit Restaurants, LLC immediately prior to the completion of the IPO, as described below. The common units do not have a specified expiration term.

Agreements with our Named Executive Officers

Below are written descriptions of the material terms of the employment agreements with our named executive officers.

Employment Agreement with Mr. Bendel. We have entered into an employment agreement with Mr. Bendel, dated June 2, 2008, which was amended in March 2012. Pursuant to this agreement, Mr. Bendel was entitled to an annual base salary of \$630,000 for calendar year 2014. Thereafter, his salary is subject to annual review and potential increase by our board of directors. Mr. Bendel is entitled to an automobile allowance of \$1,000 per month. In connection with his employment agreement, Mr. Bendel also received a grant of Class C units equal to 4% of the units of The Habit Restaurants, LLC on a fully diluted basis, which were subsequently converted to common units of The Habit Restaurants, LLC immediately prior to the completion of the IPO. Mr. Bendel is also entitled to certain severance benefits, the terms of which are described below in the section entitled Potential Payments Upon Termination of Employment.

Employment Agreement with Mr. Fils. We have entered into an employment agreement with Mr. Fils, dated August 18, 2008, which was amended in March 2012. Pursuant to this agreement, Mr. Fils was entitled to an annual base salary of \$325,000 for calendar year 2014. Thereafter, his salary is subject to annual review and potential increase by our board of directors. Mr. Fils is entitled to an automobile allowance of \$500 per month. In connection with his employment agreement, Mr. Fils also received a grant of Class C units equal to 1.5% of the units of The Habit Restaurants, LLC on a fully diluted basis, which were subsequently converted to common units of The Habit Restaurants, LLC immediately prior to the completion of the IPO. Mr. Fils is also entitled to certain severance benefits, the terms of which are described below in the section entitled Potential Payments Upon Termination of Employment.

Employment Agreement with Mr. Serritella. We have entered into an employment agreement with Mr. Serritella, dated July 31, 2007, which replaced and superseded his prior employment agreement with our predecessor. Under this agreement, Mr. Serritella was appointed Vice President, Operations. Mr. Serritella was appointed Chief Operating Officer on July 26, 2010. Mr. Serritella's annual base salary was increased to \$260,552 on August 27, 2014, and, pursuant to his employment agreement, his base salary remains subject to annual review and potential increase by our President and Chief Executive Officer. Mr. Serritella is also eligible for an annual cash performance bonus, which may be set at a target of up to 20% of base salary, based upon achievement of performance goals determined by our President and Chief Executive Officer. For 2014, Mr. Serritella's annual cash bonus was set at a target of up to 15% of base salary. Mr. Serritella is entitled to an automobile allowance of \$700 per month and is entitled to reimbursement of up to \$1,000 per month for his cost of participating in our health plan. In lieu of this reimbursement, we have provided Mr. Serritella with health benefits on the same basis as our other executive officers. Mr. Serritella is also entitled to certain severance benefits, the terms of which are described below in the section entitled Potential Payments Upon Termination of Employment.

Outstanding Equity Awards at Fiscal Year-End

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EQUITY AWARDS

Name	Number of units that have not vested (#) ⁽¹⁾	Market value of units that have not vested (\$) ⁽²⁾
Russell W. Bendel	116,111	\$ 3,910,618
Ira Fils	66,364	\$ 2,235,140
Anthony Serritella	49,781	\$ 1,676,624

(1) On July 1, 2014, Messrs. Bendel, Fils and Serritella were granted 3,508, 2,005, and 1,504 Class C units, respectively, each of which grant vests over five years commencing on July 1, 2014, subject to continued employment. The Class C units held by our named executive officers were converted into common units of The Habit Restaurants, LLC immediately prior to the completion of the IPO, as described below.

(2) The amounts reported in this column equal the number of common units that, when vested, may be exchanged for shares of our Class A common stock on a one-for-one basis multiplied by \$33.68, which was the per share closing price of our common stock on December 30, 2014.

In addition to the unvested common units of The Habit Restaurants, LLC described in the table above, our named executive officers also hold vested common units in The Habit Restaurants, LLC as a result of the conversion of their Class C units into common units immediately prior to the completion of the IPO, as described below.

Pursuant to the terms of the Amended & Restated LLC Agreement of The Habit Restaurants, LLC, our named executive officers may exchange all or a portion of their vested common units (along with an equal number of the Class B Shares that they hold) at any time for shares of our Class A common stock (or, at our option, cash) on a one-for-one basis.

Potential Payments Upon Termination of Employment

Messrs. Bendel and Fils Termination of Employment without Cause or for Good Reason. If the executive's employment is terminated by us without cause or by the executive for good reason (as such terms are defined in the executive's employment agreement), the executive will be entitled to (i) accrued but unpaid base salary and vacation through the date of termination, and any other payments required by applicable law or Company policy; (ii) continued payment of the executive's base salary for a period of 12 months following such termination of employment; and (iii) payment of the executive's COBRA premiums for a period of 12 months following such termination of employment.

Mr. Serritella Termination of Employment without Cause or for Good Reason. If Mr. Serritella's employment is terminated by us without cause or by him for good reason (as such terms are defined in his employment agreement), Mr. Serritella will be entitled to continued payment of his base salary for a period of six months following such termination of employment.

Messrs. Bendel, Fils and Serritella Severance Subject to Release of Claims. Our obligation to provide our named executive officers with any severance payments or other benefits under their respective employment agreements is conditioned on the executive executing an effective release of claims in our favor. Messrs. Bendel and Fils are also subject to a three-year post-termination non-competition and non-solicitation of employees, independent contractors, or business partners covenant.

Messrs. Bendel and Fils Other Termination of Employment. If the executive's employment is terminated by us for cause or by the executive without good reason (as such terms are defined in the executive's employment agreement), or if the executive's employment is terminated due to death or disability (as such term is defined in the executive's employment agreement), the executive (or beneficiary, as the case may be) will be entitled to the executive's accrued but unpaid base salary and vacation through the date of termination, and any other payments required by applicable law or Company policy.

Retirement Benefits

Our 401(k) plan permits eligible employees to defer a portion of their annual eligible compensation, subject to the limitations imposed by the Internal Revenue Code, and provides for a Company matching contribution equal to 50% of the first 3% of compensation. None of our named executive officers participates in our 401(k) plan.

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Effective May 1, 2014, we adopted The Habit Restaurants, LLC Deferred Compensation Plan (the "Deferred Compensation Plan"), a nonqualified deferred compensation plan that covers our named executive officers and other eligible key employees and that is intended to aid in the attraction and retention of key employees by providing them with benefits upon retirement or death. The Deferred Compensation Plan permits eligible employees to defer a portion of their annual eligible base salary and bonus compensation, and provides for a discretionary Company matching credit equal to 50% of the first 3% of compensation so deferred. The Company may also credit additional amounts to a participant's discretionary contribution account under the Deferred Compensation Plan. Company matching and any additional discretionary credits begin to vest at a rate of 20% per year after a participant has attained two years of service, as such term is defined in our 401(k) plan, and will vest automatically on a participant's death or a change in control of the Company if a participant is employed on such date. Each of our named executive officers participated in, and received Company matching contributions under, the Deferred Compensation Plan in 2014.

Distributions of participant elective deferrals and Company matching contributions, to the extent vested, under the Deferred Compensation Plan are generally made in a lump sum upon a participant's separation from service, unless the participant has made an alternative election in accordance with plan terms. Employer discretionary credits, to the extent vested, are paid in five annual installments upon a participant's separation from service. In the event of an unforeseeable emergency, a participant may petition for an immediate distribution from his or her deferral account under the plan.

Equity and Incentive Plans

Management Incentive Plan

Effective September 28, 2007, our board of directors adopted the Management Incentive Plan. The Management Incentive Plan provides for the grant of Class C units to selected employees and other persons providing services for The Habit Restaurants, LLC and its subsidiaries.

Immediately prior to the completion of the IPO, all of the outstanding vested and unvested Class C units in The Habit Restaurants, LLC were converted into an amount of vested and unvested The Habit Restaurants, LLC common units, respectively, in each case, based on our pre-IPO value. Each unvested common unit of The Habit Restaurants, LLC continues to vest based on the vesting schedule of the outstanding unvested Class C unit for which it was exchanged. The vested and unvested common units of The Habit Restaurants, LLC are entitled to receive distributions, if any, from The Habit Restaurants, LLC, provided, however, that distributions (other than tax distributions) in respect of unvested common units of The Habit Restaurants, LLC will only be delivered to the holder thereof when, as, and if such units ultimately vest.

2014 Omnibus Incentive Plan

Our board of directors adopted The Habit Restaurants, Inc. 2014 Omnibus Incentive Plan (the "2014 Omnibus Incentive Plan") in November 2014 and thereafter all equity-based awards will be granted under the 2014 Omnibus Incentive Plan. The 2014 Omnibus Incentive Plan also permits grants of cash bonuses beginning in fiscal year 2015. None of our executive officers received any grants or other awards under this plan in fiscal year 2014.

On the date the IPO became effective, we granted two of our non-employee directors, Mr. Ira Zecher and Mr. A. William Allen III, options to purchase 16,667 shares of Class A common stock under the 2014 Omnibus Incentive Plan, as discussed below. The options have an exercise price equal to \$18.00 per share and a vesting period of three years.

Director Compensation

Individuals affiliated with our Sponsor who served as members of our board of directors were not separately compensated for their services as a director during fiscal year 2014, other than reimbursement of out-of-pocket expenses incurred in connection with rendering such services. Our non-employee directors, Mr. Ira Zecher and Mr. A. William Allen III, received a pro-rated portion of their annual fees for service on our board based on the number of days in fiscal year 2014 following our IPO. Each non-employee director is entitled to an annual retainer fee of \$40,000. Mr. Allen is entitled to additional annual fees of \$7,500 for serving as chair of our Compensation Committee and \$5,000 for serving as a member of our Audit Committee. Mr. Zecher is entitled to an additional annual fee of \$10,000 for serving as chair of our Audit Committee. We also granted each of Messrs. Zecher and Allen options to purchase 8,333 shares of our Class A common stock under the 2014 Omnibus Incentive Plan. The options have an exercise price equal to \$18.00 per share and a vesting period of three years.

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Name	Fees Earned or Paid in Cash (\$)	Option Awards \$(²)	Total (\$)
Ira Zecher ⁽¹⁾	\$ 5,632	\$ 42,796	\$ 48,428
A. William Allen III ⁽¹⁾	\$ 5,913	\$ 42,796	\$ 48,709

(1) Mr. Zecher and Mr. Allen each held outstanding options to purchase 8,333 shares of Company common stock as of December 30, 2014.

(2) The amounts reported represent the grant date fair value calculated under ASC Topic 718 for options granted in 2014.

Equity Compensation Plan Information

The following table sets forth, in tabular format, as of December 30, 2014, a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (a)	WEIGHTED- AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS \$(b)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (a))
Equity compensation plans approved by security holders	2,525,275	\$ 18.00	2,508,608

Equity compensation plans not approved by security holders

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of May 8, 2015 (unless otherwise specified), with respect to the beneficial ownership of our common stock by each person who is known to own beneficially more than 5% of the

outstanding shares of common stock, each person currently serving as a director, each nominee for director, each named executive officer (as set forth in the Summary Compensation Table above), and all directors and executive officers as a group.

The amounts and percentages of Class A common stock and Class B common stock (together with the same amount of LLC Units) beneficially owned are reported on the basis of the regulations of the SEC governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities. Unless otherwise indicated, the address for each listed stockholder is: c/o The Habit Restaurants, LLC, 17320 Red Hill Avenue, Suite 140, Irvine, CA 92614.

Because we have disclosed the ownership of shares of our Class B common stock and LLC Units of The Habit Restaurants, LLC (which will be exchangeable for Class A common stock), the shares of our Class A common stock corresponding to the LLC Units of The Habit Restaurants, LLC are not reflected in the table below.

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Name of Beneficial Owner	Class A Common Stock Beneficially Owned ⁽¹⁾		Combined Voting Power ⁽²⁾
	Number	%	%
Directors and Executive Officers			
A. William Allen III	6,667	*	*
Russell Bendel ⁽³⁾			2.8
Ira Fils			1.0
Russell Friend			*
Matthew Hood	3,000	*	*
Allan Karp ⁽⁴⁾			
Christopher Reilly ⁽⁴⁾			
Anthony Serritella			1.1
Peter Whitwell			*
Ira Zecher			
All executive officers and directors as a group (ten persons)	9,667	*	5.8
5% Equityholders			
Entities affiliated with KarpReilly, LLC ⁽⁵⁾	2,259,754	15.6	46.9
Brent Reichard ⁽⁶⁾			6.4
Entities affiliated with Reichard Bros. Enterprises, Inc. ⁽⁶⁾			4.9

Name of Beneficial Owner	Class B Common Stock Beneficially Owned ⁽¹⁾	
	Number	%
Directors and Executive Officers		
A. William Allen III		
Russell Bendel ⁽³⁾	718,958	5.9
Ira Fils	263,553	2.2
Russell Friend	94,051	*
Matthew Hood	66,829	*
Allan Karp ⁽⁴⁾		
Christopher Reilly ⁽⁴⁾		
Anthony Serritella	277,876	2.3
Peter Whitwell	68,931	*
Ira Zecher		
All executive officers and directors as a group (ten persons)	1,490,198	12.2
5% Equityholders		
Entities affiliated with KarpReilly, LLC ⁽⁵⁾	9,945,459	63.0
Brent Reichard ⁽⁶⁾	1,662,903	13.6
Entities affiliated with Reichard Bros. Enterprises, Inc. ⁽⁶⁾	1,273,965	10.4

footnotes continued below

* Indicates less than one percent.

- (1) Subject to the terms of the LLC Agreement, the LLC Units together with a corresponding number of shares of Class B common stock, which will be cancelled in the exchange, are exchangeable for, generally, at the option of The Habit Restaurants, Inc., cash or shares of our Class A common stock on a one-for-one basis. Beneficial ownership of Class A common stock reflected in the table above does not reflect beneficial ownership of LLC Units (and corresponding shares of Class B common stock) for which such shares of Class A common stock may be exchanged.
- (2) Includes the voting power of each owner based on the voting power held through both the owners' Class A common Stock and Class B common stock. Represents percentage of voting power of the Class A common stock and Class B common stock of The Habit Restaurants, Inc. voting together as a single class. Each holder of LLC Units (other than The Habit Restaurants, Inc. and its wholly-owned subsidiaries) holds one corresponding share of Class B common stock for each LLC Unit held.
- (3) Mr. Bendel's Class B shares in The Habit Restaurants, Inc. and his LLC Units are held in a custodial account for the benefit of his immediate family.

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- (4) Does not include 2,259,754 shares of our Class A common stock beneficially owned by entities affiliated with KarpReilly, LLC. Messrs. Reilly and Karp are partners of KarpReilly, LLC and may be deemed to beneficially own the shares beneficially owned by KarpReilly, LLC. Each of Messrs. Reilly and Karp disclaim ownership of such shares except to the extent of their respective pecuniary interests therein.
- (5) KarpReilly Investments, LLC (KR Investments) holds 1,977,129 LLC Units and 1,977,129 shares of Class B common stock; (b) KarpReilly HB Co-Invest, LLC (KarpReilly HB) holds 5,708,576 LLC Units and 5,708,576 shares of Class B common stock; and (c) Habit Restaurant Co-Invest, LLC (Co-Invest) holds 2,259,754 shares of Class A common stock and no LLC Units. 1,969,202 of the LLC Units and 19,891 of the shares of Class B common stock held by KarpReilly HB represent its beneficial ownership of LLC Units and Class B common stock held directly by PEG U.S. Direct Corporate Finance Institutional Investors III LLC (PEG Direct) and 522 Fifth Avenue Fund, L.P. (522 Fifth). Messrs. Christopher Reilly and Allan Karp may be deemed the beneficial owners of all the securities held by the entities affiliated with KarpReilly, LLC, as hereinafter described. Messrs. Reilly and Karp, as the sole managers of KarpReilly GP, LLC (KarpReilly GP), which is the managing member of KarpReilly HB and Co-Invest LLC, have sole voting and dispositive power over and may be deemed the beneficial owners of all of the securities of KarpReilly HB. KarpReilly GP also has voting and dispositive control over the securities of The Habit Restaurants, Inc. and The Habit Restaurants, LLC held by each of PEG Direct and 522 Fifth, and therefore Messrs. Reilly and Karp may also be deemed the beneficial owner of such securities. Additionally, Messrs. Reilly and Karp, as the sole managers of KR Investments, have sole voting and dispositive power over and may be deemed the beneficial owners of all of the securities of KR Investments. Each of Messrs. Reilly and Karp disclaim ownership of such shares except to the extent of their respective pecuniary interests therein. The principal business address of KR Investments, KarpReilly HB, and Co-Invest LLC is c/o KarpReilly, LLC, 104 Field Point Road, Greenwich, CT 06830.
- (6) Reichard Bros. Enterprises, Inc. (RBE) beneficially owns 1,273,965 LLC Units directly, as well as a corresponding amount of our Class B common stock. Additionally, Mr. Reichard, as president of RBE, may be deemed the beneficial owner of the 1,273,965 LLC Units beneficially owned by RBE in The Habit Restaurants, LLC directly, as well as a corresponding amount of our Class B common stock. Mr. Reichard further beneficially owns 388,490 LLC Units directly, as well as a corresponding amount of our Class B common stock. Additionally, as sole manager of Habit Founders, LLC, a California limited liability company, Mr. Reichard may be deemed to beneficially own the 448 LLC Units held by Habit Founders, LLC., as well as a corresponding amount of our Class B common stock. All such LLC Units may be exchanged, pursuant to exchange procedures detailed in the LLC Agreement, for cash or shares of Class A common stock of The Habit Restaurants, Inc., generally at the Issuer's election.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

General

The following is a description of transactions, since January 1, 2014, in which (a) we are a participant, (b) the amount involved exceeds \$120,000 and (c) one or more of our executive officers, directors, director nominees or 5% stockholders, or their immediate family members, each of whom we refer to as a related person, has a direct or indirect material interest. We refer to these as related person transactions.

Recapitalization Transactions in Connection with the IPO

These summaries do not purport to be complete descriptions of all of the provisions of the documents relating to the recapitalization transactions and the material exhibits thereto, and they are qualified in their entirety by reference to the complete text of agreements which have been filed with the SEC as exhibits to the registration statement relating to our IPO. For information on how to obtain copies of these agreements or other exhibits, see the section entitled Item 1, Business Available Information.

Recapitalization Agreement

In connection with the recapitalization transactions, we and our subsidiaries entered into a recapitalization agreement with The Habit Restaurants, LLC, KarpReilly, LLC and certain of its affiliates, and the Continuing LLC Owners. Under the recapitalization agreement, all of the holders of Class A units, Class B units and Class D units in The Habit Restaurants, LLC had their units converted into LLC Units of The Habit Restaurants, LLC. All holders of Class C units had their units converted into LLC Units of The Habit Restaurants, LLC, provided that all such units that have not yet vested shall be subject to continued vesting.

The Habit Restaurants, LLC Limited Liability Company Agreement

In connection with the recapitalization transactions, the LLC Agreement was amended and restated. As a result of the transactions in connection with the recapitalization and the IPO, The Habit Restaurants, Inc. holds interests directly and indirectly through its subsidiaries in The Habit Restaurants, LLC and is the sole managing member of The Habit Restaurants, LLC. Accordingly, The Habit Restaurants, Inc. operates and controls all of the business and affairs of The Habit Restaurants, LLC and, through The Habit Restaurants, LLC, conducts our business. Additionally, The Habit Restaurants, LLC reclassified its outstanding LLC Units as non-voting units. Notwithstanding the foregoing, The Habit Restaurants, LLC bears the costs of or reimburse The Habit Restaurants, Inc. for certain expenses incurred by The Habit Restaurants, Inc.

Pursuant to the LLC Agreement, The Habit Restaurants, Inc. has the right to determine, subject to the discussion of tax distributions below, when distributions will be made to holders of LLC Units and the amount of any such distributions. If a distribution is authorized, such distribution will be made to the holders of LLC Units (including The Habit Restaurants, Inc. and its subsidiaries) pro rata in accordance with the percentages of their respective LLC Units (other than, for clarity, certain non-pro-rata payments to us to satisfy certain of our obligations).

The holders of LLC Units, including The Habit Restaurants, Inc. and its subsidiaries, will incur U.S. federal, state and local income taxes on their allocable shares (determined under relevant tax rules) of any taxable income of The Habit Restaurants, LLC. Net profits and net losses of The Habit Restaurants, LLC will generally be allocated to holders of LLC Units (including The Habit Restaurants, Inc.) pro rata in accordance with the percentages of their respective limited liability company interests, except to the extent certain rules provide for disproportionate allocations or are

otherwise required under applicable tax law. The LLC Agreement provides for cash distributions, which we refer to as tax distributions, to the holders of LLC Units. Generally, these tax distributions will be computed based on our estimate of the taxable income of The Habit Restaurants, LLC allocable to the holders of LLC Units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in Irvine, California (taking into account, among other things, the deductibility of certain expenses and certain adjustments relating to the calculation of state taxes). For purposes of determining the taxable income of The Habit Restaurants, LLC, such determination is made by generally disregarding any adjustment to the taxable income of any member of The Habit Restaurants, LLC that arises under the tax basis adjustment rules of the Internal Revenue Code of 1986, as amended (the Code), and is attributable to the acquisition by such member of an interest in The Habit Restaurants, LLC in the IPO and future sale or exchange transactions.

As a result of the potential differences in the amount of net taxable income allocable to us and to The Habit Restaurants, LLC's other equity holders and potential differences in applicable tax rates, we receive tax distributions in excess

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of our tax liabilities and our payment obligations under the tax receivable agreement. We do not currently expect to pay any cash dividends on shares of our Class A common stock, and, to the extent we do not distribute such cash balances as dividends and instead retain such cash balances, The Habit Restaurants, LLC's other equity holders would benefit from any value attributable to such accumulated cash balances as a result of their ownership of shares of common stock following an exchange of their LLC Units of The Habit Restaurants, LLC pursuant to the LLC Agreement. See Exchange Procedures.

The limited liability company agreement of The Habit Restaurants, LLC also provides that substantially all expenses incurred by or attributable to The Habit Restaurants, Inc., but not including income tax expenses of The Habit Restaurants, Inc., will be borne by The Habit Restaurants, LLC.

Tax Receivable Agreement

Our acquisitions of interests in The Habit Restaurants, LLC from the Continuing LLC Owners for shares of our Class A common stock or cash are expected to provide favorable tax attributes for us. As a result of our acquisitions at the time the IPO and in the future of LLC Units, anticipated tax basis adjustments and other related tax attributes may reduce the amount of tax we would otherwise be required to pay in the future.

In connection with the IPO, we entered into the Tax Receivable Agreement (the "TRA"). Under the TRA, we generally are required to pay to the Continuing LLC Owners 85% of the amount of cash savings, if any, in U.S. federal, state or local tax that we actually realize directly or indirectly (or are deemed to realize in certain circumstances) as a result of (i) certain tax attributes created as a result of the IPO and any sales or exchanges (as determined for U.S. federal income tax purposes) to or with us of their interests in The Habit Restaurants, LLC for shares of our Class A common stock or cash, including any basis adjustment relating to the assets of The Habit Restaurants, LLC and (ii) tax benefits attributable to payments made under the TRA (including imputed interest). The Habit Restaurants, Inc. and its subsidiaries generally will retain 15% of the applicable tax savings. In addition, the TRA provides for interest, at a rate equal to one year LIBOR, accrued from the due date (without extensions) of the corresponding tax return to the date of payment specified by the TRA. To the extent that we are unable to timely make payments under the TRA for any reason, such payments will be deferred and will accrue interest at a rate equal to one year LIBOR plus 200 basis points until paid (although a rate equal to one year LIBOR will apply if the inability to make payments under the TRA is due to limitations imposed on us or any of our subsidiaries by a debt agreement in effect on the date of the IPO prospectus).

Exchange Procedures

Pursuant to and subject to the terms of the LLC Agreement, the Continuing LLC Owners have the right, from and after the expiration of the lock-up agreements described below, to exchange their LLC Units, together with a corresponding number of shares of Class B common stock (which such shares will be cancelled in connection with any such exchange) for, at the option of The Habit Restaurants, Inc. (such determination to be made by the disinterested members of our Board), (i) cash consideration (calculated based on the volume-weighted average price of the Class A common stock of The Habit Restaurants, Inc., as displayed under the heading Bloomberg VWAP on the Bloomberg page designated for the Class A common stock of The Habit Restaurants, Inc. for the 15 trading days immediately prior to the delivery date of a notice of exchange) or (ii) shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. As any Continuing LLC Owner exchanges its LLC Units, The Habit Restaurants, Inc.'s interest in The Habit Restaurants, LLC will increase. The LLC Agreement provides that a Continuing LLC Owner will not have the right to exchange LLC Units if, among other things, we determine that such exchange would be prohibited by law or regulation or would violate other agreements with us to which the Continuing LLC Owner may be subject. These

exchanges are expected to result in increases in the tax basis of the assets of The Habit Restaurants, LLC that otherwise would not have been available. Increases in tax basis resulting from such exchanges may reduce the amount of tax that The Habit Restaurants, Inc. would otherwise be required to pay in the future. This tax basis may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets. We may impose additional restrictions on exchange that we determine to be necessary or advisable to prevent The Habit Restaurants, LLC from being treated as a publicly traded partnership for U.S. federal income tax purposes. When a holder exchanges LLC Units and an equal number of shares of Class B common stock for shares of Class A common stock, because The Habit Restaurants, Inc. acquires additional LLC Units in connection with such exchange, the number of LLC Units held by The Habit Restaurants, Inc. will correspondingly increase, and such shares of Class B common stock will be cancelled.

As noted above, each of the Continuing LLC Owners also holds a number of shares of our Class B common stock equal to the number of LLC Units held by such person. Although shares of Class B common stock have no economic rights, they give holders voting power at The Habit Restaurants, Inc., the managing member of The Habit Restaurants, LLC, at a level that is consistent with their overall equity ownership of our business. Under our amended and restated certificate of incorporation, each share of Class B common stock is entitled to one vote. Accordingly, the voting power afforded to the Continuing LLC Owners by their shares of Class B common stock is automatically and correspondingly reduced as they

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exchange LLC Units and Class B common stock for shares of our Class A common stock pursuant to the LLC Agreement. Additionally, the voting power afforded to such Continuing LLC Owners will correspondingly increase as a result of the issuance of Class A common stock. Therefore, as a result of these transactions (and without taking into account any subsequent sale of shares of Class A common stock issued pursuant to the LLC Agreement), the voting power will effectively remain unchanged.

Registration Rights Agreement

In connection with the completion of the IPO, we entered into a registration rights agreement with the Continuing LLC Owners. Pursuant to the registration rights agreement, certain of our security holders, their affiliates and certain transferees, have the right, under certain circumstances and subject to certain restrictions, to require us to register for resale the shares of our Class A common stock (including shares of Class A common stock issuable upon exchange of LLC Units) to be sold by them.

KarpReilly and its affiliates have the right, on up to five occasions, to demand that we register Class A common stock to be sold by them. Such registration demand must be expected to result in aggregate net cash proceeds to the participating registration rights holders in excess of \$10 million, or \$25 million in the case of an underwritten offering. In certain circumstances, we may postpone or decline the filing of a registration statement in connection therewith. All other holders have the ability to exercise certain piggyback registration rights in respect of shares of Class A common stock to be sold by them in connection with registered offerings requested by KarpReilly, its affiliates or initiated by us.

In addition, at the time that we become eligible to file a Registration Statement on Form S-3, and pursuant to the terms of the LLC Agreement, we intend to cause to be declared effective a Registration Statement for the exchange of all shares of Class B common stock, together with all LLC Units held by the Continuing LLC Owners for shares of Class A common stock. If we do not do so within three months of becoming eligible to file a Registration Statement on Form S-3, certain holders will have the right to demand that we cause such Registration Statement on Form S-3 be declared effective.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. These agreements require us to indemnify these individuals and, in certain cases, affiliates of such individuals, to the fullest extent permissible under Delaware law against liabilities that may arise by reason of their service to us or at our direction, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

License Agreement with Co-Founders

On February 11, 2004 we entered into a Trademark Assignment Agreement with Reichard Bros. Enterprises, Inc., pursuant to which we acquired all rights in and to eight service marks, trademarks, trade names and logotypes, and all rights, title and interest in a distinctive system for operating Habit restaurants and certain other intellectual property, including recipes, products, formulas, cooking techniques and trade secrets (the Intellectual Property) from Reichard Bros. Enterprises, Inc. Concurrently, we entered into an Intellectual Property License Agreement, pursuant to which we granted Reichard Bros. Enterprises, Inc. a royalty-free license to use such intellectual property in Santa Barbara County, California. On July 31, 2007, we amended and restated this license agreement when we entered into an Amended and Restated Trademark and Intellectual Property License Agreement with the co-founders of The Habit, Brent and Bruce Reichard, and Reichard Bros. Enterprises, Inc., pursuant to which we granted Reichard Bros. Enterprises, Inc. an exclusive royalty-free license to use the Intellectual Property to operate Habit restaurants in Santa

Barbara County, California. We further amended this agreement in October 2014. We do not receive any royalties or fees from the operations of these restaurants, and they are operated solely by Reichard Bros. Enterprises, Inc. If Reichard Bros. Enterprises, Inc. does not successfully operate its licensed restaurants in a manner consistent with our standards and the standards set forth in the Amended and Restated Trademark License Agreement and requirements it may have a material adverse effect on our business, financial condition and results of operations.

Related Person Transactions Policy

We have a formal written policy with respect to the review, approval and ratification of related person transactions. Under the policy, our Audit Committee is responsible for reviewing and approving related person transactions. In the course of its review and approval of related person transactions, our Audit Committee will consider the relevant facts and circumstances to decide whether to approve such transactions, including, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances. In particular, our policy requires our Audit Committee to consider, among other factors it deems appropriate:

the related person's relationship to us and interest in the transaction;

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the material facts of the proposed transaction, including the proposed aggregate value of the transaction;

the impact on a director's independence in the event the related person is a director or an immediate family member of the director;

the benefits to us of the proposed transaction;

if applicable, the availability of other sources of comparable products or services; and

an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

The Audit Committee may approve only those transactions that are in, or are not inconsistent with, our best interests and those of our stockholders, as the Audit Committee determines in good faith.

It is our policy for our Board to consider the nature of and business reason for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interest. We believe that we have executed all of the transactions set forth under the section entitled "Item 13, Certain Relationships and Related Transactions, and Director Independence" on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates, are approved by the Audit Committee, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

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AUDIT COMMITTEE REPORT

The Audit Committee has reviewed the Habit audited consolidated financial statements for the fiscal year ended December 30, 2014 and has discussed these statements with management and Moss Adams LLP, or Moss Adams, the Company's independent registered public accounting firm. Habit management is responsible for the preparation of the Company's financial statements and for maintaining an adequate system of disclosure controls and procedures and internal control over financial reporting for that purpose. The independent registered public accounting firm audits the annual consolidated financial statements prepared by management, expresses an opinion as to whether those consolidated financial statements present fairly the consolidated financial position, results of operations and cash flows of The Habit Restaurants, Inc. in conformity with U.S. generally accepted accounting principles and discusses any issues they believe should be raised with us. The Audit Committee is responsible for providing independent, objective oversight of the Company's accounting functions and internal controls.

The Audit Committee also received from, and discussed with, Moss Adams the written disclosures and other communications that the Company's independent registered public accounting firm is required to provide to the Audit Committee, including the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees), as adopted by the Public Company Accounting Oversight Board, or PCAOB, in Rule 3200T, which we refer to as SAS 61.

Moss Adams also provided the Audit Committee with the written disclosures and the letter required by Rule 3526 of the PCAOB. PCAOB Rule 3526 requires independent registered public accounting firms annually to disclose in writing all relationships that in their professional opinion may reasonably be thought to bear on independence, to confirm their perceived independence and engage in a discussion of independence. The Audit Committee has reviewed this disclosure and has discussed with Moss Adams their independence from Habit.

Based on its discussions with management and our independent registered public accounting firm, and its review of the representations and information provided by management and our independent registered public accounting firm, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in the Habit Annual Report on Form 10-K for the fiscal year ended December 30, 2014, for filing with the Securities and Exchange Commission.

Members of The Habit Restaurants, Inc. Audit Committee

Ira Zecher, Chair
Christopher Reilly
Allan Karp

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by regulation of the SEC to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms or written representations from certain reporting persons received by us with respect to fiscal year 2014, we believe that our executive officers and directors and persons who own more than 10% of a registered class of our equity securities have complied with all applicable filing requirements, except that due to administrative errors, each of our officers, directors and greater than 10% stockholders filed a Form 3 on November 20, 2014, one day after the initial report was required to be filed on Form 3 in connection with our IPO.

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INFORMATION ABOUT STOCKHOLDER PROPOSALS

Requirements for Stockholder Proposals to be Considered for Inclusion in our Proxy Materials. To be considered for inclusion in next year's proxy statement, stockholder proposals must be received by our Secretary at our principal executive offices no later than the close of business on March 25, 2016.

Requirements for Stockholder Proposals to be Brought Before an Annual Meeting. Our bylaws provide that, for stockholder nominations to the Board or other proposals to be considered at an annual meeting, the stockholder must have given timely notice thereof in writing to the Secretary at The Habit Restaurants, Inc., 17320 Red Hill Avenue, Suite 140, Irvine, CA 92614. To be timely for the 2016 annual meeting, the stockholder's notice must be delivered to or mailed and received by us not earlier than the close of business on the 120th day nor later than the close of business on the 90th day prior to the anniversary date of the prior year's annual meeting, except that if the annual meeting is set for a date that is not within 30 days before or after such anniversary date, we must receive the notice not later than the close of business on the tenth day following the day on which we first provide notice or public disclosure of the date of the Annual Meeting. Assuming the date of our 2016 annual meeting is not so advanced or delayed, stockholders who wish to make a proposal at the 2016 annual meeting must notify us no earlier than February 24, 2016 and no later than March 25, 2016. Such notice must provide the information required by our bylaws with respect to each matter the stockholder proposes to bring before the 2016 annual meeting.

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GENERAL MATTERS

Availability of Certain Documents

A copy of our 2014 Annual Report on Form 10-K has been posted on the Internet along with this proxy statement. Upon written request, we will mail, without charge, a copy of our 2014 Annual Report on Form 10-K excluding exhibits. Please send a written request to our Corporate Secretary at:

The Habit Restaurants, Inc.

17320 Red Hill Avenue

Suite 140

Irvine, CA 92614

SEC rules concerning the delivery of annual disclosure documents allow us or your broker to send a single Notice or, if applicable, a single set of our proxy materials to any household at which two or more of our stockholders reside, if we or your broker believe that the stockholders are members of the same family, unless we have received contrary instructions from one or more of the stockholders. This practice, referred to as "householding," benefits both you and us. It reduces the volume of duplicate information received at your household and helps to reduce our expenses. The rule applies to our Notices, annual reports, proxy statements and information statements.

We will undertake to deliver promptly, upon written or oral request, a separate copy to a stockholder at a shared address to which a single copy of the Notice or proxy materials was delivered. You may make a written or oral request by sending a written notification to our Secretary at the address above, providing your name, your shared address, and the address to which we should direct the additional copy of the Notice or proxy materials. Multiple stockholders sharing an address who have received one copy of a mailing and would prefer us to mail each stockholder a separate copy of future mailings should contact us at our principal executive offices. Additionally, if current stockholders with a shared address received multiple copies of a mailing and would prefer us to mail one copy of future mailings to stockholders at the shared address, notification of that request may also be made through our principal executive offices. Stockholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

Other Matters

As of the date of this proxy statement, the Board does not intend to present any matters other than those described herein at the Annual Meeting and is unaware of any matters to be presented by other parties. If other matters are properly brought before the meeting for action by the stockholders, proxies will be voted in accordance with the recommendation of the Board or, in the absence of such a recommendation, in accordance with the judgment of the proxy holder.

Directions to Annual Meeting

Directions to the 2015 Annual Meeting of Stockholders, to be held at 18700 MacArthur Blvd., Irvine, CA 92612 are set forth below:

From the 405 North:

Exit MacArthur Blvd toward John Wayne Airport

Turn Left onto MacArthur Blvd (Signs for MacArthur Blvd S)

Destination will be on the Left

From the 405 South:

Exit MacArthur Blvd toward John Wayne Airport

Turn Left onto MacArthur Blvd (Signs for MacArthur Blvd S)

Destination will be on the Left

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The Atrium Hotel will supply vouchers for parking.

By Order of the Board of Directors

Ira Fils

Chief Financial Officer, Secretary and Director

May 11, 2015

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