Wendy's Co
Form DEF 14A
April 11, 2016
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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

(Amendment No.)

Filed by the Registrant x

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))**
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under Rule 14a-12

THE WENDY S COMPANY

Name of the Registrant as Specified In Its Charter

Payment of Filing Fee (Check the appropriate box):

x No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:

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1. Amount Previously Paid:

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The Wendy s Company

One Dave Thomas Boulevard

Dublin, Ohio 43017

(614) 764-3100

April 11, 2016

Dear Fellow Stockholders:

It is our pleasure to invite you to join us at the 2016 Annual Meeting of Stockholders (the Annual Meeting) of The Wendy s Company (the Company), which will be held on Thursday, May 26, 2016, at 10:00 a.m. (EDT) at the Thomas Conference Center located at the Company s corporate offices, One Dave Thomas Boulevard, Dublin, Ohio 43017. The Board of Directors and management hope that you will be able to attend the Annual Meeting.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the business to be conducted at the Annual Meeting. At the Annual Meeting, we will also review the Company s 2015 performance and discuss our plans to continue delivering value to you, our stockholders.

The Company s successful performance in 2015 built on a history of strong results and is a testament to the relevance of the Wendy s® brand with today s consumers, the customer-focused commitment of our restaurant teams and our exceptional base of growth-oriented franchisees. In 2015, we unlocked the strength of our core brand business and our rich food heritage, achieving an attractive balance between core menu items, premium LTOs and value offerings. Featuring favorites like Baconator®, innovative new items like the Jalapeño Fresco Spicy Chicken Sandwich and Ghost Pepper Fries and the launch of our 4 for $4 Meal, our marketing and operations initiatives drove 3.3% growth in North America system same restaurant sales and profitable customer count growth.

Our Image Activation restaurant reimaging program continues to transform the face of the brand at the restaurant level and is delivering in a highly effective way. In 2015, the Wendy s North America system reimaged 450 restaurants and built 70 new restaurants. As of the end of 2015, the Wendy s system was 22% reimaged, putting us well on track to reach our 2020 goals of opening 1,000 new restaurants and having at least 60% of system restaurants on our Image Activation design. We have an incredible partnership with our franchise community on Image Activation, new restaurant development and other brand initiatives. We are grateful for their steadfast commitment to investing in the Wendy s brand and providing our customers with a Deliciously Different™ restaurant experience.

The combination of strong sales momentum and the acceleration of Image Activation has also contributed to significant growth in North America restaurant average unit sales volumes. In 2015, AUVs for system restaurants increased by 3.4% to an all-time high of $1.54 million, and we remain on track to achieve our 2020 goal of $2.0 million AUVs. Through our strong core business performance, we exceeded our financial goals for 2015, as Company restaurant margins improved 190 basis points, adjusted EBITDA increased 10% and adjusted earnings per share grew 14% from the prior year.

We also took substantial positive steps in 2015 to enhance our economic model and capital structure to support long-term income and growth for stockholders. We refinanced our long-term debt by completing a $2.275 billion whole business securitization and used the net proceeds to return $1.2 billion in cash to our stockholders through share repurchases and dividends. At the same time, we continued to invest in the reimaging of our restaurants, new restaurant development and technology initiatives to connect with our customers and drive productivity in our restaurants.

In 2015, we continued to strengthen the Wendy s franchise system through our System Optimization initiative. We sold 327 Company-operated restaurants in the U.S. and Canada to strong franchise operators who are dedicated to people development, Image Activation and new restaurant growth. We believe System Optimization will continue to drive us towards a more predictable and sustainable earnings growth model as we transition to a 95% franchised system. In addition to the sale of Company-operated restaurants, we also played an active role in facilitating franchisee-to-franchisee restaurant transfers, as some franchisees move into retirement while others seek to grow. This ongoing System Optimization at the franchise level strengthens our brand and gives growth-oriented franchisees an opportunity to expand their presence within the Wendy s system.

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Beyond our strong business performance, the heart of the Wendy s brand lies in our rich family culture and the core values left to us by our founder, Dave Thomas. We steadfastly support the Dave Thomas Foundation for Adoption® and its tireless efforts to find permanent, loving homes for children waiting in the foster care system. We surpassed a milestone in 2015 by celebrating the adoption of the 5,000th child through the Wendy s Wonderful Kids® program, but we recognize that so many more children need and deserve our help. We will continue to rely on the strength of the Wendy s brand and the passionate advocacy of our franchisees, employees and suppliers to raise awareness and funds for children who are waiting to find their forever families. We encourage you to visit www.davethomasfoundation.org or www.aboutwendys.com to learn more about this worthy cause.

Finally, we encourage you to participate in the Annual Meeting by voting your shares regardless of the size of your holdings. Every vote is important, and your participation enables us to listen and act on what matters to you as a stockholder. Accordingly, whether or not you plan to attend the Annual Meeting, please promptly complete and return your proxy card in the enclosed envelope, or submit your proxy by telephone or via the Internet as described in the instructions included with your proxy card.

We thank you for your support as a stockholder of The Wendy s Company, and we look forward to a fulfilling and successful 2016.

Sincerely,

EMIL J. BROLICK
Chief Executive Officer

TODD A. PENEGOR
President and Chief Financial Officer

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NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 26, 2016, 10:00 (EDT)

The 2016 Annual Meeting of Stockholders (the Annual Meeting) of The Wendy s Company (the Company) will be held on Thursday, May 26, 2016, at 10:00 a.m. (EDT) at the Thomas Conference Center located at the Company s corporate offices, One Dave Thomas Boulevard, Dublin, Ohio 43017.

ITEMS OF BUSINESS

At the Annual Meeting, you will be asked to:

(1) Elect 11 directors to hold office until the Company s next annual meeting of stockholders;

(2) Approve amendments to the Company s Certificate of Incorporation to provide stockholders with a proxy access right;

(3) Ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for 2016;

(4) Vote on an advisory resolution to approve executive compensation; and

(5) Transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

RECORD DATE

The record date for the Annual Meeting is March 28, 2016. All holders of record of shares of the Company s common stock at the close of business on the record date are entitled to vote on all business transacted at the Annual Meeting or any adjournment or postponement thereof.

VOTING YOUR PROXY

Your vote is important! Stockholders are cordially invited to attend the Annual Meeting. Whether or not you plan to attend, please promptly complete and return your proxy card in the enclosed envelope, or submit your proxy by telephone or via the Internet as described in the instructions included with your proxy card. You may vote in person if you attend the Annual Meeting.

Annual Meeting Admission

For your comfort and security, admission to the Annual Meeting will be by ticket only. If you are a registered stockholder (*i.e.*, your shares are held in your name) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your proxy card, whichever you have received. If you are a beneficial owner (*i.e.*, your shares are held by a broker, bank or other holder of record) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your voting instruction form, whichever you have received. Stockholders who do not obtain admission tickets in advance may obtain them upon verification of ownership at the registration desk on the day of the Annual Meeting. If you plan to attend the Annual Meeting in person, please read the Proxy Statement for important information about admission requirements for the Annual Meeting.

By Order of the Board of Directors:

DANA KLEIN

Assistant Secretary

April 11, 2016

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders

to be held on May 26, 2016: This Notice of Annual Meeting of Stockholders, the Proxy Statement

and the 2015 Annual Report to Stockholders are available at: www.proxyvote.com.

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The Wendy s Company

One Dave Thomas Boulevard

Dublin, Ohio 43017

(614) 764-3100

PROXY STATEMENT FOR 2016 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT SUMMARY

This summary highlights information about The Wendy s Company (Wendy s or the Company) and certain informatio contained elsewhere in this Proxy Statement for the Company s 2016 Annual Meeting of Stockholders to be held on Thursday, May 26, 2016, at 10:00 a.m. (EDT), and any adjournment or postponement thereof (the Annual Meeting). This summary does not contain all of the information that you should consider in voting your shares, and you should read the entire Proxy Statement carefully before voting. For more complete information regarding the Company s 2015 performance, please review the Company s Annual Report on Form 10-K for the fiscal year ended January 3, 2016 (the 2015 Form 10-K). References in this Proxy Statement to 2015, 2014, 2013 and other years mean the Company s years for the periods indicated.

HOW TO CAST YOUR VOTE

Even if you plan to attend the Annual Meeting in person, please cast your vote as soon as possible in one of the following ways:

Internet	Telephone	Mail
Visit www.proxyvote.com. You will need the 12-digit number included in your proxy card, voting instruction form or notice regarding the Internet availability of proxy materials.	Call (800) 690-6903. You will need the 12-digit number included in your proxy card, voting instruction form or notice regarding the Internet availability of proxy materials.	Complete, sign and date your proxy card or voting instruction form and return it in the envelope provided or to the address indicated on your proxy card or voting instruction form.

If you plan to attend the Annual Meeting in person, you will need to bring an admission ticket and photo identification. If your shares are held in the name of a broker, bank or other nominee, you will need to bring a legal proxy from the record holder to vote those shares at the Annual Meeting.

VOTING MATTERS AND BOARD RECOMMENDATIONS

	MANAGEMENT PROPOSALS	BOARD VOTE RECOMMENDATION	PAGE REFERENCE (FOR MORE DETAIL)
Proposal 1:	Election of 11 directors	**FOR** each nominee	10
Proposal 2:	Approval of amendments to the Company s Certificate of Incorporation to provide stockholders with a proxy access right	**FOR**	71
Proposal 3:	Ratification of the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for 2016	**FOR**	75
Proposal 4:	Advisory resolution to approve executive compensation	**FOR**	77

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DIRECTOR NOMINEES

The following table provides summary information about the 11 director nominees. Additional information about each nominee s experience, qualifications, attributes and skills can be found beginning on page 11.

Name	Age	Director Since	Occupation	Independent	Current Board Committees (1)(2)	Other Public Boards
Nelson Peltz	73	1993	Chief Executive Officer and founding partner of Trian Fund Management, L.P.		CSR*, Executive*	3
Peter W. May	73	1993	President and founding partner of Trian Fund Management, L.P.		C&I*, CSR, Executive	1
Emil J. Brolick	68	2011	Chief Executive Officer of The Wendy s Company		C&I, Executive	
Janet Hill	68	2008	Principal at Hill Family Advisors	ü	Compensation	2
Dennis M. Kass	65	2015	Former Chairman and Chief Executive Officer of Jennison Associates, LLC	ü		1
Joseph A. Levato	75	1996	Former Executive Vice President and Chief Financial Officer of Triarc Companies, Inc. (predecessor to The Wendy s Company)	ü	Audit*, B&I, Compensation, CSR	
Michelle Mich J. Mathews-Spradlin	49	2015	Former Chief Marketing Officer and Senior Vice President of Microsoft Corporation	ü	Compensation	
Matthew H. Peltz	33	2015	Partner of Trian Fund Management, L.P.			
Todd A. Penegor	50		President and Chief Financial Officer of The Wendy s Company			
Peter H. Rothschild	60	2010	Managing Member of Daroth Capital LLC	ü	Audit, N&CG	
Arthur B. Winkleblack	58		Former Executive Vice President and Chief	ü		2

Financial Officer of H. J.
Heinz Company

nd Investment; C&I: Capital and Investment; CSR: Corporate Social Responsibility; N&CG Nominating and Corporate Governance;
that the Board of Directors will determine committee assignments at the Board s organizational meeting immediately following the Ar

CORPORATE GOVERNANCE HIGHLIGHTS

The Company is committed to maintaining strong corporate governance practices as a critical component of driving sustained stockholder value. Our Board of Directors (the Board of Directors or the Board) continually monitors emerging best practices in corporate governance to serve the interests of our stockholders. Highlights of our current governance practices are set forth below.

Board of Directors	**Stockholder Interests**	**Executive Compensation**
Annual election of directors	No stockholder rights plan or poison pill	Annual say-on-pay advisory vote
Majority voting for directors in uncontested elections with director resignation policy	Stockholders have the ability to act by written consent	Strong pay-for-performance philosophy with emphasis on at-risk compensation
Separation of our Board Chairman and Chief Executive Officer	Stockholders have the ability to call special meetings	Multiple performance metrics in annual and long-term incentive plans
Majority independent Board	No supermajority voting requirements	Engage independent outside compensation consultants
Fully independent key Board committees	No exclusive forum selection clause	Limited perquisites and benefits
Regular executive sessions of non-employee and independent directors	No fee-shifting bylaw provisions	No pension or SERP benefits
Over 98% average Board and committee meeting attendance in 2015	Management proposal to provide stockholders with a proxy access right	Clawback provisions in our 2010 Omnibus Award Plan
Active Board and committee oversight of risk management		No speculative trading or hedging transactions
Comprehensive Corporate Governance Guidelines and Code of Ethics		Double trigger required for change in control equity vesting
		Significant stock ownership and retention guidelines

Annual limit on cash and equity awards granted to non-employee directors

2015 BUSINESS PERFORMANCE AND EXECUTIVE COMPENSATION PROGRAM HIGHLIGHTS

During 2015, the Company achieved strong operating and financial results and continued to execute our brand vision to Delight Every Customer by providing a Deliciously Different restaurant experience. Led by Chief Executive Officer Emil J. Brolick, Chief Financial Officer Todd A. Penegor and the rest of our senior leadership team, the Company drove significant improvements in the corporate and restaurant-level economic model, accelerated the transformation of the Wendy's® brand and continued to strengthen the Wendy's franchise system. We achieved significant year-over-year improvements in our key operating and financial metrics, sustained our strong momentum with new restaurant development and our Image Activation restaurant reimaging program, continued our transition to a predominantly franchised business model and returned $1.2 billion in cash to stockholders through dividends and share repurchases. Through our strong operating results and execution of our strategic initiatives, we delivered total stockholder return of 21% in 2015 and 144% on a three-year basis.

2015 was also highlighted by the implementation of thoughtful succession planning, as the Company announced that Mr. Brolick planned to retire from management duties with the Company in May 2016. As part of the succession plan, Mr. Penegor was appointed President of the Company effective January 4, 2016, and Mr. Penegor is expected to succeed Mr. Brolick in the Chief Executive Officer role after a transition period that began in the first quarter of 2016. Mr. Brolick is expected to continue to serve on the Board of Directors upon his retirement to ensure continuity of leadership and strategic focus for the Company.

Our executive compensation program is designed to support the Company's business objectives by linking executive pay to individual performance, the Company's attainment of annual and multi-year operating and financial goals and the creation of long-term stockholder value. In accordance with our pay-for-performance philosophy, variable (*i.e.*, at-risk) incentives constituted the most significant portion of total direct compensation for 2015 for our Chief Executive Officer (82%) and other named executive officers as a group (69%).

The primary components of our 2015 executive compensation program are summarized in the table below and are further described in the "Compensation Discussion and Analysis" beginning on page 30.

Element	**At-Risk**	**Form**	**Metrics**	**Purpose**
Base Salary	No	Cash		Attract and retain highly qualified executives by providing an appropriate level of fixed cash compensation that reflects the experience, responsibilities and performance of each executive
Annual Incentive	Yes	Cash	Adjusted EBITDA (70%) Same Restaurant Sales (30%)	Align executive pay with individual and Company performance by motivating and

				rewarding executives over a one-year time frame based on the achievement of strategic business and financial objectives
Long-Term Incentives	Yes	Equity Stock Options (60%) Performance Units (40%)	Share Price Adjusted EPS (50%) Relative TSR (50%)	Align the interests of executives with the interests of stockholders and retain highly qualified executives by motivating and rewarding executives over a multi-year time frame based on the performance of our Common Stock and the achievement of strategic business and financial objectives

Consistent with our executive compensation philosophy, the base salaries, target total cash compensation and target total direct compensation of our senior executives for 2015, on average, fell within the competitive range of market median. The Company s strong sales and financial performance in 2015 supported an annual cash incentive payout at 152.6% of target, prior to adjustment for individual performance.

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Summary compensation information for our named executive officers for 2015 is summarized in the following table (excluding Darrell G. van Ligten and Craig S. Bahner, who left the Company prior to the end of 2015). These amounts are presented in accordance with accounting assumptions and Securities and Exchange Commission (SEC) rules, and the amounts that executives actually receive may vary substantially from what is reported in the equity awards columns of the table.

Name and Principal Position	Salary (S)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Emil J. Brolick Chief Executive Officer	1,168,904		1,499,991	2,249,998	3,290,438	68,915	8,278,246
Todd A. Penegor President and Chief Financial Officer	679,863		399,993	599,998	965,672	30,200	2,675,726
Robert D. Wright Executive Vice President, Chief Operations Officer	490,479		359,992	539,999	638,345	30,200	2,059,015
R. Scott Toop Former Senior Vice President, General Counsel and Secretary	491,822		263,986	395,998	560,805	30,200	1,742,811
Scott A. Weisberg Chief People Officer	419,329		219,992	330,000	546,213	30,200	1,545,734

We encourage you to read the Compensation Discussion and Analysis beginning on page 30 for a detailed discussion of how our executive compensation program was designed and implemented in 2015 to achieve our overall compensation objectives. Stockholders should also review the 2015 Summary Compensation Table on page 42, as well as the related compensation tables, notes and narrative, which provide detailed information regarding the compensation of our named executive officers for 2015.

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THE ANNUAL MEETING

Annual Meeting Details

The accompanying proxy is being solicited by the Board of Directors of The Wendy s Company in connection with the Company s 2016 Annual Meeting of Stockholders to be held on Thursday, May 26, 2016, at 10:00 a.m. (EDT) at the Thomas Conference Center located at the Company s corporate offices, One Dave Thomas Boulevard, Dublin, Ohio 43017, and any adjournment or postponement thereof. Directions to the Annual Meeting are available on the Company s website at www.aboutwendys.com. This Proxy Statement and an accompanying proxy card will first be mailed to stockholders, or made available to stockholders electronically via the Internet, on or about April 13, 2016.

Voting Your Proxy

When a stockholder returns a proxy card that is properly signed and dated, the shares represented by the proxy card will be voted by the persons named as proxies in the proxy card in accordance with the stockholder s instructions. Stockholders may specify their choices by marking the appropriate boxes on their proxy card. If a proxy card is signed, dated and returned by a stockholder without specifying choices, the shares represented by the proxy card will be voted as recommended by the Board of Directors. The Company does not have cumulative voting.

Pursuant to the Company s Restated Certificate of Incorporation (as amended, the Certificate of Incorporation) and By-Laws (as amended and restated, the By-Laws), business transacted at the Annual Meeting is limited to the purposes stated in the Notice of Annual Meeting of Stockholders and any other matters that may properly come before the Annual Meeting. Except for the proposals described in this Proxy Statement, no other matters currently are intended to be brought before the Annual Meeting by the Company or, to the Company s knowledge, any other person. The proxy being solicited by the Board does, however, convey discretionary authority to the persons named as proxies in the accompanying proxy card to vote on any other matters that may properly come before the Annual Meeting. A proxy may be revoked by a stockholder at any time prior to the time it is voted by giving notice of revocation either personally or in writing to the Corporate Secretary of the Company at the Company s principal executive offices.

Annual Meeting Admission

Only holders of shares of the Company s common stock, par value $0.10 per share (the Common Stock), at the close of business on March 28, 2016, their authorized representatives and invited guests of the Company will be able to attend the Annual Meeting. For your comfort and security, admission to the Annual Meeting will be by ticket only, and packages and bags may be inspected and required to be checked in at the registration desk. You also will be required to present a valid government-issued photo identification.

If you are a registered stockholder (*i.e.*, your shares are held in your name) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your proxy card, whichever you have received. If you are a beneficial owner (*i.e.*, your shares are held in the name of a broker, bank or other holder of record) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your voting instruction form, whichever you have received. In addition, you can obtain an admission ticket in advance of the Annual Meeting by sending a written request to the Corporate Secretary of the Company at the Company s principal executive offices. Please be sure to enclose proof of ownership, such as a bank or brokerage account statement or a letter from the bank or broker verifying that you were the beneficial owner of the shares on March 28, 2016. Stockholders who do not obtain admission tickets in advance of the Annual Meeting may obtain them upon verification of ownership at the registration desk on the day of the Annual Meeting. The Company may issue admission tickets to persons other than stockholders in its sole discretion.

If you are the representative of a corporation, limited liability company, partnership or other legal entity that holds shares of our Common Stock, you must bring acceptable evidence of your authority to represent that legal entity at the Annual Meeting. Please note that only one representative may attend the Annual Meeting on behalf of each legal entity that holds shares of our Common Stock.

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QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Q: Who is soliciting my proxy?

A: Wendy s Board of Directors is soliciting your proxy in connection with the Board s solicitation of proxies for use at the Annual Meeting. Certain of our directors, officers and employees also may solicit proxies on the Board s behalf by personal contact, telephone, mail, e-mail or other means. The Company has hired Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022, to assist in soliciting proxies from brokers, banks and other stockholders.

Q: What should I do with these materials?

A: Please carefully read and consider the information contained in this Proxy Statement, and then vote your shares as soon as possible to ensure that your shares will be represented at the Annual Meeting. You may vote your shares prior to the Annual Meeting even if you plan to attend the Annual Meeting in person.

Q: What am I being asked to vote on?

A: You are being asked to vote on the following four proposals:

(1) To elect 11 directors to hold office until the Company s next annual meeting of stockholders;

(2) To approve amendments to the Certificate of Incorporation to provide stockholders with a proxy access right;

(3) To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2016; and

(4) To approve an advisory resolution to approve executive compensation.

Q: How do I vote?

A: You may vote your shares prior to the Annual Meeting in any of the following ways:

Visit the website shown on your notice regarding the Internet availability of proxy materials, proxy card or voting instruction form to vote via the Internet;

Use the toll-free number shown on your notice regarding the Internet availability of proxy materials, proxy card or voting instruction form to vote by telephone; or

Complete, sign, date and return the enclosed proxy card or voting instruction form in the enclosed postage-paid envelope if you have requested and received our proxy materials by mail.

If you are a registered stockholder, you may also vote your shares in person at the Annual Meeting. If you hold your shares in street name, then you must obtain a legal proxy from the broker, bank or other nominee who holds the shares on your behalf in order to vote those shares in person at the Annual Meeting.

Q: Who is entitled to vote?

A: All holders of record of our Common Stock at the close of business on March 28, 2016, the record date for the Annual Meeting, are entitled to vote on all business transacted at the Annual Meeting.

Q: What is the deadline for submitting a proxy?

A: In order to be counted, proxies submitted by telephone or via the Internet must be received by 11:59 p.m. (EDT) on Wednesday, May 25, 2016. Proxies submitted by mail must be received prior to the start of the Annual Meeting.

Q: What is the difference between a registered stockholder and a street name holder?

A: If your shares are registered directly in your name with American Stock Transfer & Trust Company, LLC, our stock transfer agent, you are considered a stockholder of record, or a registered stockholder, of those shares.

If your shares are held by a broker, bank or other nominee, you are considered the beneficial owner of those shares, and your shares are said to be held in street name. Your broker, bank or other nominee should have enclosed, or should provide you with, a notice regarding the Internet availability of proxy materials or a voting instruction form for you to use in directing it on how to vote your shares.

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Q: What constitutes a quorum?

A: At the close of business on March 28, 2016, the Company had 268,700,765 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Each share of Common Stock entitles the holder to one vote on each matter properly brought before the Annual Meeting. The presence, in person or by proxy, of stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to cast at the Annual Meeting will constitute a quorum. Abstentions and broker non-votes (described below) will be included for purposes of determining whether a quorum is present at the Annual Meeting.

Q: What are abstentions and broker non-votes and how do they affect voting?

A: *Abstentions.* If you specify on your proxy card that you abstain from voting on an item, your shares will be counted as present and entitled to vote for the purpose of establishing a quorum. Abstentions will be the equivalent of an against vote on proposals that require the affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote at the Annual Meeting (Proposal 2) or the affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting (Proposals 3 and 4). Abstentions will not be included in the tabulation of voting results for proposals that require the affirmative vote of a majority of the votes cast (Proposal 1).

Broker Non-Votes. Under the rules of The NASDAQ Stock Market (NASDAQ), if your shares are held in street name, then your broker has discretion to vote your shares without instructions from you on certain routine proposals, such as the ratification of the appointment of the Company s independent registered public accounting firm (Proposal 3). Your broker does not, however, have such discretion on the election of directors (Proposal 1), the approval of amendments to the Certificate of Incorporation (Proposal 2) or the advisory resolution to approve executive compensation (Proposal 4). If you do not provide your broker with voting instructions for these proposals, then your broker will be unable to vote on these proposals and will report your shares as broker non-votes on these proposals. Like abstentions, broker non-votes are counted as present for the purpose of establishing a quorum, but, unlike abstentions, they are not counted for the purpose of determining the number of shares present (in person or by proxy) and entitled to vote on particular proposals. As a result, broker non-votes will not be included in the tabulation of voting results for proposals that require the affirmative vote of a majority of the votes cast (Proposal 1) or the affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting (Proposal 4), and broker non-votes will be the equivalent of votes against proposals that require the affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote at the Annual Meeting (Proposal 2). Because brokers are entitled to vote on Proposal 3, we do not anticipate any broker non-votes with regard to that proposal.

Q: What vote is needed to elect the 11 director nominees (Proposal 1)?

A: Pursuant to our By-Laws, each of the 11 director nominees must receive the affirmative vote of a majority of the votes cast with respect to that nominee s election in order to be elected as a director at the Annual Meeting.

Q: What vote is needed to approve the amendments to the Certificate of Incorporation (Proposal 2)?

A: The affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote at the Annual Meeting is required to approve the amendments to the Certificate of Incorporation to provide stockholders with a proxy access right. If you hold shares of Common Stock through a broker, bank or other nominee, your broker, bank or other nominee will vote your shares for you if you provide instructions on how to vote the shares. In the absence of your instructions, however, brokers, banks and other nominees do not have the authority to vote your shares for the approval of the amendments to the Certificate of Incorporation. Therefore, it is important that you provide voting instructions to your broker, bank or other nominee, so that your shares may be voted on this proposal.

Q: What vote is needed to ratify the appointment of the Company s independent registered public accounting firm (Proposal 3)?

A: The affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting is required to ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for 2016.

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Q: What vote is needed to approve the advisory resolution to approve executive compensation (Proposal 4)?

A: The affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting is required to approve the advisory resolution to approve executive compensation (Proposal 4). This vote is advisory, and therefore not binding on the Company, the Board of Directors or the Compensation Committee of the Board. However, the Compensation Committee will review the voting results of this proposal and take those results into consideration when making future decisions regarding executive compensation as it deems appropriate.

Q: How do Nelson Peltz and Peter W. May intend to vote?

A: The Company has been informed that the shares of Common Stock beneficially owned as of the record date by Nelson Peltz and Peter W. May representing, in the aggregate, approximately 21.0% of the votes entitled to be cast at the Annual Meeting, will be voted in accordance with the recommendations of the Board of Directors **FOR** the election of each of the 11 director nominees named in Proposal 1 and **FOR** Proposals 2, 3 and 4.

Q: If I deliver my signed proxy card or voting instruction form but do not indicate how I want to vote on the proposals, how will my shares be voted?

A: If you submit your proxy card or voting instruction form but do not indicate how you want to vote on the proposals, your proxy will be counted as a vote in accordance with the recommendations of the Board of Directors **FOR** the election of each of the 11 director nominees named in Proposal 1 and **FOR** Proposals 2, 3 and 4.

Q: Can I change my vote after I have delivered my proxy card or voting instruction form?

A: Yes. You can change your vote at any time before your proxy is voted at the Annual Meeting.
You can revoke your proxy by giving notice of revocation either personally or in writing to the Corporate Secretary of the Company at the Company s principal executive offices. You also can revoke your proxy by submitting a later-dated proxy by mail, by telephone, via the Internet or by attending and voting in person at the Annual Meeting. Your attendance at the Annual Meeting by itself will not revoke a previously submitted proxy.

If your shares are held in an account with a broker, bank or other nominee, you should contact your broker, bank or other nominee if you wish to change your vote or revoke your proxy.

Q: Why did I receive a notice regarding the Internet availability of proxy materials rather than the printed Proxy Statement and 2015 annual report to stockholders?

A: As permitted by SEC rules, we are making our proxy materials available to stockholders electronically via the Internet at www.proxyvote.com. On or about April 13, 2016, we will begin mailing a notice to our stockholders containing information on how to access our proxy materials and vote online. If you received that notice, then you will not receive a printed copy of our proxy materials unless you request a printed copy by following the instructions contained in the notice. Adopting this notice and access process allows us to reduce the overall costs, as well as the environmental impact, of printing and mailing our proxy materials.

Q: What does it mean if I receive more than one notice regarding the Internet availability of proxy materials, proxy card or voting instruction form?

A: If you receive more than one notice regarding the Internet availability of proxy materials, proxy card or voting instruction form, this means that you have multiple accounts with our stock transfer agent or with brokers, banks or other nominees. Please follow the instructions set forth on each notice regarding the Internet availability of proxy materials, proxy card or voting instruction form you receive to ensure that all your shares are voted.

Q: Who will bear the expenses of this solicitation?

A: The Company will pay the costs and expenses of this solicitation. In addition to soliciting proxies by mailing our proxy materials to stockholders and by making our proxy materials available to stockholders electronically via the Internet, proxies may be solicited by our directors, officers and employees by personal contact, telephone, mail, e-mail or other means without additional compensation. Solicitation of proxies will also be made by employees of Innisfree M&A Incorporated, our proxy solicitation firm, who will be paid a fee of $20,000, plus reasonable out-of-pocket expenses. As is customary, we will also reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable costs and expenses incurred in forwarding our proxy materials to beneficial owners of our Common Stock.

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Q: Where can I find the voting results of the Annual Meeting?

A: We intend to announce preliminary voting results at the Annual Meeting and publish final voting results in a Current Report on Form 8-K filed with the SEC within four business days of the Annual Meeting. After the Form 8-K has been filed, you may obtain a copy by visiting the SEC s website at www.sec.gov or by visiting our website at www.aboutwendys.com.

Q: Whom should I call with questions?

A: Please call Innisfree M&A Incorporated, the Company s proxy solicitor, toll-free at (888) 750-5834 with any questions about the Annual Meeting. Banks, brokers and other nominees may call collect at (212) 750-5833.

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PROPOSAL 1

ELECTION OF DIRECTORS

(Item 1 on the Company s Proxy Card)

As of the date of this Proxy Statement, there are 11 members of our Board of Directors.

Two of the Company s current directors J. Randolph Lewis and David E. Schwab II will not seek re-election and will conclude their service on the Board when their terms expire at the Annual Meeting. Mr. Lewis is retiring from the Board after having served as a director of the Company for eight years and as a director of Wendy s International, Inc. (Wendy s International) for four years prior to its merger with the Company in 2008, and Mr. Schwab is retiring from the Board after having served as a director of the Company for 22 years. The Company has benefitted greatly from the distinguished service and outstanding contributions of Messrs. Lewis and Schwab during their Board tenure.

The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated Todd A. Penegor and Arthur B. Winkleblack for election as directors of the Company at the Annual Meeting to fill the vacancies resulting from the retirement of Messrs. Lewis and Schwab.

In October 2015, the Company announced that Emil J. Brolick, our Chief Executive Officer, planned to retire from management duties with the Company in May 2016, and that Mr. Penegor, our Chief Financial Officer, was expected to succeed Mr. Brolick in the President and Chief Executive Officer roles after a transition period beginning in the first quarter of 2016. As part of the succession plan, Mr. Penegor was appointed President of the Company effective January 4, 2016, and the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated Mr. Penegor for election as a director of the Company at the Annual Meeting. Mr. Brolick is expected to continue to serve on the Board of Directors upon his retirement to ensure continuity of leadership and strategic focus for the Company.

Mr. Winkleblack was recommended to the Nominating and Corporate Governance Committee by one of our non-management directors, in consultation with our Chief Executive Officer, Chief Financial Officer and other members of senior management. The Nominating and Corporate Governance Committee, after reviewing Mr. Winkleblack s qualifications, making a determination as to his independence and considering the needs of the Board of Directors, recommended to the Board that Mr. Winkleblack be nominated for election as a director of the Company at the Annual Meeting.

The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated the 11 persons named below for election as directors of the Company at the Annual Meeting. Other than Messrs. Penegor and Winkleblack, each of the other nominees is presently serving as a director of the Company, and each of the other nominees was elected as a director at the Company s 2015 annual meeting of stockholders, except for Dennis M. Kass and Matthew H. Peltz.

Mr. Kass joined the Board of Directors in December 2015 when the Board, upon the recommendation of the Nominating and Corporate Governance Committee, increased the size of the Board from 10 to 11 members and elected Mr. Kass to serve as a director of the Company for a term expiring at the Annual Meeting.

Mr. Peltz also joined the Board of Directors in December 2015 when the Board, upon the recommendation of the Nominating and Corporate Governance Committee, filled the vacancy resulting from Edward P. Garden s resignation from the Board by electing Mr. Peltz to serve as a director of the Company for a term expiring at the Annual Meeting.

Each of Messrs. Kass and Peltz was recommended to the Nominating and Corporate Governance Committee by one of our non-management directors, in consultation with our Chief Executive Officer, Chief Financial Officer and other members of senior management. The Nominating and Corporate Governance Committee, after reviewing Messrs. Kass s and Peltz s qualifications, making a determination as to their independence and considering the needs of the Board of Directors, recommended to the Board that Messrs. Kass and Peltz be elected to serve as directors of the Company.

The Board of Directors recommends that the 11 nominees named below be elected as directors of the Company at the Annual Meeting. If elected, each of the nominees will hold office until the Company s next annual meeting of stockholders and until his or her successor is elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal. The persons named as proxies in the accompanying proxy card will vote **FOR** the election of each of the 11 nominees unless a stockholder directs otherwise.

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Each nominee has consented to be named and to serve as a director if elected at the Annual Meeting. The Company is unaware of any reason why any nominee would be unwilling or unable to serve as a director if elected. Should, however, any nominee be unwilling or unable to serve as a director at the time of the Annual Meeting, the persons named as proxies in the accompanying proxy card will vote for the election of such substitute person for such directorship as the Board of Directors may recommend.

Director Nominee Qualifications and Biographical Information

NELSON PELTZ (CHAIRMAN)

Mr. Peltz has been a director of the Company since April 1993 and has served as our non-executive Chairman since June 2007. He served as our Chairman and Chief Executive Officer and as a director or manager and an officer of certain of our subsidiaries from April 1993 through June 2007. Additionally, Mr. Peltz has been Chief Executive Officer and a founding partner of Trian Fund Management, L.P. (Trian Partners), a management company for various investment funds and accounts, since November 2005. From January 1989 to April 1993, Mr. Peltz was Chairman and Chief Executive Officer of Trian Group, Limited Partnership, which provided investment banking and management services for entities controlled by Mr. Peltz and Peter W. May. From 1983 to December 1988, Mr. Peltz was Chairman and Chief Executive Officer and a director of Triangle Industries, Inc., a metals and packaging company.

Mr. Peltz has served as a director of Mondeléz International, Inc. since January 2014, Sysco Corporation since August 2015 and The Madison Square Garden Company since September 2015. Mr. Peltz previously served as a director of H. J. Heinz Company from September 2006 to June 2013, Ingersoll Rand plc from August 2012 to June 2014, Legg Mason, Inc. from October 2009 to December 2014 and MSG Networks Inc. from December 2014 to September 2015.

Mr. Peltz is actively involved with various civic organizations and serves as Honorary Co-Chairman of the board of directors of the Simon Wiesenthal Center, Chairman of the New York Tolerance Center and a board member of the Weill Cornell Medical College and Graduate

Qualifications: Mr. Peltz has more than 40 years of business and investment experience, has served as the chairman and chief executive officer of public companies for over 20 years and, since 2005, has served as Chief Executive Officer of Trian Partners. Throughout his professional career, he has developed extensive experience working with management teams and boards of directors, as well as in acquiring, investing in and building companies and implementing operational improvements at the companies with which he has been involved. As a result, Mr. Peltz has strong operating experience and strategic planning skills, valuable leadership and corporate governance experience and strong relationships with institutional investors, investment banking/capital markets advisors and others that can be drawn upon for the Company s benefit. We believe that Mr. Peltz s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 73

Director Since: 1993

Current Board Committees:

Corporate Social Responsibility (Chair)

Executive (Chair)

School of Medical Sciences, The Milken Institute and the Intrepid Museum Foundation.

Mr. Peltz is the father of Matthew H. Peltz, a director of the Company.

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PETER W. MAY (VICE CHAIRMAN)

Mr. May has been a director of the Company since April 1993 and has served as our non-executive Vice Chairman since June 2007. He served as our President and Chief Operating Officer and as a director or manager and an officer of certain of our subsidiaries from April 1993 through June 2007. Additionally, Mr. May has been President and a founding partner of Trian Partners since November 2005. From January 1989 to April 1993, Mr. May was President and Chief Operating Officer of Trian Group, Limited Partnership. From 1983 to December 1988, he was President and Chief Operating Officer and a director of Triangle Industries, Inc.

Mr. May has served as a director of Tiffany & Co. since May 2008.

Mr. May is actively involved with various civic organizations and serves as Chairman of the board of trustees of the Mount Sinai Medical Center in New York, Vice Chairman of the New York Philharmonic and a board member of the University of Chicago, the Advisory Council on the Graduate School of Business of the University of Chicago, Carnegie Hall and the Lincoln Center of the Performing Arts.

Qualifications: Mr. May has more than 40 years of business and investment experience, has served as the president and chief operating officer of public companies for over 20 years and, since 2005, has served as President of Trian Partners. Throughout his professional career, he has developed extensive experience working with management teams and boards of directors, as well as in acquiring, investing in and building companies and implementing operational improvements at the companies with which he has been involved. As a result, Mr. May has strong operating experience and strategic planning skills, valuable leadership and corporate governance experience and has strong relationships with institutional investors, investment banking/capital markets advisors and others that can be drawn upon for the Company s benefit. We believe that Mr. May s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 73

Director Since: 1993

Current Board Committees:

Capital and Investment (Chair)

Corporate Social Responsibility

Executive

EMIL J. BROLICK

Mr. Brolick has been a director and the Chief Executive Officer of the Company since September 2011. He served

Qualifications: In addition to serving as our Chief Executive Officer since September 2011, Mr. Brolick as our President and Chief Executive Officer from September 2011 to January 2016. Prior to joining the Company, Mr. Brolick was Chief Operating Officer of Yum! Brands, Inc. and President of two of Yum! Brands U.S. operating segments, Long John Silver s and A&W All American Food Restaurants, from June 2008 to September 2011. From December 2006 to June 2008, he was President of U.S. Brand Building for Yum! Brands. Prior to that, Mr. Brolick served as President and Chief Concept Officer of Taco Bell Corp., a position he held from July 2000 to November 2006. Before joining Taco Bell, Mr. Brolick worked at Wendy s International for 12 years, last serving as Senior Vice President of New Product Marketing, Research and Strategic Planning.

has extensive experience as an executive in the quick-service restaurant industry, including several years of senior management and leadership experience with Yum! Brands, Taco Bell and Wendy s International. His depth of industry knowledge and insight is a valuable resource to our Board. Much of Mr. Brolick s business expertise relates to brand building, strategic planning, marketing and operations, all of which are important to the Company s business. We believe that Mr. Brolick s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 68

Director Since: 2011

Current Board Committees:

Capital and Investment

Executive

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JANET HILL

Ms. Hill has been a director of the Company since September 2008. She served as a director of Wendy s International from 1994 until its merger with the Company in September 2008. Ms. Hill is Principal at Hill Family Advisors, where she oversees her family s assets and investments. She also serves as an officer of Hill Ventures, Inc., which manages the assets, investments, public engagements and marketing relationships of her son, Grant Hill. From 1981 until her retirement in 2010, Ms. Hill was Vice President of Alexander & Associates, Inc., a corporate consulting firm in Washington, D.C. that she owned and managed, where she provided corporate planning, advice and analysis to directors, executives and managers in the areas of human resource planning, corporate responsibility, corporate communications and government consultation.

Ms. Hill has served as a director of Dean Foods Company since December 2001 and Carlyle Group Management L.L.C., the general partner of The Carlyle Group L.P., since May 2012. Ms. Hill previously served as a director of Sprint Nextel Corporation from 2005 to July 2013.

Ms. Hill is actively involved with various civic organizations and serves as a board member of Duke University, the John F. Kennedy Center for the Performing Arts, the Knight Commission on Intercollegiate Athletics and the Wolf Trap Foundation for the Performing Arts. She is also a member of the board of directors of two private companies, Echo360, Inc. and Esquire Bank.

Qualifications: Ms. Hill has been a member of nine corporate boards during the past 25 years, which includes valuable service on compensation, corporate governance and audit committees. She brings to our Board strong business administration and financial expertise, as well as extensive knowledge and experience in all areas of contemporary corporate governance. Ms. Hill assisted in the development of the Directors Education Institute at Duke University and has served as a presenter in numerous university-sponsored programs for corporate directors. Through her corporate consulting firm, Ms. Hill advised hundreds of companies and senior executives in the areas of human resources and workforce inclusiveness, both of which are important to the Company s business. We believe that Ms. Hill s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 68

Director Since: 2008

Current Board Committees:

Compensation

DENNIS M. KASS

Mr. Kass was elected as a director of the Company in December 2015. From February 2013 to June 2014, Mr. Kass served as Vice Chairman and a Senior Advisor at Ridgeway Partners, an executive search firm. From 2003 to 2012, Mr. Kass served as Chairman and Chief Executive Officer of Jennison Associates, LLC, an institutional asset manager. Prior to joining Jennison Associates, Mr. Kass

Qualifications: Mr. Kass has significant knowledge and expertise in financial and asset management, accounting processes, corporate governance and public policy that is derived from his diverse professional and public service experiences. He also has notable experience with the implementation and oversight of investment product lines, retail and spent 13 years with JPMorgan s investment management unit, last serving as Vice Chairman and Chief Fiduciary Officer of JPMorgan Fleming Asset Management. Prior to that, he was Vice President of the investment banking division at Goldman Sachs & Co. Mr. Kass served in the Reagan Administration as the Assistant Secretary of Labor for Pension and Welfare Benefits under the Employee Benefits Security Administration from 1985 to 1987 and was a Special Assistant to the President for Policy Development from 1981 to 1982.

Mr. Kass has served as a director of Legg Mason, Inc. since April 2013 and was non-executive Chairman of Legg Mason from July 2013 to October 2014.

Mr. Kass also serves as an Advisory Partner of Trian Partners and as a member of the Lockheed Martin investment management company advisory board, the investment advisory board of Cleveland Clinic Innovations and the advisory board for finance and the global executive board for the MIT Sloan School of Management. He previously served as a trustee and Vice Chairman of the Financial Accounting Foundation.

institutional distribution capabilities and overall business operations. Mr. Kass brings to our Board valuable leadership experience in working with management teams and boards of directors, as well as extensive knowledge and insight in finance, mergers and acquisitions, capital management and regulatory matters relevant to public company audit, compensation and benefits committees. We believe that Mr. Kass overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 65

Director Since: 2015

Current Board Committees:

None

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JOSEPH A. LEVATO

Mr. Levato has been a director of the Company since June 1996. Mr. Levato served as Executive Vice President and Chief Financial Officer of the Company and certain of our subsidiaries from April 1993 to August 1996, when he retired from the Company. Prior to that, he was Senior Vice President and Chief Financial Officer of Trian Group, Limited Partnership from January 1992 to April 1993. From 1984 to December 1988, Mr. Levato served as Senior Vice President and Chief Financial Officer of Triangle Industries, Inc.

Qualifications: Mr. Levato has significant knowledge of industrial, financial and consumer-related businesses that is derived from his professional experiences, including several years of senior management and leadership experience with the Company. Mr. Levato brings to our Board an intimate knowledge of governance and regulatory matters relevant to public company audit and compensation committees. Mr. Levato has acquired financial sophistication by virtue of his business experience and background, including his past service as Chief Financial Officer of three different companies, and the Board of Directors has determined that Mr. Levato qualifies as an audit committee financial expert within the meaning of SEC regulations. We believe that Mr. Levato s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 75

Director Since: 1996

Current Board Committees:

Audit (Chair)

Benefits and Investment

Compensation

Corporate Social Responsibility

MICHELLE MICH J. MATHEWS-SPRADLIN

Ms. Mathews-Spradlin has been a director of the Company since February 2015. From 1993 until her retirement in

Qualifications: Ms. Mathews-Spradlin possesses extensive experience in global brand management and

2011, Ms. Mathews-Spradlin worked at Microsoft Corporation, where she served as Chief Marketing Officer and Senior Vice President, Central Marketing Group from 2005 to 2011, Corporate Vice President, Marketing from 2001 to 2005, Vice President, Corporate Public Relations from 1999 to 2001 and head of the Corporate Public Relations function from 1993 to 1999. Prior to her employment with Microsoft, Ms. Mathews-Spradlin worked in the United Kingdom as a communications consultant for Microsoft from 1989 to 1993. Prior to that, she held various roles at General Motors Co. from 1986 to 1989.

Ms. Mathews-Spradlin also serves as a board member of several private companies, including Bitium, Inc., OANDA Global Corporation, The Bouqs Company and You & Mr Jones, and is a member of the executive board of the UCLA School of Theater, Film and Television. Ms. Mathews-Spradlin also guest teaches at the University of Southern California Annenberg School for Communication and Journalism, where she served as an M{2e} Executive-in-Residence in February 2015.

a deep understanding of the technology industry attributable to her background as a senior executive at Microsoft Corporation, one of the world s largest technology companies. In her role as Chief Marketing Officer, she oversaw the company s global marketing function, managed a multi-billion dollar marketing budget and an organization of several thousand people, and built demand for the company s technology brands, including Windows, Office, Xbox, Bing and Internet Explorer. Ms. Mathews-Spradlin provides the Board with substantial and unique insights into digital media and marketing strategies, as well as an in-depth understanding of consumer-facing technology, all of which are important to the Company s business. We believe that Ms. Mathews-Spradlin s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 49

Director Since: 2015

Current Board Committees:

Compensation

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MATTHEW H. PELTZ

Mr. Peltz was elected as a director of the Company in December 2015. He is a Partner and has been a member of the Investment Team of Trian Partners since January 2008. As a senior member of the Investment Team, he sources new investment ideas, leads due diligence on potential investments and focuses on portfolio construction, risk management and corporate governance matters. Prior to joining Trian Partners, Mr. Peltz was with Goldman Sachs & Co. from May 2006 to January 2008, where he worked as an investment banking analyst and subsequently joined Liberty Harbor, an affiliated multi-strategy hedge fund.

Since September 2015, Mr. Peltz has attended meetings of the board of directors and the compensation committee of Pentair plc in a non-voting, non-participating observer capacity. Mr. Peltz previously served as a director of ARG Holding Corporation, the parent company of the Arby s® restaurant brand, from September 2012 to December 2015.

Mr. Peltz is the son of Nelson Peltz, the non-executive Chairman and a director of the Company.

Qualifications: Mr. Peltz s qualifications to serve on our Board include his breadth of knowledge and experience in corporate finance, mergers and acquisitions, capital allocation and operational improvements attributable to his professional background, including his service as a senior member of Trian Partners Investment Team. Mr. Peltz also provides our Board with valuable experience and unique insight into the quick-service restaurant industry from his recent service as a director of ARG Holding Corporation. We believe that Mr. Peltz s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 33

Director Since: 2015

Current Board Committees:

None

TODD A. PENEGOR

Mr. Penegor joined the Company in June 2013 and has served as our President and Chief Financial Officer since January 2016. He served as our Executive Vice President, Chief Financial Officer and International from December 2014 to January 2016 and as our Senior Vice President and Chief Financial Officer from September 2013 to December 2014. Prior to joining the Company, Mr. Penegor worked at Kellogg Company, a global leader in food products, from 2000 to 2013 where he held several key leadership positions, including Vice President of Kellogg Company and President of U.S. Snacks from 2009 to June 2013, Vice President and Chief Financial Officer of Kellogg

Qualifications: In addition to serving as our President and Chief Financial Officer, Mr. Penegor has extensive experience as an executive in the food products and consumer goods industries, including several years of senior management and leadership experience with Kellogg Company and Ford Motor Company. Mr. Penegor provides the Board with significant expertise in matters of corporate finance, business administration, investor relations, financial reporting, strategic planning, brand building and domestic and international operations, all of which are important to the Company s business. We believe that

Europe from 2007 to 2009 and Vice President and Chief Financial Officer of Kellogg USA and Kellogg Snacks from 2002 to 2007. Prior to joining Kellogg, Mr. Penegor worked for 12 years at Ford Motor Company in various positions, including strategy, mergers and acquisitions, the controller s office and treasury.

Mr. Penegor also serves as a trustee of the Dave Thomas Foundation for Adoption.

Mr. Penegor s overall experience and knowledge will benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 50

Director Since: N/A

Current Board Committees: N/A

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PETER H. ROTHSCHILD

Mr. Rothschild has been a director of the Company since May 2010. He served as a director of Wendy s International from March 2006 until its merger with the Company in September 2008. Mr. Rothschild has been the Managing Member of Daroth Capital LLC, a financial services company, since its founding in 2001 and the President and CEO of its wholly-owned subsidiary, Daroth Capital Advisors LLC, a securities broker-dealer, since 2002. Prior to founding Daroth Capital, Mr. Rothschild was a Managing Director and Co-Head of the Leveraged Finance and Industrial Finance groups at Wasserstein Perella, an investment bank, where he worked from 1996 to 2001. From 1990 to 1996, Mr. Rothschild was a Senior Managing Director and Head of the Natural Resources Group at Bear, Stearns & Co. Inc. and one of the founders of the firm s Leveraged Finance and Financial Buyer Coverage groups. From 1984 to 1990, he was a Managing Director and Head of the Industrial Group at Drexel Burnham Lambert.

Mr. Rothschild previously served as a director of Deerfield Capital Corp., predecessor to CIFC Corp., from December 2004 to April 2011 and as Interim Chairman of Deerfield Capital s board of directors from April 2007 to April 2011.

Mr. Rothschild is also actively involved with various civic organizations and serves a member of The Mount Sinai Medical Center Samuel Bronfman Department of Medicine advisory board, the Tufts University School of Engineering board of advisors and the Tufts University Gordon Institute Entrepreneurial Leadership Program advisory board.

Qualifications: Mr. Rothschild has been employed as an investment banker since 1981. He has served on the board of directors of numerous companies, including Wendy s International and Deerfield Capital, where he served as Interim Chairman. As a result of his professional background, Mr. Rothschild brings to our Board a deep understanding of corporate governance principles and extensive knowledge and experience in finance, mergers and acquisitions, capital management, corporate restructurings and the quick-service restaurant industry, all of which are important to the Company s business. We believe that Mr. Rothschild s overall experience and knowledge benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 60

Director Since: 2010

Current Board Committees:

Audit

Nominating and Corporate Governance

ARTHUR B. WINKLEBLACK

Mr. Winkleblack provides financial and capital markets consulting services for Ritchie Bros. Auctioneers, a global leader in asset management and disposition and the world s largest industrial auctioneer, where he has served as Senior Advisor to the CEO since June 2014. He retired in June 2013 as Executive Vice President and Chief Financial

Qualifications: Mr. Winkleblack has substantial experience as a senior executive and director across a broad range of industries, giving him knowledgeable perspectives on both strategic planning and domestic and international operations. Mr. Winkleblack s 12 years of experience as Chief Financial Officer of a

Officer of H. J. Heinz Company, a global packaged food manufacturer, where he had been employed since 2002. From 1999 to 2001, Mr. Winkleblack worked at Indigo Capital as Acting Chief Operating Officer, Perform.com and Chief Executive Officer, Freeride.com. Prior to that, he served as Executive Vice President and Chief Financial Officer of C. Dean Metropoulos Group from 1998 to 1999, as Vice President and Chief Financial Officer of Six Flags Entertainment Corporation from 1996 to 1998 and as Vice President and Chief Financial Officer AlliedSignal, Inc. from 1994 to 1996. Previously, he held various finance and business planning roles at PepsiCo, Inc. from 1982 to 1994.

Mr. Winkleblack has served as a director of Church & Dwight Co., Inc. since January 2008 and Performance Food Group Company since March 2015. He previously served as a director of RTI International Metals, Inc. from December 2013 to July 2015.

large, multinational consumer goods company enables him to bring valuable insight to the Board on a number of topics, including performance management, executive compensation, business analytics, risk management, IT, investor relations and financial reporting. His executive experience with Heinz and PepsiCo, as well as his board experience with Performance Food Group, provides a unique perspective on product supply dynamics for the quick-service restaurant industry. We believe that Mr. Winkleblack s overall experience and knowledge will benefit and contribute to the collective qualifications, skills and experience of our Board of Directors.

Age: 58

Director Since: N/A

Current Board Committees: N/A

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Required Vote

The affirmative vote of a majority of the votes cast with respect to the election of a director nominee is required to elect such nominee as a director at the Annual Meeting. Abstentions and broker non-votes will not be included in the tabulation of voting results for this proposal.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR

THE ELECTION OF EACH OF THE 11 DIRECTOR NOMINEES.

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CORPORATE GOVERNANCE

Board Leadership Structure

The Board of Directors is currently led by Nelson Peltz, the Company s non-executive Chairman, and Mr. May, the Company s non-executive Vice Chairman. Mr. Brolick, the Company s Chief Executive Officer, also serves as a member of the Board. Meetings of the Board of Directors are called to order and led by the Chairman or, in his absence, the Vice Chairman, or in the absence of both, the Chief Executive Officer. In the absence of the Chairman, Vice Chairman and Chief Executive Officer, a majority of the directors present may elect any director present as chairman of the meeting. Non-management directors generally meet in executive session without management present after each regular Board meeting.

The Board of Directors separated the positions of Chairman and Chief Executive Officer in June 2007 when Mr. Peltz, after serving as Chairman and Chief Executive Officer of the Company from 1993 to June 2007, became our non-executive Chairman. The positions of Chairman and Chief Executive Officer have remained separate since that time, with Mr. Peltz currently serving as our non-executive Chairman and Mr. Brolick currently serving as our Chief Executive Officer.

The Board believes that separating these two positions allows our Chief Executive Officer to focus on developing and implementing the Company s business strategies and objectives and supervising the Company s day-to-day business operations, and allows our Chairman to lead the Board of Directors in its oversight and advisory roles. Because of the many responsibilities of the Board of Directors and the significant time and effort required by each of the Chairman and the Chief Executive Officer to perform their respective duties, the Board believes that having separate persons in these roles enhances the ability of each to discharge those duties effectively and, as a result, enhances the Company s prospects for success. The Board also believes that having the positions of Chairman and Chief Executive Officer separated provides a clear delineation of responsibilities for each position and fosters greater accountability of management.

The Board of Directors has carefully considered and approved its current leadership structure and believes that this structure is appropriate and in the best interests of the Company and our stockholders, who benefit from the combined leadership, judgment, knowledge and experience of our Chairman, Mr. Peltz, and our Chief Executive Officer, Mr. Brolick.

Board Membership Criteria

The Board of Directors has adopted general Board membership criteria, which are set forth in the Company s Corporate Governance Guidelines (the Corporate Governance Guidelines). The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Board s assessment of potential director candidates includes an individual s qualification as independent, as well as consideration of diversity, age, educational background, other board experience and commitments, business and professional achievements, skills and experience in the context of the needs of the Board. The Company does not have a stated policy regarding the diversity of nominees or Board members; rather, the Nominating and Corporate Governance Committee and the Board view diversity (whether based on concepts such as gender, race and national origin, or broader principles such as differences in backgrounds, skills, experiences and viewpoints) as one of many elements to be considered when evaluating a particular candidate for Board membership.

The Nominating and Corporate Governance Committee considers recommendations regarding possible director candidates from any source, including stockholders. Stockholders may recommend director candidates for consideration by the Nominating and Corporate Governance Committee by giving written notice of the recommendation to the Chair of the Nominating and Corporate Governance Committee, in care of the Corporate Secretary of the Company at the Company s principal executive offices. The notice must: (i) include the candidate s name, age, business address, residence address and principal occupation; (ii) describe the qualifications, attributes, skills or other qualities possessed by the candidate; and (iii) be accompanied by a written statement from the candidate consenting to serve as a director, if elected. Candidates who have been recommended by stockholders will be evaluated by the Nominating and Corporate Governance Committee in the same manner as other potential candidates. Stockholders who wish to formally nominate a candidate for election to the Board may do so provided they comply with the notice and other procedures set forth in our Certificate of Incorporation and By-Laws, which are described below under the caption Other Matters Stockholder Proposals for 2017 Annual Meeting of Stockholders.

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Director Independence

Under the rules and listing standards of NASDAQ, the Board of Directors must have a majority of directors who meet the criteria for independence required by NASDAQ. Pursuant to the Corporate Governance Guidelines, the Board is required to determine whether each director satisfies the criteria for independence based on all relevant facts and circumstances. No director qualifies as independent unless the Board of Directors affirmatively determines that such director has no relationship which, in the opinion of the Board, would interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director.

In accordance with the Corporate Governance Guidelines, the Board has adopted director independence categorical standards (the Independence Standards) to assist the Board in determining the independence of the Company s directors. Copies of the Corporate Governance Guidelines and the Independence Standards are available on the Company s website at www.aboutwendys.com. Pursuant to the Independence Standards, the following relationships will preclude a director from qualifying as independent:

- The director is, or at any time during the past three years was, an employee of the Company, or an immediate family member of the director is, or at any time during the past three years was, an executive officer of the Company;

- The director or an immediate family member of the director accepted, during any 12-month period within the past three years, more than $120,000 in direct or indirect compensation from the Company, other than: (i) compensation for Board or Board committee service; (ii) compensation paid to an immediate family member who is a non-executive employee of the Company; or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

- The director or an immediate family member of the director (i) is a current partner of the Company s outside auditor or (ii) was a partner or employee of the Company s outside auditor who worked on the Company s audit at any time during the past three years;

- The director or an immediate family member of the director is employed as an executive officer of another entity where at any time during the past three years any of the Company s executive officers served on the compensation committee of such other entity; or

- The director or an immediate family member of the director is a partner in, or a controlling stockholder or an executive officer of, any organization (including a non-profit organization, foundation or university) to which the Company made, or from which the Company received, payments for property or services in the current fiscal year or any of the past three fiscal years that exceed the greater of $200,000 or 5% of the recipient s consolidated gross revenues for that year, other than (i) payments arising solely from investments in the Company s securities and (ii) payments under non-discretionary charitable contribution matching programs.

In applying these objective disqualifiers, the Board of Directors will take into account any commentary, interpretations or other guidance provided by NASDAQ with respect to NASDAQ Listing Rule 5605. Under the

Independence Standards, any relationships or transactions not described above will preclude a director from qualifying as independent only if:

- The director has a direct or indirect material interest in such relationship or transaction within the meaning of Item 404(a) of SEC Regulation S-K and the material terms of the relationship or transaction are materially more favorable to the director than those that would be offered at the time and in comparable circumstances to unaffiliated persons; or

- The Board of Directors, in exercising its judgment in light of all relevant facts and circumstances, determines that the relationship or transaction interferes with the director s exercise of independent judgment in carrying out the responsibilities of a director.

The Independence Standards provide that a relationship between the Company and an entity for which a director serves solely as a non-management director is not by itself material.

In February 2016, the Nominating and Corporate Governance Committee and the Board of Directors considered and reviewed certain transactions and relationships identified through responses to annual questionnaires completed by the Company s directors, as well as other information presented by management related to transactions and relationships during the past three years between the Company, on the one hand, and the directors (including their immediate family members and business, charitable and other affiliates), on the other hand. As a result of this review, in February 2016, the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, affirmatively determined that Mses. Hill and Mathews-Spradlin and Messrs. Kass, Levato, Lewis, Rothschild and Schwab qualified as independent directors under applicable NASDAQ rules and the Independence Standards.

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In March 2016, the Nominating and Corporate Governance Committee and the Board of Directors considered the independence of Mr. Winkleblack in connection with his nomination for election as a director of the Company at the Annual Meeting. After reviewing all relevant information, the Board, upon the recommendation of the Nominating and Corporate Governance Committee, affirmatively determined that, if elected to the Board, Mr. Winkleblack will qualify as an independent director under applicable NASDAQ rules and the Independence Standards.

In making its independence determinations with respect to Ms. Mathews-Spradlin and Messrs. Levato, Lewis, Rothschild and Schwab, the Board noted that these directors did not have any transactions or relationships with the Company during the past three years. In making its independence determinations with respect to Ms. Hill and Messrs. Kass and Winkleblack, the Board of Directors considered the following transactions and relationships, each of which was deemed by the Board not to interfere with the director s exercise of independent judgment in carrying out the responsibilities of a director:

Ms. Hill serves as a non-management director of Dean Foods Company, one of the leading food and beverage companies in the United States. Wendy s and its franchisees, through independent third-party distributors, purchase products from Dean Foods Company and its subsidiaries;

Ms. Hill serves as a non-management director of Carlyle Group Management L.L.C., the general partner of The Carlyle Group L.P., a global alternative asset manager. The Carlyle Group L.P. holds a 42% equity stake in Alamar Foods, a former Wendy s master franchisee. In January 2015, Alamar Foods sold its 17 Wendy s restaurants in the United Arab Emirates and ceased operating as a Wendy s franchisee;

Ms. Hill served as a non-management director of Sprint Nextel Corporation, a leading communications services company, until July 2013. During 2013, the Company and its subsidiaries made payments to Sprint Nextel Corporation for telecommunications services;

Mr. Kass serves as an advisory partner of Trian Partners, a management company for various investment funds and accounts. As of March 28, 2016, Trian Partners beneficially owned 15.2% of our outstanding Common Stock. Nelson Peltz is Chief Executive Officer and a founding partner of Trian Partners, Peter W. May is President and a founding partner of Trian Partners and Matthew H. Peltz is a Partner and member of the Investment Team of Trian Partners. The Company is party to certain transactions and relationships with Trian Partners, including those described below under the caption Certain Related Person Transactions; and

Mr. Winkleblack serves as a non-management director of Performance Food Group Company, a leading marketer and distributor of food and food-related products across the United States. Wendy s and its franchisees purchase food, beverages and supplies from Performance Food Group Company.

One of the Company s former directors, Jack G. Wasserman, served on the Board of Directors until June 2015 when his term expired at the Company s 2015 annual meeting of stockholders. In February 2015, the Board, upon the recommendation of the Nominating and Corporate Governance Committee, affirmatively determined that Mr. Wasserman qualified as an independent director under applicable NASDAQ rules and the Independence Standards.

Board Meetings and Attendance

The Board of Directors held six meetings during 2015. Each director attended at least 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by the Board committees on which he or she served (in each case, held during the period such director served). In accordance with the Corporate Governance Guidelines, directors are expected to attend the Company s annual meetings of stockholders. All of the Company s directors who were then serving on the Board attended the Company s 2015 annual meeting of stockholders.

Board Committees

The Board has a standing Audit Committee, Compensation Committee, Performance Compensation Subcommittee and Nominating and Corporate Governance Committee. Copies of the Charter of the Audit Committee, Joint Charter of the Compensation Committee and of the Performance Compensation Subcommittee and Charter of the Nominating and Corporate Governance Committee are available on the Company s website at www.aboutwendys.com and are available in print, free of charge, to any stockholder who requests them. The Board also has a standing Benefits and Investment Committee, Capital and Investment Committee, Corporate Social Responsibility Committee and Executive Committee.

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The current members of each Board committee are identified in the table below. It is anticipated that, at the Board s organizational meeting immediately following the Annual Meeting, the Board will designate the directors to serve on each of its committees until the Company s next annual meeting of stockholders.

Name	Audit	Compensation	Nominating and Corporate Governance	Benefits and Investment	Capital and Investment	Corporate Social Responsibility	Executive
Nelson Peltz						Chair	Chair
Peter W. May					Chair	ü	ü
Emil J. Brolick					ü		ü
Janet Hill*		ü (1)					
Dennis M. Kass*							
Joseph A. Levato*	Chair (2)	ü		ü		ü	
J. Randolph Lewis* (3)	ü		ü	Chair			
Michelle J. Mathews-Spradlin*		ü (1)					
Matthew H. Peltz							
Peter H. Rothschild*	ü		ü				
David E. Schwab II* (3)	ü	Chair (1)	Chair				ü

* Independent Director.

(1) Also serves as a member of the Performance Compensation Subcommittee.

(2) Audit Committee Financial Expert.

(3) Not standing for re-election at the Annual Meeting.

AUDIT COMMITTEE

***Number of Meetings in 2015*:** 11

***Committee Functions*:** The Audit Committee oversees the accounting and financial reporting processes of the Company and the audits of the Company s financial statements, and assists the Board in fulfilling its oversight responsibility relating to:

- The integrity of the Company s financial statements and financial reporting process, the Company s systems of internal accounting and financial controls and other financial information provided by the Company;

- The performance of the Company s internal audit function;

- The annual independent audit of the Company s financial statements, the engagement of the Company s independent registered public accounting firm and the evaluation of such firm s qualifications, independence and performance;

- The Company s compliance with legal and regulatory requirements, including the Company s disclosure controls and procedures; and

- Discussing risk assessment and risk management policies, particularly those involving major financial risk exposures.

***Independence and Financial Literacy*:** The Board has determined that each member of the Audit Committee satisfies the independence and financial literacy requirements of NASDAQ and the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Board has also determined that at least one member of the Audit Committee, Mr. Levato, qualifies as an audit committee financial expert under applicable SEC rules and regulations and as a financially sophisticated audit committee member under applicable NASDAQ rules.

***Audit Committee Report*:** The report of the Audit Committee with respect to 2015 is provided below under the caption Audit Committee Report.

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COMPENSATION COMMITTEE AND PERFORMANCE COMPENSATION SUBCOMMITTEE
***Number of Meetings in 2015*:** 6 joint meetings

***Committee Functions*:** The Compensation Committee assists the Board in discharging its responsibility relating to compensation of the Company s directors and executive officers, including administering any salary, compensation and incentive plans that the Committee is designated by the Board to administer.

The Performance Compensation Subcommittee (the Subcommittee) was established by the Board in 1997 to administer the Company s compensation plans that are intended to meet the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), including the Company s 2010 Omnibus Award Plan (as amended, the 2010 Omnibus Award Plan), and any other salary, compensation and incentive plans that the Subcommittee is designated by the Board to administer.

The processes and procedures employed by the Compensation Committee and the Subcommittee in considering and determining executive and director compensation are described below under the caption Compensation Committee Responsibilities and Governance.

***Independence*:** The Board has determined that each member of the Compensation Committee and the Subcommittee satisfies the independence requirements of NASDAQ. In addition, each member of the Subcommittee is an outside director for purposes of Section 162(m) of the Internal Revenue Code and a non-employee director for purposes of Section 16 of the Exchange Act.

***Compensation Committee Report*:** The report of the Compensation Committee with respect to 2015 is provided below under the caption Compensation Committee Report.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
***Number of Meetings in 2015*:** 7

***Committee Functions*:** The Nominating and Corporate Governance Committee assists the Board by:

- Identifying individuals qualified to become members of the Board, consistent with any guidelines and criteria approved by the Board;

- Considering and recommending director nominees for the Board to select in connection with each annual meeting of stockholders;

- Considering and recommending nominees for election to fill any vacancies on the Board and to address related matters;

Developing and recommending to the Board corporate governance principles applicable to the Company; and

Overseeing an annual evaluation of the Board s performance.

***Independence*:** The Board of Directors has determined that each member of the Nominating and Corporate Governance Committee satisfies the independence requirements of NASDAQ.

OTHER BOARD COMMITTEES

***Benefits and Investment Committee*.** The Benefits and Investment Committee (formerly known as the ERISA Committee) is the plan administrator of the Company s 401(k) plan and has general oversight responsibility with respect to the operation of the Company s pension, profit sharing, thrift or other retirement plans and ERISA welfare benefit plans.

***Capital and Investment Committee*.** The Capital and Investment Committee is responsible for approving the investment of the Company s excess funds (*i.e.*, funds not currently required for operations or acquisitions) and exercising approval authority for certain transactions (such as capital expenditures, acquisitions, dispositions and borrowings) within amounts specified by the Board.

***Corporate Social Responsibility Committee*.** The Corporate Social Responsibility Committee is responsible for reviewing and approving the Company s charitable contributions (subject to review and approval by the Audit Committee of any proposed charitable contribution that would constitute a related person transaction) and recommending to the Board any changes to the maximum amount of charitable contributions that may be made by the Company in any fiscal year.

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Executive Committee. During intervals between meetings of the Board, the Executive Committee may exercise all of the powers and authority of the Board in the management of the business and affairs of the Company, including, without limitation, all such powers and authority as may be permitted under Section 141(c)(2) of the Delaware General Corporation Law.

Executive Sessions of the Board

The Board of Directors holds regularly scheduled executive sessions in which non-management directors meet without any members of management present. The Chairman or, in his absence, the Vice Chairman, presides over these executive sessions. The Board also meets at least twice a year in executive session with only independent directors present. The Chair of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee rotate presiding over these executive sessions, with Mr. Schwab presiding in 2015.

Board s Role in Risk Oversight

The Board of Directors provides oversight with respect to the Company s risk assessment and risk management activities, which are designed to identify, prioritize, assess, monitor and mitigate material risks to the Company, including financial, operational, compliance and strategic risks. While the Board has primary responsibility for risk oversight, the Board s standing committees support the Board by regularly addressing various risks in their respective areas of responsibility. The Audit Committee focuses on financial risks, including reviewing with management, the Company s internal auditors and the Company s independent registered public accounting firm the Company s major risk exposures (with particular emphasis on financial risk exposures), the adequacy and effectiveness of the Company s accounting and financial controls and the steps management has taken to monitor and control such exposures, including the Company s risk assessment and risk management policies. The Compensation Committee considers risks presented by the Company s compensation policies and practices for its executive officers and other employees, as discussed below under the caption Compensation Risk Assessment. The Nominating and Corporate Governance Committee reviews risks related to the Company s corporate governance structure and processes, including director qualifications and independence, stockholder proposals related to governance, succession planning and the effectiveness of our Corporate Governance Guidelines. The Board s risk oversight function is also supported by a Risk Oversight Committee composed of members of senior management. The Risk Oversight Committee is exclusively devoted to prioritizing and assessing all categories of enterprise risk, including risks delegated by the Board of Directors to the Board committees, as well as other operational, compliance and strategic risks facing the Company. Each of these committees reports directly to the Board.

The Board believes that its current leadership structure supports the risk oversight function of the Board. Having the roles of Chief Executive Officer and Chairman of the Board filled by separate individuals allows the Chief Executive Officer to lead senior management in its supervision of the Company s day-to-day business operations, including the identification, assessment and mitigation of material risks, and allows the Chairman to lead the Board in its oversight of the Company s risk assessment and risk management activities.

Compensation Risk Assessment

As part of the Board s risk oversight function, the Compensation Committee conducts an annual review of compensation-related risk. In February 2016, the Compensation Committee and its independent advisors met with management to review management s conclusion that the Company s compensation policies and practices for its employees do not create risks that are reasonably likely to have a material adverse effect on the Company. Management reviewed with the Compensation Committee the various factors underlying management s conclusion, including the performance objectives and target levels used in connection with the Company s incentive awards, as well as the features of the Company s compensation plans that are designed to mitigate compensation-related risk, including the following:

- Plan and award metrics are tied directly to overall profitability;

- Various methods for delivering compensation are utilized, including cash-based and equity-based incentives with different time horizons that provide a balanced mix of both short-term and long-term incentives;

- Performance-based awards have fixed maximum payouts;

- The Company has the right to reduce or eliminate payouts under incentive awards through the use of negative discretion, including if a participant s behavior is in conflict with the Company s Code of Business Conduct and Ethics or any other Company policy or procedure;

- Annual incentive payouts are not made until the Company s financial statements are audited by the Company s independent registered public accounting firm and plan results are certified by the Chief Financial Officer; and

- All incentive awards granted under the 2010 Omnibus Award Plan contain clawback provisions in favor of the Company in the event the Company is required to materially restate its financial statements or a court determines that a participant has engaged in a detrimental activity (as defined in the plan).

With respect to the Company s compensation program for executive officers, the Compensation Committee believes that this program is appropriately designed to support the Company s business objectives by linking executive compensation to individual performance, the Company s attainment of annual and multi-year operating and financial goals and the creation of long-term stockholder value. The executive compensation program includes the following features which are designed to prevent risk-taking that could have a material adverse effect on the Company:

- Base salaries represent a sufficient component of executives total cash compensation so that excessive risk-taking that may be associated with performance-based compensation is mitigated;

- Performance goals and metrics under the Company s annual cash incentive plan are based upon realistic operating levels that can be attained without taking inappropriate risks or deviating from normal operations or approved strategies;

- Long-term equity incentive awards are based in part upon the Company s performance over a multi-year period, which mitigates against the taking of short-term risk;

- Incentive compensation plan design allows for adjustment of performance metrics for non-recurring and other special items so that executives are rewarded based on the Company s actual operating results;

- Equity-based awards represent a significant portion of executives total compensation, which links executive compensation to the long-term value of our Common Stock; and

- The Board of Directors has adopted Stock Ownership and Retention Guidelines that require significant stock ownership by executives, which further aligns the interests of executives with the interests of stockholders.

Code of Business Conduct and Ethics and Related Governance Policies

The Board of Directors has adopted several governance policies to support its risk oversight function, including a Code of Business Conduct and Ethics (the Code of Ethics), a Securities Trading Policy and a Public Disclosure Policy.

Code of Ethics. The Code of Ethics is designed to ensure that the Company s business is conducted with integrity. The Code of Ethics sets forth the Company s standards and expectations regarding business relationships, franchisee relations, compliance with law, business conduct, conflicts of interest, use of Company assets, confidential information and recording and reporting information. The Code of Ethics applies to all of the Company s directors, officers and employees, including the principal executive officer, principal financial officer and principal accounting officer. A copy of the Code of Ethics is available on the Company s website at www.aboutwendys.com. Any amendments to or waivers from the Code of Ethics that are required to be disclosed by applicable SEC rules will also be posted on the Company s website.

Securities Trading Policy. The Securities Trading Policy is intended to assist the Company and its directors, officers and employees in complying with federal and state securities laws and avoiding even the appearance of questionable or improper conduct in connection with securities transactions. Under the Securities Trading Policy, covered persons:

May not trade in Company securities if they are aware of material nonpublic information;

May not trade in the securities of another company if they are aware of material nonpublic information about that company which was obtained during the course of their employment with the Company;

May not speculate in Company securities through engaging in puts, calls or short positions;

May not engage in any other hedging transactions without pre-clearance from the Company s legal department;

May not share material nonpublic information with others or recommend to anyone the purchase or sale of any securities when they are aware of material, undisclosed information; and

Must comply with certain pre-clearance and blackout procedures described in the policy.

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Public Disclosure Policy. The Public Disclosure Policy is intended to support the Company s commitment to providing timely, transparent, consistent and credible information to the investing public, consistent with legal and regulatory requirements, including the SEC s Regulation FD (Fair Disclosure). Regulation FD prohibits the Company or persons acting on its behalf from disclosing material nonpublic information to securities market professionals or stockholders before disclosing the information to the general public. The Public Disclosure Policy covers all directors, officers and employees of the Company and sets forth certain procedures and requirements that are applicable to:

- Disclosures in documents filed with the SEC;
- Statements made in annual, quarterly and current reports, press releases, communications with analysts, investors and the media, speeches and presentations; and
- Information contained on the Company s website.

Board s Role in Succession Planning

As reflected in our Corporate Governance Guidelines, one of the key responsibilities of the Board of Directors is planning for Chief Executive Officer succession. Succession planning addresses both contingency planning for emergencies (such as death or disability) and succession in the ordinary course of business (such as retirement). The Board s goal is to ensure senior leadership continuity by overseeing the development of executive talent and planning for the efficient succession of the Chief Executive Officer. The Board has delegated oversight responsibility for succession planning to the Nominating and Corporate Governance Committee, which periodically reviews succession plans and makes recommendations to the Board in the event of an emergency or the retirement of the Chief Executive Officer.

The Board of Directors, with input from the Nominating and Corporate Governance Committee, conducts a periodic review of senior leadership succession plans. During this review, the Board discusses with the Chief Executive Officer and Chief People Officer organizational needs, competitive challenges, candidates for senior leadership positions, succession timing for those positions and development plans for high-potential candidates.

During 2015, the Board of Directors was actively engaged in succession planning. In October 2015, the Company announced that Mr. Brolick planned to retire from management duties with the Company in May 2016. As part of the succession plan approved by the Board, Mr. Penegor was appointed President of the Company effective January 4, 2016, and Mr. Penegor is expected to succeed Mr. Brolick in the Chief Executive Officer role after a transition period that began in the first quarter of 2016. Mr. Brolick is expected to continue to serve on the Board of Directors upon his retirement to ensure continuity of leadership and strategic focus for the Company.

Board and Committee Evaluations

Pursuant to our Corporate Governance Guidelines, the Board of Directors and its committees conduct annual self-evaluations under the direction of the Nominating and Corporate Governance Committee. The evaluations are intended to provide the Board and its committees with an opportunity to evaluate their performance for the purpose of improving Board and committee processes and effectiveness. As part of the Board s self-evaluation, directors consider and provide feedback on a range of issues, including interactions with and information flow from management, nature and scope of agenda items, adequacy and efficiency of meetings, Board structure and composition, committee composition and responsibilities, processes to ensure open communication and timely action, the effectiveness of executive sessions and consideration of stockholder value and interests. Committee self-evaluations are led by the committee chairs and include, among other topics, a review of the roles and responsibilities set forth in the committee charters, interactions with and information flow from management, nature and scope of agenda items, adequacy and efficiency of meetings, committee structure and composition, committee resources and the role of outside consultants and advisers. The results of the committee self-evaluations are discussed with the full Board.

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COMPENSATION COMMITTEE RESPONSIBILITIES AND GOVERNANCE

Scope of Authority and Responsibilities

The primary purpose of the Compensation Committee is to assist the Board of Directors in discharging its responsibility relating to the compensation of the Company s executive officers and directors. In carrying out its duties, the Compensation Committee:

Reviews and approves the goals and objectives relevant to compensation of the Company s Chief Executive Officer, evaluates the performance of the Chief Executive Officer in light of those goals and objectives and determines, or recommends to the Board for determination, the compensation of the Chief Executive Officer based on such evaluation;

Reviews and approves the goals and objectives relevant to the compensation of the Company s other executive officers, oversees an evaluation of the effectiveness of the compensation program for such officers and determines the compensation of such officers taking into consideration any matters it deems relevant, including any recommendations made by the Chief Executive Officer and the Committee s independent outside compensation consultant;

Reviews and approves the overall compensation philosophy, policies and practices for the Company s executive officers, including the use of employment agreements, severance plans and arrangements, deferred compensation plans and other executive benefits and perquisites;

Reviews and advises the Board with respect to executive officer incentive programs, compensation plans and equity-based plans, and administers such plans as the Board designates, including determining awards to be granted to executive officers and other employees under such plans and evaluating the achievement of goals and objectives established under such plans;

Reviews the competitiveness and appropriateness of the compensation program for the Company s non-management directors, and approves or makes recommendations to the Board of Directors with respect to director compensation;

Reviews and discusses the Compensation Discussion and Analysis prepared by management and determines whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company s proxy statement and annual report;

Reviews and evaluates with management whether the Company s compensation policies and practices for executive officers and other employees create risks that are reasonably likely to have a material adverse effect on the Company and reviews any related disclosure required by SEC rules and regulations to be included in the Company s proxy statement; and

Provides recommendations to the Board on compensation-related proposals to be considered at stockholder meetings, including say-on-pay and say-on-frequency advisory votes, reviews the results of any stockholder advisory votes on executive compensation matters and considers whether to implement, or recommend to the Board the implementation of, any modifications to the Company s compensation programs and policies in response to such voting results.

Compensation of Executive Officers and Directors

The actions taken by the Compensation Committee and the Subcommittee during 2015 with respect to the compensation of the Company s named executive officers are discussed below under the caption Compensation Discussion and Analysis. The actions taken by the Compensation Committee during 2015 with respect to the compensation of the Company s non-management directors are discussed below under the caption Compensation of Directors.

Authority to Delegate

The Compensation Committee and the Subcommittee each may delegate authority to subcommittees composed of one or more of its members, and also may delegate authority to its Chair when it deems appropriate, subject to the terms of its charter. The Compensation Committee and the Subcommittee also may delegate to one or more directors or officers the authority to make grants of equity-based compensation to eligible employees who are not executive officers, subject to the terms of the Company s compensation plans and applicable legal and regulatory requirements. Any director or officer to whom the Compensation Committee or the Subcommittee grants such authority must regularly report any grants so made, and the Committee or the Subcommittee may revoke any delegation of authority at any time.

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Role of Compensation Consultants and Other Advisers

In carrying out its responsibilities, the Compensation Committee periodically reviews and evaluates the components and competitiveness of the Company s executive compensation program, using information drawn from a variety of sources, including information provided by outside compensation consultants, legal counsel and other advisers, as well as the Committee s own experience in recruiting, retaining and compensating executives. The Compensation Committee has the sole authority to retain and oversee the work of outside compensation consultants, legal counsel and other advisers in connection with discharging its responsibilities, including the sole authority to determine such consultants or advisers fees and other retention terms. The Company provides such funding as the Compensation Committee determines to be necessary or appropriate for payment of compensation to consultants and advisers retained by the Committee.

Since December 2009, the Compensation Committee has engaged Frederic W. Cook & Co., Inc. (Cook & Co.) to serve as its independent outside compensation consultant. Representatives from Cook & Co. regularly attend Compensation Committee meetings and provide advice to the Committee on a variety of compensation-related matters. The Compensation Committee seeks input from Cook & Co. on competitive market practices, including evolving trends and best practices and external survey data. During 2015, Cook & Co. assisted the Compensation Committee with respect to the design of the Company s executive compensation program, including base salary levels, the 2015 cash incentive plan and the 2015 long-term equity incentive awards for the Chief Executive Officer and other senior executives. Cook & Co. also advised the Compensation Committee in connection with its review and approval of compensation packages offered to new executives hired by the Company, one-time equity incentive awards granted to certain key executives, compensation decisions related to the transition of the President and Chief Executive Officer roles and modifications to the executive compensation program for 2016. At the request of the Compensation Committee, Cook & Co. periodically reviews the compensation components and levels of the Company s executive officers and advises the Committee on the appropriateness of the Company s executive compensation program in the context of its overall compensation philosophy. Under the terms of its engagement, Cook & Co. does not provide any other services to the Company and works with management only on matters for which the Compensation Committee has oversight responsibility. The Compensation Committee has assessed the independence of Cook & Co. pursuant to applicable SEC and NASDAQ rules (including consideration of the six independence factors specified in NASDAQ Listing Rule 5605(d)(3)(D)) and concluded that no conflict of interest exists that would prevent Cook & Co. from serving as an independent compensation consultant to the Committee.

Management provides information and makes recommendations to the Compensation Committee from time to time regarding the design of the Company s executive compensation program. In formulating its recommendations, management reviews information from a variety of sources, including information provided by outside compensation consultants. During 2015, management engaged Willis Towers Watson to serve as management s outside compensation consultant. Willis Towers Watson provided market data and other information to management in connection with the design of the Company s executive compensation program, including a review of base salary, total cash compensation and total direct compensation levels for the Chief Executive Officer and other senior executives. Willis Towers Watson also advised management on potential voting recommendations by proxy advisory firms with respect to the Company s executive compensation program and amendments to the 2010 Omnibus Award Plan. Certain of the market data and other information provided by Willis Towers Watson was also made available to the Compensation Committee and its independent outside compensation consultant, Cook & Co.

Role of Executive Officers

The Company s executive officers provide support and assistance to the Compensation Committee and the Subcommittee on a variety of compensation-related matters. Each year, the Chief Executive Officer and other senior executives provide input to the Subcommittee regarding the design of the Company s annual cash incentive plan and annual long-term equity incentive plan, including proposed performance goals and objectives and a list of participants eligible to receive awards. The Subcommittee then determines the structure and components of the annual cash incentive and long-term equity incentive awards after considering management s recommendations, as well as input from the Subcommittee s independent outside compensation consultant. With respect to performance-based awards, following the completion of each performance period, the Chief Financial Officer provides the Subcommittee with a certification of the Company s actual performance relative to the stated performance goals and the resulting payouts to participants based on such performance. Under the terms of the annual cash incentive plan, payouts to executives other than the Chief Executive Officer can be adjusted by the Subcommittee by up to +/-25% (subject to the maximum incentive award opportunities established by the Subcommittee for purposes of Section 162(m) of the Internal Revenue Code) at the recommendation of the Chief Executive Officer, based on his assessment of each executive s individual performance. The Subcommittee then determines the actual incentive payouts to eligible participants after taking into account Company and individual performance and any other relevant facts and circumstances.

The Chief Executive Officer and other executives with expertise in compensation, benefits, tax, accounting and legal matters provide information and make recommendations to the Compensation Committee from time to time on compensation-related matters, including proposed employment, retention, relocation, severance and other compensatory arrangements, base salary levels, annual cash incentive plans, long-term equity incentive awards, annual compensation risk assessments and evolving trends and best practices in executive compensation. Executives also present information to the Compensation Committee regarding the Company s business and financial performance, strategic initiatives, legal and regulatory developments and other relevant matters. In accordance with applicable NASDAQ rules, the Chief Executive Officer may not be present during any voting or deliberations by the Compensation Committee or Subcommittee with respect to his compensation.

Compensation Committee Interlocks and Insider Participation

Five non-management directors served on the Compensation Committee during 2015: Mr. Schwab (Chair), Ms. Hill, Mr. Levato, Ms. Mathews-Spradlin (upon her appointment to the Committee on June 1, 2015) and Mr. Wasserman (until his retirement from the Board on June 1, 2015).

During 2015: (i) no member of the Compensation Committee had ever served as an officer or employee of the Company, except that, from 1993 to 1996, Mr. Levato served as the Company s Executive Vice President and Chief Financial Officer; (ii) no member of the Compensation Committee was party to any related person transaction or other relationship requiring disclosure under Item 404 of SEC Regulation S-K; and (iii) none of the Company s executive officers served as a member of the board of directors or the compensation committee, or a similar committee, of any other entity, one of whose executive officers served on the Board of Directors, the Compensation Committee or the Subcommittee.

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COMPENSATION COMMITTEE REPORT*

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis with the Company s management and, based on such review and discussions, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended January 3, 2016.

The Compensation Committee:

David E. Schwab II, Chair

Janet Hill

Joseph A. Levato

Michelle J. Mathews-Spradlin

* *This Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Compensation Committee Report by reference into such other filing.*

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the Company s executive compensation objectives, philosophy and practices and discusses the compensation that was awarded during 2015 to the individuals identified below (collectively, the named executive officers or NEOs).

Name	Position
Emil J. Brolick	Chief Executive Officer
Todd A. Penegor	President and Chief Financial Officer
Robert D. Wright	Executive Vice President, Chief Operations Officer
R. Scott Toop	Former Senior Vice President, General Counsel and Secretary *(through January 17, 2016)*
Scott A. Weisberg	Chief People Officer
Darrell G. van Ligten	Former Senior Vice President President, International *(through June 8, 2015)*
Craig S. Bahner	Former Chief Marketing Officer *(through April 2, 2015)*

Compensation Discussion and Analysis At a Glance

2015 Executive Summary

By nearly every measure, 2015 was an extraordinary year for Wendy s, being both a period of transformative change and senior leadership transition. The Company achieved strong operating and financial results and continued to execute our brand vision to Delight Every Customer™ by providing a Deliciously Different™ restaurant experience. During 2015, the Company drove significant improvements in both our corporate and restaurant-level economic model, accelerated the transformation of the Wendy s brand, continued to strengthen the Wendy s franchise system and created significant value for stockholders. The Company s key operating and financial results for 2015 are highlighted below.

Improving the Core Economic Model

Ø Delivered adjusted EBITDA growth of 10% to $392 million and adjusted earnings per share growth of 14% to $0.33 (see Annex A for a reconciliation of non-GAAP financial measures)

Ø Achieved Company-operated same restaurant sales growth of 2.6% (4.9% on a two-year basis)

- Ø Improved Company-operated restaurant margins by 190 basis points to 17.7%

- Ø Increased average annual unit sales volumes for Company-operated restaurants by 3.1% to a record-high $1.64 million

- Ø Completed an attractive fixed-rate debt refinancing through a $2.275 billion whole business securitization

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Transforming the Wendy s Brand through Image Activation

- Ø Accelerated the enhancement of the Wendy s brand image by reimaging 450 system restaurants and building 70 new system restaurants with innovative interior and exterior designs through our Image Activation program

- Ø On track to have 60%+ of Wendy s North America system restaurants on our Image Activation design by 2020

- Ø Image Activation restaurants continue to contemporize and elevate the restaurant experience and drive increased traffic and higher sustained sales

Strengthening the Wendy s System through System Optimization

- Ø Sold 327 Company-operated restaurants in the U.S. and Canada to new and existing franchisees with a commitment to high operating standards, Image Activation reimaging and new restaurant development as part of our System Optimization initiative

- Ø On track to reduce Company-operated restaurant ownership to approximately 5% of the total system in 2016

- Ø System Optimization continues to strengthen our franchisee base, generate improved earnings quality through increased royalty and rental income and serve as a catalyst for our brand transformation and long-term growth

Creating Significant Value for Stockholders

- Ø Returned $1.1 billion in cash to stockholders through share repurchases, reducing our shares outstanding by 26%

- Ø Increased our quarterly dividend rate by 9% and returned $72 million in cash to stockholders through dividends

- Ø Delivered one-year and three-year total stockholder return of 21% and 144%

The graph below illustrates our total stockholder return over the past three years relative to the S&P MidCap 400® index, assuming an initial investment of $100 and reinvestment of all dividends when received.

2015 was also highlighted by the implementation of thoughtful succession planning, as the Company announced that Mr. Brolick planned to retire from management duties with the Company in May 2016. As part of the succession plan, Mr. Penegor was appointed President of the Company effective January 4, 2016, and Mr. Penegor is expected to succeed Mr. Brolick in the Chief Executive Officer role after a transition period that began in the first quarter of 2016. Mr. Brolick is expected to continue to serve on the Board of Directors upon his retirement to ensure continuity of leadership and strategic focus for the Company.

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The Company s strong performance in 2015 was reflected in the compensation delivered to our senior executives, as described in this Compensation Discussion and Analysis and set forth in the 2015 Summary Compensation Table below and the related compensation tables, notes and narrative that follow. Our significant year-over-year improvements in same restaurant sales and adjusted EBITDA supported an annual cash incentive payout at 152.6% of target, prior to adjustment for individual performance. In addition, performance unit awards that were granted to senior executives in 2012 vested at 157% of target based on the Company s total stockholder return of 169% for the three-year performance period that began on July 2, 2012 and ended on June 28, 2015.

Notwithstanding strong stockholder support of our annual say-on-pay advisory vote, the Compensation Committee continued to evaluate ways to further strengthen our commitment to best practices in compensation governance. For 2016, we increased the weighting of our key growth metric same restaurant sales in our annual cash incentive compensation plan and eliminated the individual performance multiplier for the Chief Executive Officer. We also increased the weighting of the performance unit component of our long-term equity incentive compensation plan from 40% to 50%, with a corresponding decrease in the stock option component. The table below highlights key features of our executive compensation program that demonstrate the Company s commitment to protecting stockholder interests through sound governance practices.

What We Do	**What We Do Not Do**
ü Hold an annual say-on-pay advisory vote for stockholders ü Engage independent outside compensation consultants and utilize market and industry data to ensure we compensate fairly and competitively, but not excessively ü Balance short-term and long-term compensation to discourage short-term risk taking at the expense of long-term results ü Set meaningful performance goals at the beginning of annual and multi-year performance periods ü Mitigate undue risk taking by utilizing multiple performance metrics, imposing caps on individual payouts, employing a clawback policy for equity awards and performing an annual compensation risk assessment ü Use an appropriate mix of cash and non-cash compensation, with an emphasis on variable (at-risk) compensation ü Limit accelerated vesting of equity awards by requiring a double trigger upon a change in control ü Set significant stock ownership and retention guidelines for the Chief Executive Officer and other executives	Provide annual or multi-year incentive guarantees Provide excessive perquisites or benefits to executives Grant equity awards at less than fair market value Offer pension or SERP benefits to executives Pay dividends on equity awards that are not earned or vested

- Gross-up excise taxes upon a change in control
- Reprice underwater stock options
- Permit speculative trading, hedging or derivative transactions in our Common Stock

A Philosophy of Pay-for-Performance

Objectives of the Executive Compensation Program

The compensation program for the Company s senior executives is designed to support the Company s business objectives by linking executive compensation to individual performance, the Company s attainment of annual and multi-year operating and financial goals and the creation of long-term stockholder value. The primary objectives of the executive compensation program are to:

- Attract and retain highly qualified executives;
- Motivate and reward executives for achieving individual and Company performance goals; and
- Align the interests of executives with the interests of stockholders.

Emphasis on Variable Compensation

The Compensation Committee believes that a substantial portion of the total compensation for senior executives should be variable (*i.e.*, at-risk) and tied to Company performance. Variable compensation is dependent on our financial and operational success and the achievement of strategic business objectives that create value for our stockholders. This pay-for-performance philosophy aligns executive pay with the Company s business objectives and ensures that executives are responsive and accountable to stockholder interests.

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Total direct compensation for senior executives is composed of three elements: (i) base salary; (ii) annual cash incentive compensation; and (iii) long-term equity incentive compensation. The charts below illustrate how base salary, annual cash incentive awards (at targeted levels of performance) and long-term equity incentive awards (at targeted levels of performance) were allocated for 2015 to create the overall pay mix for the Chief Executive Officer and the other NEOs as a group (excluding Messrs. van Ligten and Bahner, who left the Company during 2015 and did not receive full-year equity awards).

As reflected by the charts, performance-based incentives constitute the most significant portion of total direct compensation for senior executives, consistent with the Company s pay-for-performance philosophy. By utilizing a high proportion of at-risk compensation, the executive compensation program offers senior executives an opportunity for increased compensation in the event of successful Company performance, matched with the prospect of reduced compensation in the event Company performance goals are not achieved.

Strong Pay-for-Performance Alignment

The chart below illustrates our pay-for-performance alignment by comparing the Company s sales and financial results to Mr. Brolick s total reported compensation over the past three years. As reflected by the chart, from 2013 to 2015, the Company achieved significant improvements in its key performance metrics North America Company-operated same restaurant sales growth, adjusted EBITDA and adjusted earnings per share that outpaced the increase in Mr. Brolick s total reported compensation over that time. The increase in Mr. Brolick s reported compensation from 2014 to 2015 was driven by the Company s improved same restaurant sales and adjusted EBITDA performance, which resulted in an above-target cash incentive payout for 2015, compared to a below-target cash incentive payout for 2014.

[1] See Annex A for a reconciliation of non-GAAP financial measures. The Company s 2013 and 2014 adjusted EBITDA and adjusted earnings per share have been reclassified to conform to the 2015 presentation to reflect (i) the Company s sale of its bakery operations in May 2015 and presentation of its bakery results as discontinued operations and (ii) changes to the Company s presentation of its System Optimization initiative in its statements of operations beginning in 2015. The Company has provided reclassified statements of operations and updated reconciliations of non-GAAP financial measures on the Investors section of its website under Non-GAAP Financial Measures.

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Elements of Executive Compensation

The primary components of the executive compensation program are described in the table below.

COMPONENT	PURPOSE
Base Salary	Attract and retain highly qualified executives by providing an appropriate level of fixed cash compensation that reflects the experience, responsibilities and performance of each executive
Annual Cash Incentive Compensation	Align executive pay with individual and Company performance by motivating and rewarding executives over a one-year time frame based on the achievement of strategic business objectives and individual performance goals
Long-Term Equity Incentive Compensation	Align the interests of executives with the interests of stockholders and retain highly qualified executives by motivating and rewarding executives to achieve multi-year strategic business objectives Create a direct link between executive pay and the long-term performance of our Common Stock
Perquisites and Benefits	Provide limited perquisites and benefits, consistent with competitive market practice

How Executive Compensation is Determined

On an annual basis, the Compensation Committee reviews the effectiveness of our executive compensation philosophy, evaluates the performance of our senior executives and establishes the executive compensation program for the current year. In determining the appropriate compensation package for senior executives, the Compensation Committee, in consultation with its independent outside compensation consultant, Cook & Co., considers a number of factors, including: (i) individual and Company performance; (ii) scope of responsibilities and relative importance of each role; (iii) qualifications and experience; (iv) competitive market practice; (v) internal pay equity; (vi) alignment with stockholder interests; and (vii) creation of long-term stockholder value.

For 2015, consistent with prior years, the Compensation Committee utilized the following approach to guide the Committee in making executive compensation decisions:

Targeted Compensation Levels. Compensation levels (base salary, annual cash incentives and long-term equity incentives) are targeted at the competitive range (*i.e.*, +/-15%) of market median, on average, with realized compensation above or below that range based on individual and Company performance. Individual executive compensation levels may be above or below the competitive range depending on unique situations, such as recruiting considerations for new hires, high sustained performance and the degree to which the Company position has greater or lesser responsibilities than the comparable market or industry position.

Competitive Market Reference. Data from companies of comparable revenues included in the *Towers Watson U.S. CDB General Industry Executive Compensation Survey Report* (General Industry Data) is used as a reference point to support the overall competitiveness of our executive compensation levels, with data from the *Chain Restaurant Total Rewards Association Survey Report* (Restaurant Industry Data) used as a secondary reference for relevant positions[2].

Annual Cash Incentives. The performance measures utilized for annual cash incentive awards are focused on our key earnings and growth metrics, with adjustments (+/-25%) to actual payouts possible based on individual performance.

Long-Term Equity Incentives. Long-term equity incentive awards consist of (i) performance units that are tied to the Company s achievement of key financial metrics over a three-year performance period and (ii) stock options that vest over three years.

The Compensation Committee believes this approach continues to be effective in maintaining a strong link between executive compensation and Company performance, as reflected by the Company s strong earnings and sales growth in 2015, the continued acceleration in the transformation of the Wendy s brand and the Company s ability to attract and retain a highly qualified and motivated leadership team.

[2] With respect to the Compensation Committee s review of General Industry Data (approximately 465 companies) and Restaurant Industry Data (approximately 95 companies): (i) the Committee does not select the companies that provide information for the surveys; (ii) the aggregate survey data is size-adjusted prior to being provided to the Committee; and (iii) the Committee does not link information back to particular companies as the aggregate survey data is reported by executive position and not by company. The Compensation Committee utilizes this broad-based, third-party survey data to gain a general understanding of the current compensation practices and trends in the market and the restaurant industry. As described above, competitive market practice is only one of several factors considered by the Compensation Committee when approving the elements and amounts of compensation awarded to senior executives.

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Compensation Decisions for 2015

Base Salary

In February 2015, the Compensation Committee reviewed the base salaries for the Company s senior executives, taking into account individual and Company performance and the other factors described above under the caption How Executive Compensation is Determined. After consulting with its independent outside compensation consultant, Cook & Co., and considering recommendations from the Chief Executive Officer with respect to the other members of the senior leadership team, the Compensation Committee approved base salary increases for certain executives, including Mr. Penegor ($25,000), Mr. Wright ($10,000), Mr. Toop ($25,000) and Mr. Weisberg ($10,000). In approving these increases, the Compensation Committee noted that the base salaries of the senior executives remained within the competitive range of market median, on average, consistent with the Company s executive compensation philosophy. Mr. Brolick s base salary was established in June 2014 as part of an amendment to his employment agreement and remained unchanged for 2015.

Annual Cash Incentive Compensation

In February 2015, the Subcommittee approved the 2015 annual cash incentive compensation framework for senior executives. Consistent with prior years, the 2015 executive incentive plan was based on the achievement of two performance metrics adjusted EBITDA and same restaurant sales. Adjusted EBITDA is a key earnings metric that reflects the Company s focus on increasing operating profitability, while same restaurant sales is a key growth metric that represents a fundamental operating performance measure for the Company s business. In selecting these metrics, the Subcommittee noted that adjusted EBITDA and same restaurant sales are prevalent restaurant industry measures, and management s ability to attain these metrics was critical to achieving the Company s operating and financial goals for 2015 and driving long-term stockholder value.

The design of the 2015 executive incentive plan was guided by four key principles:

- ***Growth must be achieved for any payment.*** Even at threshold performance payout levels, the Company must achieve adjusted EBITDA growth over the prior year and positive same restaurant sales growth.

- ***Reward executives consistent with external stockholder guidance.*** Target payout levels were established for performance at the low-end of the Company s external stockholder guidance, with an acceleration of the payout curve to incentivize management to achieve the high-end of guidance.

- ***Align executive compensation with Company performance.*** Target payout levels were set to provide median pay for median performance relative to competitors within the restaurant industry, while performance above (or below) target would result in payouts above (or below) median levels of pay.

- ***Reward individual performance.*** Cash incentive payouts can be adjusted by up to +/-25% based on an assessment of each executive s individual performance. In no event may an executive s payout exceed the maximum incentive award opportunity established for that individual.

The table below identifies the performance metrics, incentive opportunities and actual results achieved under the 2015 executive incentive plan.

Design of 2015 Executive Incentive Plan (Corporate Incentive Grid)

Performance Metric	Weight	Threshold (50% payout)	Target (100% payout)	Maximum (200% payout)	2015 Actual Achievement	2015 Actual Payout %	Weighted Payout %
Adjusted EBITDA [3]	70%	$372M	$391M	$415M	$408.5M	172.9%	121.0%
Same Restaurant Sales [4]	30%	+0.5%	+2.5%	+3.5%	+2.6%	105.2%	31.6%
2015 Total Payout %							152.6%

[3] Adjusted EBITDA is defined as earnings for fiscal 2015 before interest, taxes, depreciation and amortization, as adjusted (i) within the Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income non-GAAP reconciliation table as presented in the Company s fiscal 2015 earnings release and (ii) to exclude the impact of specific non-recurring and unusual items or other adjustments, to the extent approved by the Subcommittee. The specific adjustments applied in calculating adjusted EBITDA for purposes of the 2015 executive incentive plan from the Company s reported 2015 financial results are shown in Annex A. The difference between the 2015 executive incentive plan adjusted EBITDA of $408.5 million and the Company s reported 2015 adjusted EBITDA of $392.4 million was attributable to the sale of the Company s bakery operations in May 2015, as further described in Annex A.

[4] Same restaurant sales is defined as same restaurant sales for North America Company-operated restaurants, excluding the impact of currency translation. Same restaurant sales are reported for new restaurants that have been open for at least 15 continuous months and for remodeled restaurants that have been reopened for three continuous months.

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The table below shows the target annual cash incentive opportunities and actual payouts for the NEOs under the 2015 executive incentive plan. The target payout levels were established as part of the NEOs overall employment terms with the Company and are expressed as a percentage of base salary in effect as of the end of 2015. In approving the target payout levels, the Subcommittee noted that the 2015 target total cash compensation for the Company s senior executives fell within the competitive range of market median, on average, consistent with the Company s executive compensation philosophy. The actual payouts for the NEOs were approved by the Compensation Committee in February 2016 based on the Company s 2015 adjusted EBITDA and same restaurant sales results and the application of individual performance multipliers.

Target Payout Levels and Actual Payouts under 2015 Executive Incentive Plan[5]

Participant	Annual Salary ($)	Incentive Target as % of Salary	Incentive Target Annual Incentive Target ($)	Weighted Payout % Achieved for 2015	Individual Performance Multiplier	Total 2015 Annual Incentive Payout ($)
Emil J. Brolick	1,150,000	150%	1,725,000	152.6%	125%	3,290,438
Todd A. Penegor	675,000	75%	506,250	152.6%	125%	965,672
Robert D. Wright	485,000	75%	363,750	152.6%	115%	638,345
R. Scott Toop	490,000	75%	367,500	152.6%	N/A	560,805[6]
Scott A. Weisberg	415,000	75%	311,250	152.6%	115%	546,213
Darrell G. van Ligten	425,000	75%	318,750	85.8%[7]	N/A	119,136[6]
Craig S. Bahner	475,000	75%	356,250	152.6%	N/A	137,026[6]

The Subcommittee determined the individual performance multiplier for Mr. Brolick based on his performance during 2015 in consideration of: (i) the Company s strong operating and financial results, including year-over-year growth in same restaurant sales, average unit sales volumes, restaurant margins, adjusted EBITDA and adjusted earnings per share; (ii) the accelerated transformation of the Wendy s brand through new restaurant development, Image Activation reimaging and investment in consumer-facing technology; (iii) the continued execution of the Company s System Optimization initiative, along with the strategic disposition of the Company s bakery operations; and (iv) the significant value created for stockholders through the Company s debt refinancing, share repurchase programs and increased dividends. The Subcommittee also took into account Mr. Brolick s leadership and commitment to investing in and growing the Wendy s brand, building a highly qualified executive team, implementing senior leadership succession plans and delivering A Cut Above restaurant experience to our customers.

The individual performance multipliers for Messrs. Penegor, Wright and Weisberg reflect Mr. Brolick s assessment of each executive s performance during 2015. The Subcommittee determined that positive adjustments were appropriate to reward these executives contributions to the Company s strong financial performance and successful execution of its strategic initiatives in 2015.

5 In conjunction with establishing the 2015 executive incentive plan, the Subcommittee approved an Internal Revenue Code Section 162(m)-compliant plan with a threshold performance goal for 2015 of net operating profit (before taxes) of $134.3 million, excluding: (i) asset write-downs (including asset impairment and goodwill impairment charges); (ii) reorganization and realignment costs; and (iii) costs associated with the Company s System Optimization initiative. Achievement of this performance goal (which was $4.4 million higher than the 2014

performance goal) allowed for the funding of an annual incentive pool with maximum incentive award opportunities for eligible participants. Based on 2015 results, the Subcommittee certified that the Company satisfied the threshold performance goal through its achievement of adjusted net operating profit of $247.4 million. The Subcommittee then approved incentive payouts to senior executives under the 2015 executive incentive plan based on the Company s achievement of the performance metrics under that plan (*i.e.*, adjusted EBITDA and same restaurant sales), as adjusted for individual performance, which resulted in payouts below the maximum incentive award opportunities established for purposes of Section 162(m).

[6] Under the terms of the 2015 executive incentive plan, Messrs. Toop, van Ligten and Bahner were not eligible for payment of their cash incentive awards because their employment was terminated prior to the incentive award payment date. However, pursuant to the terms of their respective employment and/or separation agreements, Messrs. Toop, van Ligten and Bahner received certain payments and benefits in connection with their termination, including payments in respect of their 2015 cash incentive awards. For more information regarding these payments and benefits, see Employment Agreements below.

[7] In his role as Senior Vice President President, International, Mr. van Ligten received 25% of his incentive award opportunity according to the Corporate Incentive Grid described above and 75% according to an International Incentive Grid based on three performance metrics International adjusted EBITDA (30%), International system sales growth (40%) and International new units opened (30%).

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Long-Term Equity Incentive Compensation

In February 2015, the Subcommittee approved the 2015 long-term equity incentive compensation framework for senior executives. Consistent with prior years, the 2015 long-term equity incentive awards were comprised of performance units and stock options, as summarized in the table below.

Design of 2015 Long-Term Equity Incentive Awards

COMPONENT	WEIGHT	VESTING	TIMING OF GRANT[8]	RATIONALE
Performance Units	40%	Three-year cliff vesting, subject to the Company s achievement of pre-determined, objective performance metrics	First quarter (February 2015) Performance metrics are aligned with the Company s full fiscal years during the performance period	Value is dependent on the Company s achievement of multi-year strategic business objectives and the price of our Common Stock Cliff vesting requires executives to remain with the Company through the vesting date to realize the full value of the award
Stock Options	60%	Three-year ratable vesting	Third quarter (August 2015) Consistent with historical practice and the timing of long-term equity awards to other eligible employees	Delivers value only if the price of our Common Stock increases Aligns the interests of executives with the long-term interests of stockholders

Payout of the 2015 performance unit awards is based on the Company s achievement of two equally-weighted performance metrics adjusted earnings per share and relative total stockholder return over a three-year performance period (December 29, 2014 through December 31, 2017), as described in the table below.

Performance Metrics for 2015 Performance Unit Awards

PERFORMANCE METRIC	THRESHOLD (37.5% PAYOUT)	TARGET (100% PAYOUT)	MAXIMUM (200% PAYOUT)	RATIONALE
Adjusted Earnings Per Share[9]	5%	10%	20%	Motivates executives to achieve consistent, long-term earnings growth

(Compounded Annual Growth Rate)				Rewards executives based on an internal operating measure with clear line of sight
Relative Total Stockholder Return (Ranking vs. S&P MidCap 400)	25th Percentile	50th Percentile	³ 90th Percentile	Motivates executives to drive superior, long-term growth in share price and dividends Rewards executives based on the Company s relative performance compared to a broad market index

In selecting the performance metrics for the 2015 performance units, the Subcommittee considered that the 2014 performance unit awards had been based on a single performance metric adjusted earnings per share. For 2015, the Subcommittee, in consultation with its independent outside compensation consultant, Cook & Co., decided to add a second performance metric relative total stockholder return to the performance unit awards. The Subcommittee added this second metric in recognition of evolving marketplace trends to utilize multiple performance metrics in incentive plan design and because the Subcommittee believes that relative total stockholder return is an important indicator of the Company s financial performance compared to the market. The Subcommittee concluded that the design of the 2015 performance units was consistent with market and industry practice and intended to align with stockholder interests and the creation of long-term stockholder value.

[8] The Subcommittee has not adopted any formal policy to time the grant of equity awards with the release of non-public information and retains discretion to determine the grant dates for annual and special equity awards taking into account all relevant factors. All of the performance unit awards and stock options granted to senior executives during 2015 were issued during open trading windows established under the Company s Securities Trading Policy.

[9] Adjusted Earnings Per Share is defined as diluted net income per share (after taxes) as reported on the Company s Consolidated Statements of Operations, as adjusted (i) within the Reconciliation of Adjusted Income and Adjusted Earnings Per Share from Continuing Operations to Net Income and Diluted Earnings Per Share non-GAAP reconciliation table as presented in the Company s fiscal 2015, 2016 and 2017 earnings releases and (ii) to exclude the after-tax impact of any other extraordinary, unusual or nonrecurring events as described in Management s Discussion and Analysis of Financial Condition and Results of Operations appearing in the Company s annual report to stockholders for the applicable fiscal year.

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Following the end of the performance period, the Subcommittee will review the extent to which the performance metrics have been achieved and will determine the number of shares of Common Stock that are issuable to each participant. Under the terms of the awards, there is no vesting of performance units if actual performance falls below threshold levels of performance. Consistent with prior year awards, the performance units include dividend equivalent rights, representing the right to receive additional performance units in lieu of cash dividends paid with respect to the shares of Common Stock actually earned, if any, at the completion of the performance period.

The Subcommittee determined the value of the 2015 long-term incentive awards for senior executives by assessing the impact of the value of these awards on each executive s total target direct compensation and considering the performance of the Company and each executive during 2014.

In determining the value of Mr. Brolick s 2015 long-term equity incentive award, the Subcommittee gave particular consideration to Mr. Brolick s leadership role in driving improved Company performance during 2014, including: (i) enhancing stockholder value by returning $374 million to stockholders through dividends and share repurchases; (ii) transforming the Wendy s brand and contemporizing the restaurant experience through new restaurant development, Image Activation reimaging and investment in consumer-facing technology; (iii) improving the quality of earnings by selling over 250 Company-operated restaurants to franchisees as part of System Optimization, resulting in a more predictable earnings stream from a higher percentage of royalty and rental income; and (iv) strengthening the Company s economic model through reductions in general and administrative expense, improvements in restaurant margins and growth in same restaurant sales, average unit sales volumes, adjusted EBITDA and adjusted earnings per share. After considering all relevant factors, including competitive market data and information provided by its independent outside compensation consultant, Cook & Co., the Subcommittee determined that a 2015 long-term equity incentive award valued at $3,750,000 (which placed Mr. Brolick s target total direct compensation for 2015 at approximately the high-end of the competitive range of market median) was appropriate in light of Mr. Brolick s leadership and the continued momentum in the Company s performance, brand relevance and strategic direction.

The values of the 2015 long-term equity incentive awards for Messrs. Penegor, Wright, Toop and Weisberg were determined by the Subcommittee after consideration of several factors, including individual and Company performance, the value of prior year awards, competitive market practice, internal pay equity, the terms of individual employment agreements and recommendations from Mr. Brolick. In approving these awards, the Subcommittee noted that the 2015 target total direct compensation for senior executives other than Mr. Brolick fell within the competitive range of market median, on average, consistent with the Company s executive compensation philosophy.

Additional Compensation Decisions

Vesting of 2012 Performance Unit Awards

In July 2012, the Subcommittee awarded performance units to the Company s senior executives, including Messrs. Brolick, Toop and Weisberg, as part of the Company s 2012 executive compensation program. The performance units vested at the end of a three-year performance period that began on July 2, 2012 and ended on June 28, 2015, based on the Company s total stockholder return compared to a peer group of 19 restaurant companies, as described in the table below.

Performance	Company TSR Ranking vs. Peer Group	Payout as % of Target
Maximum Level	³ 90th Percentile	200%

Actual Achievement (169% TSR)	**72.8th Percentile**	**157%**
Target Level	50th Percentile	100%
Threshold Level	25th Percentile	37.5%
Below Threshold Level	< 25th Percentile	0%

In July 2015, the Subcommittee certified the Company s achievement of the relative total stockholder return performance goal, determined the number of shares of Common Stock that were issuable in respect of outstanding awards and approved share payouts to Mr. Brolick (419,155 shares), Mr. Toop (83,827 shares) and Mr. Weisberg (69,856 shares) without exercising negative discretion.

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Transition of President and Chief Executive Officer Roles

In October 2015, the Company announced that Mr. Brolick, our Chief Executive Officer, planned to retire from management duties with the Company in May 2016, and that Mr. Penegor, our Chief Financial Officer, was expected to succeed Mr. Brolick in the President and Chief Executive Officer roles after a transition period beginning in the first quarter of 2016. As part of the succession plan, Mr. Penegor was appointed President of the Company effective January 4, 2016.

In December 2015, the Compensation Committee and Subcommittee, in consultation with their independent outside compensation consultant, Cook & Co., discussed the transition plan and approved the following changes to Mr. Penegor s compensation effective upon his assumption of the duties of President: (i) an annual base salary of $900,000; (ii) an annual target cash incentive opportunity beginning in 2016 of 125% of his annual base salary; and (iii) a long-term equity incentive compensation award value for 2016 within the range of $2,200,000 to $3,500,000. In approving these changes, the Compensation Committee and Subcommittee reviewed all components of Mr. Penegor s compensation, discussed Mr. Penegor s performance and contributions to the Company s strong financial results and stockholder returns, considered the compensation paid in prior years to Mr. Brolick as the Company s President and Chief Executive Officer and noted that Mr. Penegor s target total direct compensation for 2016 fell within the competitive range of market median.

Changes to the Executive Compensation Program for 2016

In December 2015, the Compensation Committee conducted its annual review of the Company s executive compensation philosophy. As part of that review, the Compensation Committee determined that the executive compensation program had been effective in attracting and retaining top talent, was strongly aligned with the interests of stockholders and provided a significant linkage between executive pay and Company performance. Following discussions with their independent outside compensation consultant, Cook & Co., and management, the Compensation Committee and Subcommittee approved certain enhancements to the executive compensation program for 2016, as described in the table below.

GUIDELINE/COMPONENT	MODIFICATION	RATIONALE
Targeted Compensation Levels	In determining whether an executive s compensation is competitive, the Compensation Committee will view the competitive range of market median as follows: o Base salary: +/-10% o Target total cash compensation: +/-15%	Aligns with recommended best practice and provides a more meaningful market comparison for senior executive roles, given the Company s high percentage of performance-based compensation

	o Target total direct compensation: +/-20% (Previously, the competitive range was viewed as +/-15% of market median for all components of compensation)	
Annual Cash Incentive Compensation	Increased the weighting of the same restaurant sales performance metric from 30% to 40% (with a corresponding decrease in the weighting of the adjusted EBITDA performance metric from 70% to 60%)	Consistent with the Company s increased emphasis on achieving organic growth through increased sales and customer visits
	Transitioned the basis for measuring North America same restaurant sales growth from Company-operated restaurants to system restaurants	Recognizes the Company s ongoing transition to a predominantly franchised business model
	Discontinued the individual performance multiplier of +/-25% for the Chief Executive Officer	Reinforces the strong link between Company performance and CEO compensation
Long-Term Equity Incentive Compensation	Increased the weighting of the performance unit component from 40% to 50% of the total award value (with a corresponding decrease in the weighting of the stock option component from 60% to 50%)	Further aligns the executive compensation program with our long-term growth strategies and strengthens our pay-for-performance philosophy

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Compensation Governance Matters

Clawback Provisions in Equity Awards

All of the equity awards granted to senior executives and other eligible participants during 2015 contain clawback provisions in favor of the Company, as described below.

- In the event of a material restatement of the Company s financial statements, the Compensation Committee will review the facts and circumstances underlying the restatement (including any potential wrongdoing by the participant) and may, in its sole discretion, direct the Company to recover all or a portion of the award or any gain realized on the vesting, exercise or settlement of the award.

- If a court determines that a participant has engaged in any detrimental activity (as defined in the 2010 Omnibus Award Plan), the Company may cancel the award and require the participant to return the award or any gain realized on the vesting, exercise or settlement of the award.

- If the Company is required by law to include an additional clawback or forfeiture provision in an outstanding award, then such provision will apply to the award as if it had been included in the award on its grant date.

Stock Ownership and Retention Guidelines

The Board of Directors has adopted Stock Ownership and Retention Guidelines that require executive officers and directors to own a specified number of shares of Common Stock based on the executive s annual base salary or the director s annual cash retainer for serving on the Board. The guidelines, which are described below under the caption Stock Ownership and Retention Guidelines for Executive Officers and Directors, are intended to encourage executives and directors to maintain a long-term equity stake in the Company, align the interests of executives and directors with the interests of stockholders and promote the Company s commitment to sound corporate governance.

Anti-Hedging Policy

The Board of Directors has adopted a Securities Trading Policy to assist the Company s employees and directors in complying with securities laws and avoiding even the appearance of improper conduct. Under this policy, executives and directors are prohibited from engaging in speculative transactions or transactions that are intended to hedge or offset the value of Company securities they already own. Specifically, executives and directors: (i) may not sell Company securities that are not then owned; (ii) may not engage in transactions in publicly traded options of Company securities; (iii) may not engage in any other hedging transactions without pre-clearance from the Company s legal department; (iv) may not sell Company securities within six months of their purchase; and (v) are discouraged from pledging or hypothecating Company securities. As of the date of this Proxy Statement, none of the Company s executive officers or directors has pledged any shares of Common Stock.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code imposes a $1.0 million limit on the deduction that the Company may claim in any tax year with respect to compensation paid to the Chief Executive Officer and the three most-highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer. Certain types of performance-based compensation are exempt from the $1.0 million limit, including income from stock options, performance-based restricted stock and certain formula-driven compensation that meets the requirements of Section 162(m).

The Compensation Committee and Subcommittee seek to structure incentive compensation for senior executives in a manner that complies with Section 162(m) in order to maximize the deductibility of such compensation. At the same time, there may be circumstances in which the Compensation Committee or Subcommittee determines, in the exercise of its independent judgment and after its review of all relevant factors, that it is in the best interests of the Company to provide compensation to one or more executives that may not be deductible. With respect to the compensation awarded to the NEOs during 2015, all of the cash incentive awards, stock options and performance unit awards were designed to satisfy the requirements for deductible compensation.

In recognition of the limitation imposed by Section 162(m), the Company s employment agreement with Mr. Brolick requires that all amounts of base salary in excess of $1.0 million be deferred under the terms of a special executive deferred compensation plan. The terms of Mr. Brolick s deferred compensation plan are described in the 2015 Non-Qualified Deferred Compensation table below.

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The Compensation Committee and Subcommittee also take into consideration the accounting costs associated with long-term equity incentive awards granted to senior executives and other eligible employees. Under U.S. Generally Accepted Accounting Principles, grants of stock options, performance units and other share-based awards result in an accounting charge for the Company. In designing the executive compensation program, the Compensation Committee and Subcommittee consider the accounting implications of equity awards, including the estimated cost for financial reporting purposes and the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

Consideration of Annual Stockholder Say-on-Pay Vote

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company provides stockholders with the opportunity to cast an annual advisory vote to approve the compensation of the NEOs (*i.e.*, an annual say-on-pay vote). At the Company s 2015 annual meeting of stockholders, approximately 85% of the votes cast on the say-on-pay resolution were voted in favor of the compensation of the named executive officers for fiscal 2014 as disclosed in the Company s 2015 proxy statement. In July 2015, the Compensation Committee considered those voting results and determined that no changes to the Company s executive compensation program were warranted at that time. In December 2015, the Compensation Committee conducted its annual review of the Company s executive compensation philosophy and approved certain modifications to the executive compensation program for 2016, as described above under the caption Additional Compensation Decisions Changes to the Executive Compensation Program for 2016. The Compensation Committee will continue to review the design of the executive compensation program in light of future say-on-pay votes, developments in executive compensation and the Company s pay-for-performance philosophy to ensure that the executive compensation program continues to serve the best interests of the Company and its stockholders.

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2015 SUMMARY COMPENSATION TABLE

This 2015 Summary Compensation Table sets forth the salary, bonus, equity awards, cash incentive awards and all other compensation that was earned by or paid or awarded to the following named executive officers for 2015, 2014 and 2013:

- The Company s Chief Executive Officer, **Emil J. Brolick**;
- The Company s President and Chief Financial Officer, **Todd A. Penegor**;
- The Company s three most highly compensated executive officers during 2015, other than Messrs. Brolick and Penegor, who were serving as executive officers at the end of 2015:
  - **Robert D. Wright**, Executive Vice President, Chief Operations Officer;
  - **R. Scott Toop**, former Senior Vice President, General Counsel and Secretary; and
  - **Scott A. Weisberg**, Chief People Officer; and
- Two additional individuals who served as executive officers during 2015 but whose employment was terminated prior to the end of 2015:
  - **Darrell G. van Ligten**, former Senior Vice President President, International; and
  - **Craig S. Bahner**, former Chief Marketing Officer.

Name and Principal Position	Year	Salary ($) (1)	Bonus ($)	Stock Awards ($) (2)	Option Awards ($) (3)	Non-Equity Incentive Plan Compensation ($) (4)	All Other Compensation ($) (5)	Total ($)
Emil J. Brolick	2015	1,168,904		1,499,991	2,249,998	3,290,438	68,915	8,278,246
(CEO)	2014	1,137,500		1,799,992	2,699,998	1,435,000	91,708	7,164,198
	2013	1,100,000		1,399,993	2,186,124	2,854,500	66,613	7,607,230

Todd A. Penegor	2015	679,863		399,993	599,998	965,672	30,200	2,675,726
(President and CFO)	2014	643,750		1,439,988	659,999	395,000	30,359	3,169,096
	2013	360,577	250,000	1,649,981	723,375	725,000	87,857	3,796,790
Robert D. Wright (6)	2015	490,479		359,992	539,999	638,345	30,200	2,059,015
(EVP, COO)	2014	385,962	200,000	1,159,990	239,998	285,000	30,000	2,300,950
R. Scott Toop (7)	2015	491,822		263,986	395,998	560,805	30,200	1,742,811
(Former SVP, GC and Secretary)	2014	460,000		275,997	414,000	300,000	27,200	1,477,197
	2013	440,000		259,993	405,993	520,000	144,225	1,770,210
Scott A. Weisberg (8)	2015	419,329		219,992	330,000	546,213	30,200	1,545,734
(CPO)								
Darrell G. van Ligten (9)	2015	188,630		1,081,701	708,024	119,136	1,690,379	3,787,870
(Former SVP President, Int l)								
Craig S. Bahner (10)	2015	123,630		835,063	807,112	137,026	469,139	2,371,970
(Former CMO)	2014	471,250		285,995	428,999	257,569	42,847	1,486,660
	2013	431,058	15,000	259,993	405,993	530,000	27,000	1,669,043

(1) For 2015, the salaries received by Messrs. Brolick, Penegor, Wright, Toop and Weisberg reflect the impact of a 53rd week in the fiscal year.

(2) The amounts shown represent the aggregate grant date fair value of stock awards made to the NEOs in the year shown, computed in accordance with FASB ASC Topic 718, disregarding any estimates of forfeitures related to performance-based vesting conditions. See Note 16 (Share-Based Compensation) to the Company s consolidated financial statements included in the 2015 Form 10-K for the assumptions made in determining these values.

The amounts shown for 2015 reflect, among other items, the target grant date fair values of performance unit awards granted to the NEOs in February 2015 under the 2010 Omnibus Award Plan, which awards are subject to the Company s achievement of performance goals established by the Subcommittee for the performance period beginning December 29, 2014 and ending December 31, 2017, as follows: $1,499,991 for Mr. Brolick; $399,993 for Mr. Penegor; $359,992 for Mr. Wright; $263,986 for Mr. Toop; $219,992 for Mr. Weisberg; and $219,992 for Mr. van Ligten. At maximum achievement levels, the grant date fair values of these awards would be as follows: $2,999,981 for Mr. Brolick; $799,987 for Mr. Penegor; $719,985 for Mr. Wright; $527,973 for Mr. Toop; $439,983 for Mr. Weisberg; and $439,983 for Mr. van Ligten. For more information regarding the performance goals and potential payouts with respect to the 2015 performance unit awards granted to the NEOs, see Compensation Discussion and Analysis Compensation Decisions for 2015 Long-Term Equity Incentive Compensation above.

(3) The amounts shown represent the aggregate grant date fair value of stock option awards made to the NEOs in the year shown, computed in accordance with FASB ASC Topic 718. See Note 16 (Share-Based Compensation) to the Company s consolidated financial statements included in the 2015 Form 10-K for the assumptions made in determining these values. For more information regarding the stock options granted to the NEOs in 2015, see Compensation Discussion and Analysis Compensation Decisions for 2015 Long-Term Equity Incentive Compensation above.

(4) The amounts shown represent the annual cash incentive payouts earned by the NEOs under the 2010 Omnibus Award Plan for the year shown based on the Company s achievement of annual performance goals established by the Subcommittee, as adjusted for individual performance. For more information regarding the performance goals and potential payouts with respect to the 2015 cash incentive awards granted to the NEOs, see Compensation Discussion and Analysis Compensation Decisions for 2015 Annual Cash Incentive Compensation above.

(5) The following table sets forth the details of the All Other Compensation paid to the NEOs for 2015.

Name	Company Contributions to 401(k) Plan ($) (a)	Automobile Allowance ($)	Use of Company Aircraft ($) (b)	Payments/Accruals in Connection with Termination of Employment ($) (c)	Other Perquisites or Personal Benefits ($) (d)	Total ($)
Emil J. Brolick	10,600	19,200	35,945		3,170	68,915
Todd A. Penegor	10,600	16,800			2,800	30,200
Robert D. Wright	10,600	16,800			2,800	30,200
R. Scott Toop	10,600	16,800			2,800	30,200
Scott A. Weisberg	10,600	16,800			2,800	30,200
Darrell G. van Ligten	10,600	7,754		1,671,136	889	1,690,379
Craig S. Bahner	10,600	4,846		453,693		469,139

(a) The amounts shown reflect matching contributions made by the Company to the NEOs respective 401(k) plan accounts.

(b) During 2015, the Company owned fractional interests in corporate aircraft to enable its executives to safely and efficiently travel for business purposes. The aircraft were operated by NetJets, a subsidiary of Berkshire Hathaway Inc., pursuant to fractional program agreements. During 2015, none of the NEOs, other than Mr. Brolick, used the aircraft solely for personal purposes.

The amount shown for Mr. Brolick reflects the aggregate incremental cost to the Company of personal flights by Mr. Brolick during 2015. Aggregate incremental cost is based on the variable operating costs to the Company associated with such flights, including the hourly fees and fuel costs provided for in the fractional program agreements and other trip-related costs. Fixed costs, which do not change based on usage of the aircraft, such as monthly management fees and general maintenance costs, are excluded from this calculation.

On certain occasions, an executive s spouse or other family members may accompany the executive on the aircraft when the aircraft is already going to a specific destination for a business purpose and has available seating. In those cases, the aggregate incremental cost to the Company is a de minimis amount.

(c) The amounts shown reflect the value of severance payments and benefits received or accrued during 2015 by Messrs. Bahner and van Ligten in connection with the termination of their employment. For more information regarding these payments and benefits, see Employment Agreements below.

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(d) The amounts shown reflect the Company s reimbursement of medical expenses incurred by the NEOs under the Company s executive physical examination program. The Company adopted this program in 2013 to encourage executive officers to have routine medical check-ups in an effort to maintain good health, identify health issues and drive productivity. The amount shown for Mr. Brolick also includes the Company s payment of residential security costs which were approved by the Compensation Committee following the Company s review of potential security concerns related to Mr. Brolick s service as the Company s Chief Executive Officer.

(6) Mr. Wright was not a named executive officer in 2013 and, therefore, his compensation information for that year has not been provided.

(7) Mr. Toop retired from the Company on January 17, 2016 following the expiration of the employment term under his employment agreement.

(8) Mr. Weisberg was not a named executive officer in 2014 or 2013 and, therefore, his compensation information for those years has not been provided.

(9) Mr. van Ligten was not a named executive officer in 2014 or 2013 and, therefore, his compensation information for those years has not been provided. Mr. van Ligten left the Company on June 8, 2015 and served as a consultant to the Company from June 9, 2015 to December 4, 2015. In connection with his departure from the Company, Mr. van Ligten received certain severance payments and benefits, as described below under the caption Employment Agreements. For 2015, the amounts shown in the Stock Awards and Option Awards columns include the incremental fair value associated with the accelerated vesting of outstanding performance unit awards and stock option awards held by Mr. van Ligten on his last day of employment, computed in accordance with FASB ASC Topic 718.

(10) Mr. Bahner left the Company on April 2, 2015 following the expiration of the employment term under his employment agreement. In connection with his departure from the Company, Mr. Bahner received certain severance payments and benefits, as described below under the caption Employment Agreements. For 2015, the amounts shown in the Stock Awards and Option Awards columns represent the incremental fair value associated with the accelerated vesting of outstanding performance unit awards and stock option awards held by Mr. Bahner on his last day of employment, computed in accordance with FASB ASC Topic 718.

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2015 GRANTS OF PLAN-BASED AWARDS

The following table provides information concerning the annual cash incentive awards and long-term equity incentive awards granted to the named executive officers in 2015.

	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards (2) Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	All Other Option Awards: Number of Securities Underlying Options (#) (4)	Exercise or Base Price of Option Awards ($/Sh)	Clo… Ma… Pric… Da… o… Gr… ($/…
			862,500	1,725,000	3,450,000							
	2/18/15	2/18/15				41,692	111,181	222,362				
	8/7/15	7/30/15								989,271	9.86	9
			253,125	506,250	1,012,500							
	2/18/15	2/18/15				11,118	29,648	59,296				
	8/7/15	7/30/15								263,805	9.86	9
			181,875	363,750	727,500							
	2/18/15	2/18/15				10,006	26,683	53,366				
	8/7/15	7/30/15								237,425	9.86	9
			183,750	367,500	735,000							
	2/18/15	2/18/15				7,337	19,567	39,134				
	8/7/15	7/30/15								174,111	9.86	9
			155,500	311,000	622,000							
	2/18/15	2/18/15				6,114	16,306	32,612				
	8/7/15	7/30/15								145,093	9.86	9
gten			159,375	318,750	637,500							
	2/18/15	2/18/15				6,114	16,306	32,612				
	6/8/15	12/11/14								3,379	4.68	11
	6/8/15	12/11/14								80,372	7.92	11
	6/8/15	12/11/14								143,207	8.22	11
	6/8/15	12/11/14							44,665			
	6/8/15	12/11/14							20,106			
	6/8/15	12/11/14							9,860			
	6/8/15	12/11/14							1,863			
			178,125	356,250	712,500							
	4/2/15	12/11/14								99,508	7.92	10
	4/2/15	12/11/14								195,035	8.22	10
	4/2/15	12/11/14							42,192			

4/2/15	12/11/14	22,633
4/2/15	12/11/14	11,751

(1) Represents threshold, target and maximum payout levels based on 2015 performance for the annual cash incentive awards granted to the NEOs under the 2010 Omnibus Award Plan. For more information regarding the performance goals and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2015 Annual Cash Incentive Compensation above. The actual amounts paid to the NEOs pursuant to such awards based on Company and individual performance during 2015 were as follows: $3,290,438 for Mr. Brolick; $965,672 for Mr. Penegor; $638,345 for Mr. Wright; $560,805 for Mr. Toop; $546,213 for Mr. Weisberg; $119,136 for Mr. van Ligten; and $137,026 for Mr. Bahner. Such amounts are included in the Non-Equity Incentive Plan Compensation column of the 2015 Summary Compensation Table above.

(2) Represents threshold, target and maximum payout levels based on Company performance over a three-year period for performance unit awards granted to the NEOs under the 2010 Omnibus Award Plan. For more information regarding the performance goals and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2015 Long-Term Equity Incentive Compensation above. The performance units include dividend equivalent rights, representing the right to receive additional performance units in lieu of cash dividends paid with respect to the shares of Common Stock underlying the award (if and when the award vests).

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(3) For Mr. van Ligten, reflects shares of Common Stock received upon the accelerated vesting of outstanding performance unit awards held by Mr. van Ligten on June 8, 2015, his last day of employment. The Subcommittee approved the vesting schedule applicable to Mr. van Ligten s outstanding equity awards on December 11, 2014 as part of his overall severance terms.

For Mr. Bahner, reflects shares of Common Stock received upon the accelerated vesting of outstanding performance unit awards held by Mr. Bahner on April 2, 2015, his last day of employment. The Subcommittee approved the vesting schedule applicable to Mr. Bahner s outstanding equity awards on December 11, 2014 as part of his overall severance terms.

(4) For Messrs. Brolick, Penegor, Wright, Toop and Weisberg, reflects stock options granted to the NEOs under the 2010 Omnibus Award Plan, each having an exercise price equal to the fair market value (*i.e.*, the average of the high and low per share sales price) of the underlying shares of Common Stock on the grant date and expiring ten years from the grant date, unless sooner exercised or forfeited. All of the stock options vest and become exercisable in three equal installments on the first, second and third anniversaries of the grant date, subject to the executive s continued employment on the applicable vesting date.

For Mr. van Ligten, reflects the accelerated vesting of outstanding stock option awards held by Mr. van Ligten on June 8, 2015, his last day of employment. The Subcommittee approved the vesting schedule applicable to Mr. van Ligten s outstanding equity awards on December 11, 2014 as part of his overall severance terms.

For Mr. Bahner, reflects the accelerated vesting of outstanding stock option awards held by Mr. Bahner on April 2, 2015, his last day of employment. The Subcommittee approved the vesting schedule applicable to Mr. Bahner s outstanding equity awards on December 11, 2014 as part of his overall severance terms.

(5) Represents the grant date fair value of equity awards granted to the NEOs, computed in accordance with FASB ASC Topic 718, disregarding any estimates of forfeitures related to performance-based vesting conditions. The grant date fair value of the performance unit awards granted on February 18, 2015 is based on achieving target levels of performance. See Note 16 (Share-Based Compensation) to the Company s consolidated financial statements included in the 2015 Form 10-K for the assumptions made in determining those values.

For Messrs. van Ligten and Bahner, also includes the incremental fair value associated with the accelerated vesting of outstanding performance unit awards and stock option awards held by Messrs. van Ligten and Bahner on their last days of employment, computed in accordance with FASB ASC Topic 718.

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OUTSTANDING EQUITY AWARDS AT 2015 YEAR-END

The following table provides information concerning the unexercised stock options and unvested restricted stock unit and performance unit awards held by the named executive officers as of the end of 2015.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($) (1)	Option Expiration Date (2)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) (3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (3)
Emil J. Brolick	540,540		4.82	9/12/21				
	833,333		4.68	7/2/22				
	535,814	267,908	7.92	8/9/23				
	294,985	589,970	8.22	8/11/24				
		989,271	9.86	8/7/25				
							374,198 (4)	4,030,112
							193,482 (5)	2,083,801
							227,202 (6)	2,446,966
Todd A. Penegor	43,720	21,860	5.91	6/3/23				
	145,435	72,718	7.92	8/9/23				
	100,018	200,036	8.22	8/11/24				
		263,805	9.86	8/7/25				
					77,017 (7)	829,473		
					119,400 (8)	1,285,938		
							101,562 (4)	1,093,823
							47,295 (5)	509,367
							60,586 (6)	652,511
Robert D. Wright	36,370	72,740	8.22	8/11/24				
		237,425	9.86	8/7/25				
					119,400 (8)	1,285,938		

					17,198 (5)	185,222
					54,526 (6)	587,245
R. Scott Toop	140,000		5.35	1/17/22		
	166,666		4.68	7/2/22		
	99,508	49,754	7.92	8/9/23		
	62,738	125,478	8.22	8/11/24		
		174,111	9.86	8/7/25		
					69,490 (4)	748,407
					29,667 (5)	319,514
					39,984 (6)	430,628
Scott A. Weisberg	80,372	40,186	7.92	8/9/23		
	50,009	100,018	8.22	8/11/24		
		145,093	9.86	8/7/25		
					56,128 (4)	604,499
					23,647 (5)	254,678
					33,320 (6)	358,856
Darrell G. van Ligten						
Craig S. Bahner						

(1) All stock options vest and become exercisable in three equal installments on the first, second and third anniversaries of the grant date, subject to the executive s continued employment on the applicable vesting date.

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(2) All stock options expire ten years from the grant date, unless sooner exercised or forfeited.

(3) Based on $10.77 per share, which was the per share closing price of our Common Stock on December 31, 2015, the last trading day of 2015.

(4) Represents payout levels based on achieving maximum performance levels over a two and one-half-year period (July 1, 2013 through January 3, 2016) for performance unit awards granted on August 9, 2013 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of 2015. Each performance unit represents the right to receive one share of Common Stock subject to the Company s achievement of two performance goals based on adjusted earnings per share and restaurant openings and remodels during the performance period. For more information regarding the performance goals and potential payouts with respect to such awards, see Compensation Discussion and Analysis Elements of Executive Compensation Long-Term Incentive Compensation 2013 Long-Term Equity Incentive Awards in the Company s definitive proxy statement for the 2014 annual meeting of stockholders filed with the SEC on April 11, 2014. The performance unit awards vested on February 25, 2016 following the Subcommittee s determination of the Company s level of achievement of the performance goals. The number of shares of Common Stock received by Messrs. Brolick, Penegor, Toop and Weisberg upon the vesting of the awards was as follows: 306,841 shares for Mr. Brolick; 83,280 shares for Mr. Penegor; 56,981 shares for Mr. Toop; and 46,024 shares for Mr. Weisberg.

(5) Represents payout levels based on achieving target performance levels over a three-year period (December 30, 2013 through January 1, 2017) for performance unit awards granted on February 20, 2014 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of 2015. Each performance unit represents the right to receive one share of Common Stock subject to the Company s achievement of a performance goal based on adjusted earnings per share during the performance period. For more information regarding the performance goal and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2014 Long-Term Equity Incentive Compensation in the Company s definitive proxy statement for the 2015 annual meeting of stockholders filed with the SEC on April 17, 2015.

(6) Represents payout levels based on achieving maximum performance levels over a three-year period (December 29, 2014 through December 31, 2017) for performance unit awards granted on February 18, 2015 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of 2015. Each performance unit represents the right to receive one share of Common Stock subject to the Company s achievement of two performance goals based on adjusted earnings per share and relative total stockholder return during the performance period. For more information regarding the performance goals and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2015 Long-Term Equity Incentive Compensation above.

(7) Reflects unvested restricted stock units granted to Mr. Penegor on June 3, 2013 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of 2015. The restricted stock units vest on June 3, 2016, subject to Mr. Penegor s continued employment on the vesting date.

(8)

Reflects unvested restricted stock units granted to Messrs. Penegor and Wright on December 17, 2014 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of 2015. The restricted stock units vest in two equal installments on the third and fourth anniversaries of the grant date, subject to the executive s continued employment on the applicable vesting date.

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OPTION EXERCISES AND STOCK VESTED DURING 2015

The following table provides information for 2015 concerning the exercise of stock options and vesting of stock awards granted to the named executive officers in prior years.

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Name	(#)	($) (1)	(#)	($) (2)
Emil J. Brolick			419,155 (3)	4,306,818
Todd A. Penegor			75,389 (4)	867,916
Robert D. Wright				
R. Scott Toop			83,827 (3)	861,322
Scott A. Weisberg	138,888	825,689	69,856 (3)	717,770
Darrell G. van Ligten (5)	756,321	4,165,296	81,304	915,751
Craig S. Bahner (6)	544,297	2,394,485	80,801	880,731

(1) Based on the difference between the exercise price of the stock options and the market price of our Common Stock at the time of exercise.

(2) Based on the average of the high and low per share sales price of our Common Stock on the applicable vesting date.

(3) Represents the number of shares of Common Stock earned with respect to performance unit awards granted on July 2, 2012 for the three-year performance period that began on July 2, 2012 and ended on June 28, 2015. The performance unit awards vested on July 30, 2015 following the Subcommittee s determination of the Company s level of achievement of a performance goal based on relative total stockholder return.

(4) Represents the number of shares of Common Stock received on June 3, 2015 from the pro rata vesting of a restricted stock unit award granted on June 3, 2013.

(5) Mr. van Ligten left the Company on June 8, 2015. In connection with his departure: (i) all outstanding stock options held by Mr. van Ligten vested in full; (ii) the expiration date of all outstanding stock options held by Mr. van Ligten was accelerated to June 8, 2016 (one year following his departure); (iii) all outstanding performance units held by Mr. van Ligten vested on a pro rata basis based on the assumed achievement of target performance; and (iv) all outstanding restricted stock units held by Mr. van Ligten vested on a pro rata basis.

(6) Mr. Bahner left the Company on April 2, 2015 following the expiration of the employment term under his employment agreement. In connection with his departure: (i) all outstanding stock options held by Mr. Bahner vested in full; (ii) the expiration date of all outstanding stock options held by Mr. Bahner was accelerated to April 2, 2016 (one year following his departure); and (iii) all outstanding performance units held by Mr. Bahner vested on a pro rata basis based on the assumed achievement of target performance.

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2015 NON-QUALIFIED DEFERRED COMPENSATION

Pursuant to the terms of his employment agreement with the Company, Mr. Brolick is required to defer all amounts of base salary in excess of $1.0 million under a special executive deferred compensation plan established by the Company. The following table provides information concerning Mr. Brolick s account under the deferred compensation plan for 2015. Except for Mr. Brolick s deferred compensation plan, the Company did not maintain any nonqualified deferred compensation or defined contribution plans for the named executive officers during 2015.

NAME	EXECUTIVE CONTRIBUTIONS IN LAST FISCAL YEAR ($)	REGISTRANT CONTRIBUTIONS IN LAST FISCAL YEAR ($)	AGGREGATE EARNINGS IN LAST FISCAL YEAR ($)	AGGREGATE WITHDRAWALS/ DISTRIBUTIONS IN LAST FISCAL YEAR ($)	AGGREGATE BALANCE AT LAST FISCAL YEAR-END ($)
Emil J. Brolick	168,904 (1)		13,580 (2)		537,213 (3)
Todd A. Penegor					
Robert D. Wright					
R. Scott Toop					
Scott A. Weisberg					
Darrell G. van Ligten					
Craig S. Bahner					

(1) The amount shown is reported as compensation to Mr. Brolick for 2015 and is included in the Salary column of the 2015 Summary Compensation Table above.

(2) Because Mr. Brolick s deferred compensation plan does not provide for above-market or preferential earnings on his account, the amount shown is not reported in the 2015 Summary Compensation Table above.

(3) Of the amount shown: (i) $100,000 was previously reported as compensation to Mr. Brolick for 2012; (ii) $100,000 was previously reported as compensation to Mr. Brolick for 2013; and (iii) $137,500 was previously reported as compensation to Mr. Brolick for 2014. Such amounts were included in the Salary column of the Summary Compensation Table for the applicable year.

All amounts deferred by Mr. Brolick under the deferred compensation plan will: (i) be vested and nonforfeitable at all times; (ii) be distributed to Mr. Brolick in a single lump-sum payment on the first day of the seventh month following his retirement, subject to applicable legal and regulatory requirements; and (iii) bear interest (compounded quarterly) at a rate equal to the three-month LIBOR, plus 500 basis points, not to exceed 120% of the applicable U.S. federal long-term rate. For 2015, interest was credited to Mr. Brolick s account on a quarterly basis using the following interest rates: 3.17% for the first quarter; 2.93% for the second quarter; 3.52% for the third quarter; and 3.06% for the fourth quarter.

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EMPLOYMENT AGREEMENTS

A summary of the key terms and provisions of the named executive officers employment agreements with the Company is set forth below. This summary is qualified in its entirety by reference to the complete text of the employment agreements, copies of which have been filed with the SEC. The severance and termination provisions included in the employment agreements for Messrs. Brolick, Penegor, Wright and Weisberg are described below under the caption Potential Payments upon Termination or Change in Control.

EMIL J. BROLICK

Effective September 12, 2011, the Company entered into an employment agreement with Mr. Brolick, as the Company s President and Chief Executive Officer. The employment agreement provided that Mr. Brolick was to be appointed to the Board of Directors as of his date of hire, and the Company will cause Mr. Brolick to be nominated for re-election to the Board each year during his term of employment. The employment agreement stated that the term of Mr. Brolick s employment would run through September 12, 2014, provided that the parties could agree to a one-year extension of the term on mutually satisfactory terms. On June 2, 2014, the Company and Mr. Brolick entered into an amendment to the employment agreement which extended the term of Mr. Brolick s employment to September 12, 2015, subject to automatic renewal for additional one-year periods unless either party gives notice of non-renewal at least 90 days prior to the expiration of the then-current term. Under the employment agreement, as amended, Mr. Brolick s annual base salary was set at $1,150,000, with all amounts in excess of $1,000,000 to be deferred under a special executive deferred compensation plan. Mr. Brolick s annual target cash incentive opportunity was set at 150% of his base salary and his annual maximum cash incentive opportunity was set at 300% of his base salary. The employment agreement, as amended, provides that Mr. Brolick will be eligible to receive equity awards under the Company s annual long-term incentive award program in effect for other senior executives, with an aggregate guideline award value of $3,000,000. The actual grant date value of Mr. Brolick s equity awards may be above or below the $3,000,000 guideline, as determined by the Compensation Committee in its discretion after taking into account the Company s and Mr. Brolick s performance and other relevant factors.

In October 2015, the Company announced that Mr. Brolick planned to retire from management duties with the Company in May 2016 and that Mr. Penegor was expected to succeed Mr. Brolick in the President and Chief Executive Officer roles after a transition period beginning in the first quarter of 2016. As part of the succession plan, Mr. Penegor assumed the role of President effective January 4, 2016. Mr. Brolick is expected to continue as Chief Executive Officer until the transition of Mr. Penegor s duties as Chief Financial Officer has occurred, which is expected by May 2016.

TODD A. PENEGOR

The Company and Mr. Penegor entered into an employment letter dated May 8, 2013 pursuant to which Mr. Penegor joined the Company on June 3, 2013 and assumed the position of Senior Vice President and Chief Financial Officer effective September 1, 2013. Mr. Penegor was promoted to Executive Vice President, Chief Financial Officer and International effective December 17, 2014. Under the employment letter, Mr. Penegor s initial annual base salary was set at $625,000 and his annual target cash incentive opportunity was set at 75% of his base salary. The employment letter also provides that Mr. Penegor will be eligible to receive equity awards under the Company s annual long-term incentive award program in effect for other senior executives.

Effective January 4, 2016, Mr. Penegor was promoted to President and Chief Financial Officer as part of the Company s senior leadership succession plan. Mr. Penegor is expected to succeed Mr. Brolick as Chief Executive Officer once the transition of Mr. Penegor s duties as Chief Financial Officer has occurred, which is expected by May 2016. Upon assuming the role of President, Mr. Penegor s annual base salary was set at $900,000, his annual target cash incentive opportunity was set at 125% of his base salary and his long-term equity incentive compensation award for 2016 will be within a range of $2,200,000 to $3,500,000, as determined by the Compensation Committee in its discretion after taking into account the Company s and Mr. Penegor s performance and other relevant factors.

ROBERT D. WRIGHT

The Company and Mr. Wright entered into an employment letter dated November 1, 2013 pursuant to which Mr. Wright joined the Company on December 2, 2013 and assumed the position of Chief Operations Officer effective March 10, 2014. Mr. Wright was promoted to Executive Vice President, Chief Operations Officer effective December 17, 2014. Under the employment letter, Mr. Wright s initial base salary was set at $375,000 (currently set at $485,000) and his annual target cash incentive opportunity was set at 75% of his base salary. The employment letter also provides that Mr. Wright will be eligible to receive equity awards under the Company s annual long-term incentive award program in effect for other senior executives.

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SCOTT A. WEISBERG

Effective April 30, 2012, the Company entered into an employment agreement with Mr. Weisberg, as the Company s Chief People Officer. The employment agreement stated that the term of Mr. Weisberg s employment would run through April 30, 2014, subject to automatic renewal for additional one-year periods unless either party gives notice of non-renewal at least 120 days prior to the expiration of the then-current term. Under the employment agreement, Mr. Weisberg s initial annual base salary was set at $375,000 (currently set at $415,000) and his annual target cash incentive opportunity was set at 75% of his base salary. The employment agreement also provides that Mr. Weisberg will be eligible to receive equity awards under the Company s annual long-term incentive award program in effect for other senior executives.

R. SCOTT TOOP

Effective January 17, 2012, the Company entered into an employment agreement with Mr. Toop, as the Company s Senior Vice President, General Counsel and Secretary. The employment agreement stated that the term of Mr. Toop s employment would run through January 17, 2014, subject to automatic renewal for additional one-year periods unless either party gave notice of non-renewal at least 120 days prior to the expiration of the then-current term. Under the employment agreement, Mr. Toop s initial annual base salary was set at $425,000 (set at $490,000 at the time of his retirement from the Company) and his annual target cash incentive opportunity was set at 75% of his base salary. The employment agreement also provided that Mr. Toop would be eligible to receive equity awards under the Company s annual long-term incentive award program in effect for other senior executives.

Mr. Toop retired from the Company on January 17, 2016 following the expiration of the employment term under his employment agreement. In connection with his retirement, Mr. Toop received (or became entitled to receive) the following payments and benefits:

- His full annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives ($560,805);

- All outstanding stock options held by Mr. Toop vested on a pro rata basis ($72,188) and remain exercisable for a period of one year following his retirement;

- Outstanding performance units awarded to Mr. Toop in 2013 vested on February 25, 2016 based on actual performance through the end of the performance period ($535,621); and

- Outstanding performance units awarded to Mr. Toop in 2014 and 2015 will vest on a pro rata basis based on actual performance through the end of the applicable performance period.

The value shown above with respect to the vesting of Mr. Toop s stock options was estimated assuming the immediate exercise and sale of all vested stock options, based on the closing price of our Common Stock on January 15, 2016 ($9.63). The value shown above with respect to the vesting of Mr. Toop s 2013 performance units was estimated assuming the immediate sale of all vested performance units, based on the closing price of our Common Stock on February 25, 2016 ($9.40).

Prior to receiving any of the severance payments and benefits described above, Mr. Toop was required to sign a general release and covenant not to sue in favor of the Company. In addition, Mr. Toop remains subject to certain (i) non-compete and non-solicitation covenants for 12 months following his retirement and (ii) confidentiality and non-disparagement covenants for four years following his retirement.

DARRELL G. VAN LIGTEN

Effective February 2, 2009, the Company entered into an employment agreement with Mr. van Ligten, as the Company s Senior Vice President Strategic Development. The employment agreement stated that the term of Mr. van Ligten s employment would run through February 2, 2011, subject to automatic renewal for additional one-year periods unless either party gave notice of non-renewal at least 120 days prior to the expiration of the then-current term. Under the employment agreement, Mr. van Ligten s initial annual base salary was set at $325,000 (set at $425,000 at the time of his departure from the Company) and his annual target cash incentive opportunity was set at 75% of his base salary. On March 23, 2012, the Company and Mr. van Ligten entered into a letter agreement pursuant to which Mr. van Ligten agreed to remain employed by the Company following the relocation of his position from Atlanta, Georgia to the Company s headquarters in Dublin, Ohio, notwithstanding the occurrence of certain triggering events under the terms of his employment agreement. Effective May 23, 2013, Mr. van Ligten was appointed Senior Vice President President, International.

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Mr. van Ligten left the Company on June 8, 2015. In connection with his departure, Mr. van Ligten received (or became entitled to receive) the following payments and benefits:

- A cash payment equal to the sum of his then-current base salary and actual cash incentive award paid for 2014, payable in semi-monthly installments for a period of 12 months ($662,000);
- A cash payment equal to his then-current base salary for an additional period of 12 months, payable in semi-monthly installments commencing 12 months after termination, offset by any compensation earned from subsequent employment ($425,000);
- A lump sum cash payment of $27,500;
- A pro rata portion of his annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives ($119,136);
- All outstanding stock options held by Mr. van Ligten vested in full ($1,725,971) and remain exercisable for a period of one year following his termination;
- All outstanding performance units held by Mr. van Ligten vested on a pro rata basis based on the assumed achievement of target performance ($910,725); and
- All outstanding restricted stock units held by Mr. van Ligten vested on a pro rata basis ($902).

The Company and Mr. van Ligten entered into a consulting agreement dated June 9, 2015 pursuant to which Mr. van Ligten provided consulting services to the Company through December 4, 2015. In consideration for his services, Mr. van Ligten received a monthly consulting fee of $70,000 ($437,500).

The values shown above with respect to the vesting of Mr. van Ligten s equity awards were estimated assuming the immediate exercise and sale of all vested stock options and the immediate sale of all vested performance units and restricted stock units, in each case based on the closing price of our Common Stock on June 8, 2015 ($11.28).

Prior to receiving any of the severance payments and benefits described above, Mr. van Ligten was required to sign a general release and covenant not to sue in favor of the Company. In addition, Mr. van Ligten remains subject to certain (i) non-compete and non-solicitation covenants for 12 months following his departure and (ii) confidentiality and non-disparagement covenants for four years following his departure.

CRAIG S. BAHNER

Effective April 2, 2012, the Company entered into an employment agreement with Mr. Bahner, as the Company s Chief Marketing Officer. The employment agreement provided that the term of Mr. Bahner s employment would run through April 2, 2014, subject to automatic renewal for additional one-year periods unless either party gave notice of non-renewal at least 120 days prior to the expiration of the then-current term. Under the employment agreement, Mr. Bahner s initial annual base salary was set at $425,000 (set at $475,000 at the time of his departure from the Company) and his annual target cash incentive opportunity was set at 75% of his base salary. The employment agreement also provided that Mr. Bahner would be eligible to receive equity awards under the Company s annual long-term incentive award program in effect for other senior executives.

Mr. Bahner left the Company on April 2, 2015 following the expiration of the employment term under his employment agreement. In connection with his departure, Mr. Bahner received the following payments and benefits:

- A cash payment equal to eight months of his then-current base salary, payable in semi-monthly installments ($316,667);

- A pro rata portion of his annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives ($137,026);

- All outstanding stock options held by Mr. Bahner vested in full ($827,328) and remain exercisable for a period of one year following his termination; and

- All outstanding performance units held by Mr. Bahner vested on a pro rata basis based on the assumed achievement of target performance ($883,155).

The values shown above with respect to the vesting of Mr. Bahner s equity awards were estimated assuming the immediate exercise and sale of all vested stock options and the immediate sale of all vested performance units, in each case based on the closing price of our Common Stock on April 2, 2015 ($10.93).

Prior to receiving any of the severance payments and benefits described above, Mr. Bahner was required to sign a general release and covenant not to sue in favor of the Company. In addition, Mr. Bahner was subject to certain non-compete and non-solicitation covenants for eight months following his departure and remains subject to certain confidentiality and non-disparagement covenants for four years following his departure.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The named executive officers are parties to employment agreements with the Company that provide for certain severance payments and benefits upon a qualifying termination event. The named executive officers also have received equity awards under the 2010 Omnibus Award Plan, which provides for the accelerated vesting of certain awards in connection with a qualifying termination event. Awards granted under the 2010 Omnibus Award Plan are subject to double-trigger vesting requirements in connection with a change in control of the Company. This means that, in order for an outstanding award to be accelerated and become vested, a change in control must occur and the participant must be terminated without cause or for good reason following the change in control.

The Company considers these limited severance and change in control benefits to be an important part of the executive compensation program and consistent with competitive market practice. The Company believes that providing appropriate severance benefits helps to attract and retain highly qualified executives by mitigating the risks associated with leaving a previous employer and accepting a new position with the Company, and by providing income continuity following an unexpected termination. These arrangements also allow the Company to protect its interests through corresponding confidentiality, non-compete and other restrictive covenants in the event of an executive s termination.

A summary of the key severance provisions in effect as of the end of 2015 for Messrs. Brolick, Penegor, Wright and Weisberg is set forth below. This summary is qualified in its entirety by reference to the complete text of their respective employment agreements and the 2010 Omnibus Award Plan, copies of which have been filed with the SEC. The actual severance payments and benefits received by Messrs. Toop, van Ligten and Bahner in connection with their departure from the Company are described above under the caption Employment Agreements.

Employment Agreements Key Severance Provisions

EMIL J. BROLICK

Termination event:	Termination due to retirement (*i.e.*, termination for any reason other than death or for cause)
Severance payments:	A pro rata portion of Mr. Brolick s annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives ($3,290,438)
Treatment of equity awards:	Continued vesting through the end of the applicable vesting periods of all equity awards outstanding on the retirement date as if Mr. Brolick had not experienced a termination of employment (with immediate vesting of such awards in the event a change of control occurs following his termination)

TODD A. PENEGOR AND ROBERT D. WRIGHT

Termination event:	Termination without cause
Severance payments:	A cash payment equal to the sum of the executive s then-current base salary and actual cash incentive award paid for 2014, payable in biweekly installments for a period of 12

	months (Mr. Penegor: $1,070,000; and Mr. Wright: $770,000) A cash payment equal to the executive s then-current base salary for an additional period of 12 months, payable in biweekly installments commencing 12 months after termination, offset by any compensation earned from subsequent employment (Mr. Penegor: $675,000; and Mr. Wright: $485,000) A lump sum cash payment of $30,000 A pro rata portion of the executive s annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives (Mr. Penegor: $965,672; and Mr. Wright: $638,345)
Treatment of equity awards:	In the event of a termination without cause, all outstanding stock options and restricted stock units will vest pro rata (on a monthly basis) through the date of termination (Mr. Penegor: $1,648,775; and Mr. Wright: $535,076)

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Scott A. Weisberg

Termination event:	Termination without cause or termination due to a triggering event
Severance payments:	A cash payment equal to the sum of Mr. Weisberg s then-current base salary and actual cash incentive award paid for 2014, payable in semi-monthly installments for a period of 12 months ($656,000) A cash payment equal to Mr. Weisberg s then-current base salary for an additional period of 12 months, payable in semi-annual installments commencing 12 months after termination, offset by any compensation earned from subsequent employment ($415,000) A lump sum cash payment of $27,500 A pro rata portion of Mr. Weisberg s annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives ($546,213)
Treatment of equity awards:	In the event of a termination due to disability, all outstanding stock options will fully vest ($501,623)
Termination at or following expiration of employment term:	In the event of a termination by the Company at the expiration of Mr. Weisberg s employment term, Mr. Weisberg would receive (i) continuation of his then-current base salary for eight months, payable in semi-monthly installments, and (ii) a pro rata portion of his annual cash incentive award for the fiscal year in which the termination occurs, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives

Employment Agreements Restrictive Covenants

As a condition to receiving any of the severance payments and benefits described above, the named executive officers are required to comply with certain restrictive covenants set forth in their respective employment agreements, as described below.

Name	General Release/ Covenant Not to Sue		Non-Compete/Non-Solicitation	Confidentiality/ Non-Disparagement	
Emil J. Brolick	ü	ü	The last day on which his equity awards vest following termination	ü	Unlimited
Todd A. Penegor	ü	ü	12 months (termination for cause) 24 months (termination without cause)	ü	4 years
Robert D. Wright	ü	ü	12 months (termination for cause) 24 months (termination without cause)	ü	4 years

Scott A. Weisberg	ü	ü	12 months (termination for cause or termination other than due to a triggering event) 24 months (termination without cause or termination due to a triggering event)	ü	4 years

2010 Omnibus Award Plan Key Severance Provisions

TYPE OF EQUITY AWARD	TERMINATION EVENT	IMPACT ON OUTSTANDING EQUITY AWARDS
Stock Options	Termination due to death or disability or termination without cause or for good reason within 12 months following a change in control	All outstanding stock options will fully vest (Mr. Brolick: $3,168,526; Mr. Penegor: $1,063,727; Mr. Wright: $401,955; and Mr. Weisberg: $501,623)
Restricted Stock Units	Termination due to death or disability or termination without cause or for good reason within 12 months following a change in control	All outstanding restricted stock units will fully vest (Mr. Penegor: $2,115,411; and Mr. Wright: $1,285,938)
	Termination without cause	All outstanding restricted stock units granted on December 17, 2014 will fully vest (Mr. Penegor: $1,285,938; and Mr. Wright: $1,285,938)
Performance Units	Termination due to death or disability or termination without cause or for good reason within 12 months following a change in control	All outstanding performance units will vest pro rata (on a daily basis) through the date of termination based on actual performance or, if actual performance cannot be reasonably assessed, then based on the assumed achievement of target performance (Mr. Brolick: $4,297,122; Mr. Penegor: $1,129,624; Mr. Wright: $200,718; and Mr. Weisberg: $607,334)

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Aggregate Potential Payments upon Termination or Change in Control

The estimated aggregate values of the severance payments and benefits that would be provided to the named executive officers in connection with the qualifying termination events described above pursuant to their respective employment agreements and the 2010 Omnibus Award Plan are shown in the table below.

NAME	TERMINATION DUE TO DEATH OR DISABILITY ($)	TERMINATION DUE TO RETIREMENT ($)	TERMINATION WITHOUT CAUSE OR DUE TO A TRIGGERING EVENT ($)	TERMINATION WITHOUT CAUSE OR FOR GOOD REASON FOLLOWED BY A CHANGE IN CONTROL ($)
Emil J. Brolick	7,465,648	3,290,438 (1)		13,070,926
Todd A. Penegor	4,308,762		5,246,739	7,049,434
Robert D. Wright	1,888,612		3,315,713	3,811,957
Scott A. Weisberg	1,108,957		1,644,713	2,753,670

(1) Does not include the value that would be realized by Mr. Brolick from the continued vesting through the end of the applicable vesting periods of all equity awards outstanding on his retirement date in accordance with the terms of his employment agreement.

Key Assumptions and Definitions

The following assumptions were made in calculating the value of the severance payments and benefits described in the tables above:

The triggering event took place on December 31, 2015, the last business day of 2015;

The price of our Common Stock was $10.77 per share, the closing price on December 31, 2015;

No compensation offset for executives whose second year severance payments would otherwise be subject to reduction for outside earnings;

The immediate exercise and sale of all stock options and the immediate sale of all restricted stock units and performance units that vested as of the December 31, 2015 triggering date;

Accelerated vesting of performance units is based on the assumed achievement of target performance; and

No six-month delay in payment to any specified employee that would otherwise be required under Section 409A of the Internal Revenue Code.

Cause is generally defined to include: (i) commission of any act of fraud or gross negligence that has a material adverse effect on the business or financial condition of the Company or its affiliates; (ii) willful material misrepresentation to the Company or the Board; (iii) willful failure or refusal to comply with any material obligations or any reasonable and lawful instructions of the President and Chief Executive Officer or the Board; (iv) engagement in any misconduct or commission of any act that is injurious or detrimental to the substantial interest of the Company or any of its affiliates; (v) indictment for any felony; (vi) failure to comply with any material written rules, regulations, policies or procedures of the Company; (vii) willful or negligent failure to comply with the Company s policies regarding insider trading; or (viii) the executive s death or disability.

Triggering event is generally defined to include: (i) material reduction in the executive s authority, duties or responsibilities; (ii) requirement to report to any person other than the President and Chief Executive Officer or the Board; (iii) reduction in the executive s base salary or target annual cash incentive opportunity percentage; or (iv) requirement to relocate to a work site outside of Columbus, Ohio.

Good reason is generally defined to include: (i) material reduction in the executive s base salary or target annual cash incentive opportunity; or (ii) requirement to relocate to a work site more than 50 miles from the executive s principal residence.

Change in control is generally defined to include: (i) acquisition by any person or group of beneficial ownership of 50% or more of the outstanding shares of our Common Stock or the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors, subject to certain exceptions; (ii) during any period of 24 months, individuals who, at the beginning of such period, constitute the Board of Directors (*i.e.*, incumbent directors) cease for any reason to constitute at least a majority of the Board, provided that any director whose election or nomination for election was approved by at least two-thirds of the incumbent directors then on the Board is deemed an incumbent director; (iii) stockholder approval of a plan of complete dissolution or liquidation of the Company; (iv) sale, transfer or other disposition of all or substantially all of the business or assets of the Company; or (v) consummation of a reorganization, recapitalization, merger, consolidation, share exchange or similar transaction involving the Company that requires stockholder approval, subject to certain exceptions. Notwithstanding the foregoing, the acquisition of any portion of the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors by, or the merger, consolidation or sale of assets of the Company with or to, Nelson Peltz or Peter W. May (or any person controlled by Messrs. Peltz or May) will not constitute a change in control.

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COMPENSATION OF DIRECTORS

The Company s compensation program for non-management directors is designed to:

- Be competitive with companies against which the Company competes for director talent;
- Encourage and facilitate ownership of our Common Stock by non-management directors; and
- Take into consideration stockholder views regarding director compensation.

The Compensation Committee has responsibility for reviewing the competitiveness and appropriateness of the compensation program for non-management directors and for approving or making recommendations to the Board of Directors with respect to director compensation. In carrying out its duties, the Compensation Committee has established a process to review, on a biannual basis, the competitive positioning of the Company s director compensation program. In December 2014, the Compensation Committee requested that its independent outside compensation consultant, Cook & Co., prepare a competitive analysis of the Company s director compensation program to ensure that it was providing appropriate levels of compensation. The analysis, which compared the compensation of the Company s non-management directors against a peer group of 20 restaurant companies, confirmed that both the design and compensation levels of the Company s director compensation program were reasonably aligned with market practice.

In June 2015, the Compensation Committee considered and evaluated the market data and other elements presented in the Cook & Co. report and a number of other factors, including: (i) the Company s performance since the director compensation program was last changed in May 2013; (ii) the Company s current initiatives and future growth strategies; (iii) the number of Board and Board committee meetings held; (iv) the increase in the complexity of matters addressed by directors; and (v) stockholder expectations regarding director compensation. After consulting with its independent outside compensation consultant, Cook & Co., the Compensation Committee approved the following changes to the Company s director compensation program to more closely align the program with market practice and to maintain the program s competitiveness in attracting and retaining highly qualified directors:

- The value of the annual restricted stock award for each non-management director was increased from $75,000 to $85,000;
- The additional annual chair retainer for the Audit Committee Chair was increased from $10,000 to $15,000; and
- The additional annual chair retainer for the Compensation Committee Chair was increased from $7,500 to $10,000.

The components of the Company s current compensation program for non-management directors, which reflect the changes approved by the Compensation Committee in June 2015, are described below.

Annual Retainers

- Each non-management director receives an annual retainer for Board service of $67,500.

- Each member of the Audit Committee receives an annual retainer of $14,000, and the Audit Committee Chair receives an additional annual chair retainer of $15,000.

- Each member of the Compensation Committee receives an annual retainer of $10,500, and the Compensation Committee Chair receives an additional annual chair retainer of $10,000.

Meeting Fees

- Except as otherwise specifically determined by the Compensation Committee, no meeting fees are paid to members of the Audit Committee, Compensation Committee or Subcommittee. Members of all other Board committees receive a fee of $2,000 for each meeting they attend.

Restricted Stock Awards

- Each non-management director receives a restricted stock award in connection with his or her initial election and annual re-election to the Board. Each restricted stock award has an annual grant date fair value of $85,000 and vests on the earlier of the first anniversary of the grant date and the date of the Company s next annual meeting of stockholders, subject to the director s continued Board service on the vesting date.

Non-management directors may elect to receive all or a portion of their annual retainers and meeting fees in shares of Common Stock in lieu of cash. In addition, pursuant to the Company s 2009 Directors Deferred Compensation Plan (the 2009 Directors Deferred Compensation Plan), non-management directors may elect to defer a set percentage or amount of their annual retainers, meeting fees and restricted stock awards into restricted stock units. The restricted

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stock units represent a contingent right to receive shares of Common Stock and, in the case of a deferral of restricted stock awards, are subject to the same vesting schedule as the underlying restricted stock. Dividend equivalent units accrue on all amounts deferred under the 2009 Directors Deferred Compensation Plan. All deferred amounts are payable in shares of Common Stock in a lump sum on the earlier of the director s termination of Board service, a fixed number of years or the director s death, as elected by the director at the time of deferral.

2015 DIRECTOR COMPENSATION

The table below summarizes the compensation earned by or paid to the Company s non-management directors for their Board and Board committee service during 2015. Emil J. Brolick, the Company s Chief Executive Officer, did not receive any additional compensation during 2015 for his service as a director. The compensation paid to Mr. Brolick during 2015 for his service as an executive officer of the Company is set forth in the 2015 Summary Compensation Table above.

Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	All Other Compensation ($)	Total ($)
Nelson Peltz	69,500	85,000	482,871 (3)	637,371
Peter W. May	75,500	85,000		160,500
Edward P. Garden (4)	67,500	165,834 (5)		233,334
Janet Hill	78,000	85,000		163,000
Dennis M. Kass	3,616	42,500 (6)		46,116
Joseph A. Levato	114,500	85,000		199,500