

Diversified Restaurant Holdings, Inc.

Charter for the Disclosure Controls, Governance and Nominating Committee of the Board of Directors

I. Purpose

The purpose of the Disclosure Controls, Governance and Nominating Committee is to: (i) ensure that all disclosures made by the Company to its stockholders or the investment community fairly present the Company's financial condition and the results of operations in all material respects and that such disclosures are accurate, complete, and timely made as required by applicable laws and any applicable stock exchange requirements; (ii) advise and make recommendations to the Board of Directors with respect to corporate governance principles and practices; and (iii) recommend qualified candidates to the Board for election as directors of the Company, including the slate of directors that the Board proposes for election by shareholders at the annual meetings and candidates to fill vacancies occurring between annual meetings.

II. Composition and Meetings

Composition

The Committee consists of no fewer than three directors. The Board may determine the number independent directors to serve on the Committee. The term "independent director" has the meaning prescribed in the applicable rules of the Nasdaq Stock Market. This independent member of the Committee will be free from any relationship (including disallowed compensatory arrangements) that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

Appointment and Removal

The members of the Committee are appointed by the Board of Directors. Each member serves until his or her successor is duly designated or until the member's earlier resignation or removal. The Board may remove any member from the Committee at any time, with or without cause, by a majority vote of the Board. Unless a chairperson or a vice-chairperson is designated for the Committee by the Board, the members of the Committee may designate a chairperson and a vice-chairperson by majority vote of the Committee membership.

Meetings

The Committee will meet as often as necessary to carry out its responsibilities. The chairperson, or any two members of the Committee may call a meeting of the Committee. The chairperson chairs the meetings of the Committee that he or she attends.

III. Responsibilities and Authority

To fulfill its responsibilities and duties, the Disclosure Controls, Governance and Nominating Committee shall:

Disclosure Controls

1. Establish internal controls and other procedures (which may include procedures currently used by the Company) that are designed to ensure that: (i) information required by the Company to be disclosed to the SEC and other written information that the Company will disclose to the investment community is recorded, processed, summarized and reported accurately and on a timely basis; and (ii) information is accumulated and communicated to the Board, as appropriate to allow timely decisions regarding such required disclosure ("Disclosure Controls").

2. Monitor the integrity and effectiveness of the Company's Disclosure Controls.

3. Review and supervise the preparation of the Company's: (i) periodic and current reports, proxy statements, information statements, registration statements and any other information filed with the SEC; (ii) press releases containing financial information, earnings guidance, information about material acquisitions or dispositions or other information material to the Company's shareholders and lenders; (iii) correspondence broadly disseminated to shareholders and all presentations to analysts and the investment community; and (iv) presentations to and conference calls with rating agencies, analysts and lenders (collectively, the "Disclosure Statements").

4. Evaluate the effectiveness of the Company's Disclosure Controls within 90 days prior to the filing of the Company's Annual Report on Form 10-K and each Quarterly Report on Form 10-Q (collectively, the "periodic reports").

5. Discuss with the Board all relevant information with respect to the Committee's proceedings, the preparation of the Disclosure Statements and the Committee's evaluation of the effectiveness of the Company's Disclosure Controls.

6. Provide a certification to the Board prior to the filing with the SEC of each periodic report as to: (i) the Committee's compliance with its policies and procedures and proper performance of the responsibilities that have been assigned to it; and (ii) the Committee's conclusions resulting from its evaluation of the effectiveness of the Disclosure Controls.

7. In discharging its duties, the Committee shall have full access to all of the Company's books, records, facilities, and personnel, including the internal auditors.

Governance

8. Develop and recommend Corporate Governance Guidelines for the Company to the Board of Directors.

9. Monitor compliance with the Corporate Governance Guidelines.

10. Review the Corporate Governance Guidelines periodically and recommend changes as necessary to reflect sound governance practices.

11. Make recommendations to the Board concerning the composition, functions, leadership and duties of the committees of the Board (including this Committee), and the leadership of executive sessions of the Board.

12. Recommend to the Board a process for the Board's annual self-evaluation and oversee the evaluation of the Board of Directors.

13. Review annually the adequacy of the Charters of each of the other Committees of the Board and recommend to the Board such changes to the other Charters as it deems appropriate.

Nominating

14. Recommend to the Board of Directors qualified nominees for election to the Board of Directors, including nominees for election at the annual meetings of shareholders, and fill vacancies on the Board that may arise from time to time.

15. When evaluating a candidate for recommendation as a director nominee, consider such matters as it deems appropriate, including the candidate's personal and professional integrity, business judgment, relevant experience and skills, and potential to be an effective director in conjunction with the full Board of Directors in collectively serving the long-term interests of the Company's shareholders. When considering an existing director for nomination for re-election to the Board, the Committee will also consider the director's Board and committee attendance and performance, and length of service. Candidates may be interviewed by the Committee where it deems it appropriate.

16. Consider director candidates recommended by holders of the Company's stock or other securities. (Recommendations by security holders should be submitted to the Committee).

17. Retain and terminate any search firm to be used to identify director candidates and approve related fees and other retention terms, as it may deem appropriate in its discretion.

18. Retain outside counsel and other internal or external advisors and approve the related fees and retention terms, as it may deem appropriate in its discretion.

Other Responsibilities

19. Report the actions and recommendations of the Committee to the full Board of Directors.

20. Delegate appropriate matters to subcommittees as the Committee may determine in its discretion.

21. Review annually the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.

Approved by the Board of Directors on January 21, 2010.