

El Pollo Loco Holdings, Inc.

Related Party Transactions Policy

This Related Party Transactions Policy (this “Policy”) has been adopted by the Board of Directors (the “Board”) of El Pollo Loco Holdings, Inc. (the “Company”), upon the recommendation of its Audit Committee.

A. Definitions.

“Related Person” – A related person is:

1. any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. any person who is known to be the beneficial owner of more than 5% of any class of the Company’s voting securities;
3. any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of any of the foregoing persons, and any person (other than a tenant or employee) sharing the household of any of the foregoing persons; and
4. any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

“Related Person Transaction” – A related person transaction involves a Transaction in which the Company (including any of its subsidiaries) was, is, or will be a participant and the amount involved exceeds \$120,000, and in which any Related Person had, has, or will have a direct or indirect material interest;

“Transaction” – A transaction includes any transaction, arrangement, or relationship, including any indebtedness or guarantee of indebtedness, or any series of similar transactions, arrangements, or relationships.

B. General Policy.

It is the general policy of the Company to prohibit all Related Person Transactions unless the Company’s Audit Committee determines in advance of the Company entering into a Related Person Transaction that the Transaction is conducted on terms that are fair to and not inconsistent with the best interests of the Company and its stockholders. All Related Person Transactions must be reviewed and approved by the Audit Committee in advance of the Company entering into any such Transaction, or ratified by the Audit Committee, in accordance with the procedures set forth below. The Audit Committee will report its actions to the Board.

C. Requirements for Approval of a Transaction with a Related Person.

In order for the Audit Committee to approve a Related Person Transaction:

1. The Transaction should be presented to the Audit Committee before it is entered into by the Company;
1. The Audit Committee must be satisfied that it has been fully informed as to the direct and indirect interests, relationships, and conflicts or potential conflicts present in the proposed Transaction, including:
 - a. the Related Person's name and relationship to the Company;
 - b. a complete description of the proposed Transaction, including both economic and non-economic features, and a copy of any proposed written agreement governing the Transaction;
 - c. the nature of the Related Person's direct or indirect interest in the Transaction;
 - d. the Related Person's relationship to or ownership interest in any other party to, or which has an interest in, the Transaction; and
 - e. any other facts that the Audit Committee deems relevant, including the benefits to the Company, the price and availability of comparable alternative products or services, and whether the Related Person Transaction is proposed on terms comparable to what would be available at arm's length.
2. The Audit Committee must determine that, being fully apprised of the above, it believes that, nonetheless, the Transaction is fair to and not inconsistent with the best interests of the Company and its stockholders, and, if necessary, the Company has developed an appropriate plan to manage any conflicts or potential conflicts of interest.
3. In the event that an Audit Committee member or his or her immediate family member is a Related Person with respect to a proposed Transaction presented to the Audit Committee, that Audit Committee member will not participate in the discussion of, evaluation of, and determination whether to approve, the proposed Transaction.

D. Ratification.

In the event that the Company enters into a Related Person Transaction or other action that would be covered by this Policy that has not received approval by the Audit Committee, or a Transaction that was not originally a Related Person Transaction becomes a Related Person Transaction, the Audit Committee must review that Transaction or action promptly, and may ratify that Transaction or action, provided that, in that case, unless there is otherwise a compelling business or legal reason for the Company to continue with the Transaction or action, the Audit Committee may only ratify the Transaction or action if it determines that (i) the Transaction or action is fair to and not inconsistent with the best interests of the Company and its stockholders, and (ii) any failure to comply with this Policy was not due to fraud or deceit.

Based on all relevant facts and circumstances, taking into consideration the Company's contractual obligations, the Audit Committee is to determine if it is in the best interests of the Company and its stockholders to ratify and continue, modify, or terminate the Transaction or action. The Audit Committee may also consider disciplinary action and work with the Board and management to evaluate and recommend improvements to the Company's controls and procedures.

E. Responsibilities.

Any director, executive officer, or nominee to the Board who proposes to enter into a Related Person Transaction or becomes aware of an unapproved Related Person Transaction shall notify the Company's chief legal officer (e.g., Vice President, Legal) of that proposal or Transaction, and, to the extent known, provide the chief legal officer with all of the information required under section (C)(2) of this Policy, as well as any other information requested by the chief legal officer.

The chief legal officer, upon receiving that notification, is responsible for requiring that any proposed Related Person Transaction be presented to the Audit Committee for consideration in accordance with this Policy. The chief legal officer or his or her delegate is responsible for confirming the information provided, and for obtaining any supplemental information, with and from knowledgeable non-Related Persons in the Company. Whether a proposed Transaction is a Related Person Transaction is a determination to be made in the first instance by the chief legal officer, in consultation as necessary with the chairperson of the Audit Committee, or, if the chief legal officer is potentially conflicted, by the Audit Committee alone. The Audit Committee may determine that a Transaction is not a Related Person Transaction.

The chief legal officer is responsible for ensuring that this Policy is distributed to all executive officers, directors, nominees to the Board, and, on a best efforts basis, beneficial owners of more than 5% of any class of the Company's voting securities. These Related Persons are also to be notified that they are responsible for informing their immediate family members, and entities in which they have direct or indirect material interests, of the Policy.

F. Review of Ongoing Transactions.

The Audit Committee is to annually review any previously approved or ratified Related Person Transactions that remain ongoing. Based on all relevant facts and circumstances, taking into consideration the Company's contractual obligations, the Audit Committee is to determine if it is in the best interests of the Company and its stockholders to continue, modify, or terminate each Related Person Transaction.

G. Disclosure.

All Related Person Transactions that are required to be disclosed in the Company's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933, the Securities Exchange Act of 1934, related rules or regulations, stock market rules, or otherwise, are to be so disclosed in accordance with applicable law.

H. Reporting.

The Audit Committee is to notify the Board in writing at least annually of its actions under this Policy, including approvals, ratifications, and rejections of Transactions, and, at its discretion, its decisions that Transactions are not Related Person Transactions.

I. Charitable Contributions.

Proposed charitable contributions, or pledges of charitable contributions, by the Company to a charitable or non-profit organization for which a Related Person is known to be actively involved in fundraising or a director, trustee, or similar, are subject to prior review and approval by the Audit Committee. Such approval may be granted on a categorical basis, based on amount of contribution, type of relationship, etc., so as to avoid recurrent requests.

J. Nepotism.

No immediate family member of a director or executive officer is to be hired as an employee or consultant of the Company unless the arrangement is approved by the Audit Committee in advance.