

## **Frequently asked Questions and Answers Regarding the Papa John's International, Inc. Stock Split**

### **1. What is a stock split?**

In a 2-for-1 stock split, on the "distribution date", each shareholder receives one additional share of stock for each share that he or she holds as of a certain date, known as the "record date". As a result, the number of issued shares is doubled, and the price per share at which the stock trades is expected to be reduced by approximately one-half.

The Board of Directors of Papa John's International, Inc. declared a 2-for-1 stock split on Papa John's International, Inc. common stock ("PZZA stock" or "Common Stock") payable on December 27, 2013 to shareholders of record as of the close of business on December 12, 2013. The additional shares of PZZA stock received as a result of the stock split are referred to in this FAQ as "split shares".

### **2. Why did Papa John's International, Inc.'s Board of Directors authorize a stock split?**

A stock split makes the price of the Company's stock more affordable and potentially more attractive to new investors.

### **3. What is the record date?**

The split shares will be credited on the distribution date to shareholders of record at the close of business on the record date. The record date is December 12, 2013.

### **4. What is the distribution date (also known as the payable date)?**

The distribution date for the split shares is December 27, 2013. If shares are registered in your name as of the market close on the record date, you will receive the split shares on the distribution date.

### **5. What is the ex-dividend date?**

NASDAQ has advised that it has set December 30, 2013 as the ex-dividend date. The 'ex-dividend date' is the first day that PZZA stock will trade on a post-split basis at a post-split adjusted price. For example, if the closing stock price on December 27, 2013 is \$76 per share, the opening stock price on December 30, 2013 is expected to be approximately \$38 per share.

### **6. What happens if I buy or sell some shares before the record date?**

On December 27, 2013, you will receive split shares on all shares you own as of the close of business on the record date, December 12, 2013. If you sell any of your shares at any time before the record date, you will not be entitled to receive the split shares on the shares you sell. If you buy shares at any time on or before the record date, you will be entitled to receive the split shares on shares you hold as of the close of business on the record date.

### **7. What happens if I buy or sell some shares between the record date and the distribution date?**

The answer to this question differs depending on whether shares are sold on the NASDAQ Global Market or directly between a buyer and seller other than on the NASDAQ Global Market.

*Shares sold on NASDAQ Global Market:*

Any trade of PZZA stock on the NASDAQ Global Market executed prior to the ex-dividend date includes the right to the additional shares. A record holder that sells his or her stock will not be entitled to the receipt of the additional shares. In order for a record holder to receive the additional shares, the record holder must

hold the shares through the distribution date, December 27, 2013. Buyers of PZZA are rightful claimants to the additional shares if purchased prior to the ex-dividend date; they need not be a holder of record. Trades of PZZA stock on the NASDAQ Global Market that settle between the record date and the distribution date will be considered "trades with distribution", those that ultimately entitle the buyer to the split shares even though the buyer did not own the shares on the record date. These trades will have a "due bill" attached to them. A "due bill" is an IOU from the seller indicating that the buyer, not the seller who was holding the stock on the record date, is entitled to the split shares upon their issuance. If you buy shares of PZZA stock on the NASDAQ Global Market between the record date and December 27, you will be entitled to split shares based on your purchases, but you will not receive them on the distribution date. You will receive the split shares when the due bills settle on or about January 2, 2014.

If you sell shares of PZZA stock on the NASDAQ Global Market between the record date and December 27, the trade will have a due bill attached to it and you will receive no split shares even though you may have been the record holder on the record date. The split shares on sold PZZA stock will be held and used to settle the due bills on or about January 2, 2014.

#### *Shares NOT sold on the NASDAQ Global Market:*

The Company will issue PZZA stock to the holder of record as of the close of business on the record date. For purchase and sale transactions not effected over the NASDAQ Global Market, those transactions will not have the benefit of the rules and conventions adopted by NASDAQ which provide that buyers between the record date and distribution date will ultimately receive the split shares. Consequently, buyers of PZZA stock in transactions not effected through NASDAQ during the period between the record date and distribution date will need to make arrangements with the seller for delivery of the split shares by the seller after the distribution date. The obligation of the seller to transfer the split shares to a buyer will be a matter between the seller and buyer. Papa John's International, Inc. will issue the split shares to the holder of record as of the close of business on the record date and will not be responsible for ensuring buyers of PZZA stock between the record date and distribution date receive the split shares.

Shares of PZZA stock not traded on the NASDAQ Global Market but effected using a broker may be subject to conventions or rules similar to or different from NASDAQ. Shareholders who trade between the record date and distribution date should check with their broker as to the treatment and delivery of the split shares in connection with such trade.

#### **8. How will my additional shares of PZZA stock be issued?**

No stock certificates will be issued. Instead, if you hold certificates, the additional shares you will receive as a result of the stock split will be distributed through the Direct Registration System (DRS). This means that you have full ownership of your additional shares without the responsibility of holding the actual certificates. A DRS Transaction Statement will be enclosed along with a Q&A and Terms and Conditions Sheet providing information about DRS. The DRS Transaction Statement will be your confirmation; it will indicate the number of additional split shares you received based on your certificated share balance as of the record date. Keep it with your existing PZZA stock certificates and other important documents as a record of your ownership.

#### **9. I hold shares in a brokerage account. How have my stock split shares been credited?**

If you hold shares in a brokerage account, the additional shares will be automatically deposited to your brokerage account. Please contact your broker with any questions you may have.

#### **10. What do I do with my existing PZZA stock certificate(s)?**

Existing PZZA stock certificate(s) are still valid. Do not destroy them. You may deposit your existing

certificate(s) to a DRS account or in a brokerage account or you may continue to physically hold them and be responsible for their safekeeping. You can convert your shares held in certificate form into book-entry shares by mailing your certificate(s) and a letter of instruction via registered or certified mail with return receipt requested, or some other form of traceable, insured mail to: Computershare Investor Services, P.O. Box 43078, Providence, RI 02940-3078, or for overnight delivery to Computershare Investor Services, 250 Royall Street, Canton, MA 02021. For security purposes, please do not sign your certificates. Once the certificate shares are converted to book-entry form, you will be sent a statement confirming your account balance. It is recommended you insure any certificates you mail.

#### **11. How do I request a PZZA stock certificate?**

We believe DRS is the safest and most convenient way to hold your PZZA shares of stock. If however, you prefer to receive a certificate for your additional stock split shares, you may request it by calling Computershare Investor Services at 1-888-622-6157, or by accessing their website at [www.computershare.com/investor](http://www.computershare.com/investor), and following the instructions. Your certificate(s) will be mailed to you at the address listed on the form. You can expect to receive your certificate(s) within approximately two weeks of your request.

#### **12. Do the shares I receive from the PZZA stock split result in taxable income?**

The Company has been advised that, under current law, for United States federal income tax purposes, the receipt of split shares of Common Stock, as a result of this stock split, will not result in any taxable income, gain or losses to shareholders. Further, immediately after the stock split, the per share tax basis of all shares of Common Stock held by a shareholder will be the basis in the original shares allocated equally to the original shares and the split shares. For example, if you own 100 shares of PZZA stock before the split with a tax basis of \$76.00 per share, after the split you will own 200 shares of PZZA stock with a tax basis of \$38.00 per share. Finally, the split shares will be deemed to have been acquired at the same time as the original shares with respect to which the new shares were issued.

**The foregoing tax information is furnished for your assistance, but you should consult your personal tax advisor regarding the impact this might have on your personal situation.**

The laws of jurisdictions other than that of the United States may impose income taxes on the receipt of split shares. For PZZA shareholders outside the U.S., please consult with your local tax advisor on tax impacts as they could vary by jurisdiction.

#### **13. When will the stock begin trading at its split price on NASDAQ?**

December 30, 2013.

#### **14. What change is contemplated, if any, in dividends?**

Papa John's most recent quarterly dividend was \$0.25 per share payable on November 22, 2013. If the Board of Directors would choose to maintain the same level of total dividends post-split, the dividend would be adjusted to be \$0.1250 per share for the dividend to be paid in the first quarter of 2014. Thus, all the shares, including the split shares, would receive this dividend, which, in this example, would be a total post-split dividend distribution equal to the previous total dividend distribution on a pre-split shares basis.

#### **15. What if I have more questions?**

For more information about the stock split, please contact Amber McNew at (502) 261-4895. For more information about DRS or your PZZA shareholder account, please call Computershare Investor Services at 1-800-622-6157. For information about your brokerage account, please contact your broker.