UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d)
Of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 3, 2019**

Papa John's International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

0-21660	**61-1203323**
(Commission File Number)	(IRS Employer Identification No.)

2002 Papa John's Boulevard
Louisville, Kentucky 40299-2367
(Address of principal executive offices) (Zip Code)

(502) 261-7272
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 1.01 Entry into a Material Definitive Agreement.

On February 3, 2019, Papa John's International, Inc. (the "**Company**") entered into a Securities Purchase Agreement (the "**Purchase Agreement**") with certain funds (together with their permitted assigns, each, a "**Buyer**" and collectively the "**Buyers**") affiliated with, or managed by, Starboard Value LP, pursuant to which the Company sold to the Buyers 200,000 shares of the Company's newly designated Series B Convertible Preferred Stock, par value $0.01 per share (the "**Series B Preferred Stock**" and the 200,000 shares, the "**Initial Series B Preferred Shares**"), at a purchase price of $1,000 per share (the "**Purchase Price**"), for an aggregate purchase price of $200,000,000. The Buyers also have the option (the "**Purchase Option**"), exercisable at their discretion, to purchase up to an additional 50,000 shares of Series B Preferred Stock (the "**Optional Shares**" and, together with the Initial Series B Preferred Shares, the **"Purchased Shares**") on or prior to March 29, 2019 for the Purchase Price, subject to certain limitations (including limitations on the amount available for issuance pursuant to the terms of the Purchase Agreement). The Series B Preferred Stock is convertible into the Company's common stock, par value $0.01 per share (the "**Common Stock**" and the shares of Common Stock underlying the Series B Preferred Stock, the "**Conversion Shares**") at any time at the election of the Buyers, and redeemable for cash at the option of either party from and after the eight year anniversary of issuance, subject to certain conditions.

The Initial Series B Preferred Shares represent between an estimated 11.2% to 15.4% of the Company's outstanding Common Stock on an as-converted basis, depending on the conversion price of the Series B Preferred Stock. The final conversion price will be determined on February 15, 2019 and disclosed in a Current Report on Form 8-K. Assuming exercise of the Purchase Option in full, the cumulative Purchased Shares would represent in the aggregate an estimated 13.6% to 16.7% of the Company's outstanding Common Stock on an as-converted basis, depending on the conversion price of the Series B Preferred Stock (and subject to the Exchange Cap described below). The sale of the Initial Series B Preferred Shares closed on February 4, 2019 (the "**Closing Date**").

The Company expects to use approximately half of the proceeds from the sale of the Purchased Shares to reduce the outstanding principal amount under the Company's unsecured revolving credit facility. The remaining proceeds, combined with the additional borrowing availability under the revolving credit facility as a result of the debt repayment, is expected to provide financial flexibility that enables the Company to make investments in the business, and for general corporate purposes.

Securities Purchase Agreement

The Purchase Agreement contains customary representations and warranties from the Company, on the one hand, and the Buyers, on the other, including representations and warranties by the Company regarding its capitalization, compliance with applicable laws, undisclosed liabilities, intellectual property rights, affiliate transactions, taxes and litigation. The Company has also agreed to certain covenants regarding its compliance with laws and restrictions against providing the Buyers with material non-public information without the Buyers' consent if such Buyers do not have an affiliate serving on the Company's board of directors (the "**Board**"). Further, the Company granted the Buyers the right to participate on a proportionate basis in future equity offerings, subject to certain limits.

The Buyers have also agreed to (i) a lock-up provision pursuant to which the Buyers cannot transfer the Purchased Shares, or the Conversion Shares if converted, for a one year period following the Closing Date and (ii) limitations on certain public disclosures regarding any intent or proposal to change the Company's management, business, capitalization, organizational documents or corporate structure so long as either Jeffrey C. Smith is Chairman of the Board or the Standstill Period (as defined below) has not expired or been terminated.

So long as any Buyer beneficially owns any of the Company's securities, the Company may not issue any shares of Series B Preferred Stock without the prior written consent of the holders of a majority of the securities issued pursuant to the Purchase Agreement, on an as-converted basis (including Starboard Value and Opportunity Master Fund Ltd. as long as it, or any of its affiliates, holds any Purchased Shares or Conversion Shares). Notwithstanding the foregoing, on or prior to March 30, 2019, the Company may offer and sell an aggregate amount of up to 10,000 shares of Series B Preferred Stock to qualified franchisees of the Company (the "**Franchisee Option**"), so long as the issuance of such shares does not (i) exceed certain maximum thresholds when taken together with the Purchased Shares or (ii) otherwise impair the rights granted to the Buyers under the Purchase

Agreement, Certificate of Designation, Governance Agreement or Registration Rights Agreement (each as defined herein, and collectively, the "**Transaction Documents**").

Subject to certain limitations, the Company has also agreed to indemnify each Buyer for (i) any misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents prior to the expiration of the applicable survival period of such representation or warranty; (ii) any breach of any covenant or agreement of the Company contained in any of the Transaction Documents; and (iii) any cause of action, suit or claim brought against such Buyer by a third party arising out of or resulting from or related to (w) the investment in the Purchased Shares, the consummation of the transactions contemplated by the Transaction Documents and the execution, delivery, performance or enforcement of the Transaction Documents, (x) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Company's securities pursuant to the Purchase Agreement, (y) public announcement by the Company of the Transaction Documents and/or the issuance of the Company's securities pursuant to the Purchase Agreement, including the accompanying release of the Company's financial results, or (z) the status of such Buyer as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or an officer of director of the Company being a principal of Buyer, except in the event that such cause of action, suit or claim is determined by a court of competent jurisdiction to be the sole result of the gross negligence, willful misconduct or fraud by any Buyer.

In connection with the Purchase Agreement, the Company also entered into a Registration Rights Agreement, dated February 4, 2019, by and among the Company and the Buyers (the "**Registration Rights Agreement**") and a Governance Agreement, dated February 4, 2019, by and among the Company, Starboard Value LP, Jeffrey C. Smith and Peter A. Feld (the "**Governance Agreement**"), effective as of the Closing Date, each of which are summarized below.

The foregoing summary of the Purchase Agreement is qualified in its entirety by the full text of the Purchase Agreement, a copy of which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

Registration Rights Agreement

In accordance with the terms of the Registration Rights Agreement, the Company has agreed that it shall use commercially reasonable efforts to register for resale: (i) on or prior to February 4, 2020, at least 110% of the maximum amount of Conversion Shares convertible or converted from the Purchased Shares and (ii) on or prior to February 4, 2021, all of the Purchased Shares, in each case, solely to the extent such shares are Registrable Securities (as defined in the Registration Rights Agreement). In addition, the Company has agreed to use its commercially reasonable efforts to list the Conversion Shares covered by an effective Registration Statement upon any securities exchange upon which the Common Stock is then listed, and to list the Series B Preferred Stock upon the request of Starboard after the two year anniversary of the Closing Date. The Company has also agreed to reimburse the Buyers for certain fees of their legal counsel for registration in accordance with the Registration Rights Agreement. The Registration Rights Agreement contains customary indemnification provisions.

The foregoing summary of the Registration Rights Agreement is qualified in its entirety by the full text of the Registration Rights Agreement, a copy of which is filed herewith as Exhibit 10.2 and incorporated herein by reference.

Governance Agreement

Pursuant to the terms of the Governance Agreement, the Company has agreed to (i) increase the size of the Board from six to nine directors, (ii) nominate and appoint Jeffrey C. Smith (the "**Starboard Appointee**"), Anthony M. Sanfilippo (the "**Independent Appointee**") and Steve M. Ritchie (collectively, the "**Agreed Appointees**") to the Board and (iii) appoint Mr. Smith as Chairman of the Board (the "**Chairman**"). Subject to certain limitations set forth in the Governance Agreement, during the Standstill Period, (A) Mr. Sanfilippo shall be a member of the Compensation Committee of the Board, the Corporate Governance & Nominating Committee of the Board (the "**Nominating Committee**") and the Special Committee of the Board (the "**Special Committee**") and (B) Mr. Smith shall be a member of the Special Committee so long as no Resignation Event (as defined below) has occurred.

If there is a vacancy on the Board during the Standstill Period as a result of either the Starboard Appointee or the Independent Appointee no longer serving on the Board for any reason, then Starboard Value LP and certain affiliates named therein (collectively, "**Starboard**") will be entitled to designate a replacement thereof (each, a "**Replacement Director**"); provided that at such time certain criteria set forth in the Governance Agreement are satisfied, including that Starboard beneficially own, in the aggregate, at least (i) 89,264 shares of Series B Preferred Stock or (ii) the lesser of 5.0% of the Company's then-outstanding Common Stock (on an as-converted basis, if applicable) and 1,783,141 shares of issued and outstanding Common Stock (subject to adjustment for stock splits, reclassifications, combinations and similar adjustments) (the "**Minimum Ownership Threshold**"). Prior to being appointed to the Board, the Starboard Appointee (or a Replacement Director thereof who is not independent of Starboard) shall deliver an irrevocable resignation letter pursuant to which he or she will resign automatically and immediately if (A) Starboard fails to satisfy the Minimum Ownership Threshold or (B) Starboard, its affiliates or associates or any Starboard Appointee who is not independent of Starboard materially breaches the terms of the Governance Agreement (clauses (A)-(B), regardless of actual resignation, the "**Resignation Events**").

In addition to the appointment of the Agreed Appointees, the Company has agreed that the Nominating Committee, in consultation with the Chairman and the Chairman of the Nominating Committee, will initiate a process to identify and recommend at least one and no more than two additional new independent director candidates (each, an "**Additional Independent Appointee**"), who will be appointed to the Board, subject to their completion of customary director onboarding documentation and the Board's approval. The Company has also agreed that, without the prior written consent of Starboard, the Board shall take all necessary action so that the size of the Board shall not exceed (i) 11 directors during the period from February 4, 2019 until the date of the Company's 2019 annual meeting of stockholders (the "**2019 Annual Meeting**") and (ii) 12 directors from the date of the 2019 Annual Meeting until the end of the Standstill Period.

So long as a Resignation Event has not occurred, the Board will nominate, recommend, support and solicit proxies for the Starboard Appointee (or Replacement Director thereof), the Independent Appointee (or Replacement Director thereof) and the Additional Independent Appointee(s) (if applicable) for election at the 2019 Annual Meeting for terms expiring at the Company's 2020 annual meeting of stockholders (the "**2020 Annual Meeting**"). Starboard has agreed that during the Standstill Period they shall vote all shares that they beneficially own (i) in favor of each of the Company's director nominees, (ii) in accordance with the Board's recommendation for the ratification of the appointment of the Company's independent auditor for the applicable fiscal year, (iii) in accordance with the Board's recommendation with respect to the Company's "say-on-pay" proposal; and (iv) in accordance with the Board's recommendation with respect to any other Company proposal or stockholder proposal; provided, however, that in the event Institutional Shareholder Services Inc. ("**ISS**") or Glass Lewis & Co., LLC ("**Glass Lewis**") recommends otherwise with respect to the Company's "say-on-pay" proposal or any other Company or stockholder proposal (other than proposals relating to the nomination or election of directors) at any annual meeting held during the Standstill Period, Starboard may vote in accordance with the ISS or Glass Lewis recommendation). During the Standstill Period, Starboard may also vote in any manner on any extraordinary corporate transaction presented to stockholders for approval. In addition, during the Standstill Period, Starboard has agreed not to (A) nominate or recommend for nomination any person for election as a director at any stockholder meeting, (B) submit any stockholder proposals for consideration at, or bring any business before, any stockholder meeting or (C) initiate, encourage or participate in any "vote no," "withhold" or similar campaign with respect to the Common Stock.

Starboard has agreed, from the date of the Governance Agreement until the earlier of (i) the date that is 15 days prior to the deadline for the submission of stockholder nominations for the 2020 Annual Meeting pursuant to the Company's organizational documents and (ii) the date that is 100 days prior to the first anniversary of the 2019 Annual Meeting (the "**Standstill Period**"), to customary standstill restrictions, including not to: (A) engage in any solicitation of proxies or consents or become a participant in a solicitation of proxies or consents with respect to securities of the Company; (B) form or join any Section 13(d) group with respect to the Company's stock other than with affiliates of Starboard; (C) deposit any securities of the Company in any voting trust or subject any securities of the Company to any arrangement or agreement with respect to the voting of any securities of the Company, other than any such voting trust, arrangement or agreement solely among Starboard; (D) seek or submit, or encourage any person or entity to seek or submit, nomination(s) in furtherance of a contested solicitation for the appointment, election or removal of directors with respect to the Company or seek, encourage or take any other action with respect to the appointment, election or removal of any directors, in each case in opposition to the recommendation of the Board, except that Starboard may identify director candidates in connection with the 2020 Annual Meeting or

any subsequent annual meeting of the stockholders to the extent Starboard have exercised the Continuation Option (as defined below), so long as such actions do not create a public disclosure obligation for Starboard or the Company; (E) make any proposal for consideration by stockholders at any annual or special meeting of stockholders of the Company or through any referendum of stockholders; (F) make any offer or proposal regarding any extraordinary corporate transaction or publicly comment on any extraordinary corporate transaction involving the Company prior to such proposal becoming public; (G) call or request the calling of any special meeting of stockholders; (H) seek representation on the Board, except pursuant to the Governance Agreement; (I) advise or influence any person or entity with respect to the voting of any securities of the Company at any meeting of stockholders in connection with any consent solicitation, except pursuant to the Governance Agreement; and (J) make any request to amend the terms of the Governance Agreement, other than through non-public communications. Starboard has an option to extend the Standstill Period by one-year periods (the "**Continuation Option**"), which Continuation Option may be exercised no more than twice, subject to certain limitations. In the event that Starboard does not exercise the Continuation Option prior to an applicable deadline, the Standstill Period will expire without extension. If the Starboard Appointee is removed as Chairman of the Board during the Standstill Period for any reason other than due to the occurrence of a Resignation Event or his resignation as Chairman of the Board or as a director of the Company, Starboard shall also have the right to terminate the Standstill Period. The Governance Agreement terminates upon the expiration of the Standstill Period.

Each of Starboard and the Company has further agreed, during the Standstill Period, on behalf of themselves and their respective agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors, not to publicly criticize, disparage, call into disrepute or otherwise defame or slander the other party or such other party's subsidiaries, affiliates, successors, assigns, officers, directors, franchisees, employees, stockholders, agents, attorneys or representatives, or any of their businesses, products or services, in any manner that would reasonably be expected to damage the business or reputation of such other party, their businesses, products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, shareholders, agents, attorneys or representatives. If the Starboard Appointee is not independent of Starboard, Starboard may make statements regarding the Company's operational or stock price performance or any strategy, plans, or proposals of the Company not supported by the Starboard Appointee that do not disparage, call into disrepute or otherwise defame or slander any of the Company's officers, directors, franchisees, employees, stockholders, agents, attorneys or representatives to the extent that such statements only speak to matters that have been made public by the Company. The Company may publicly respond to any such statement with a statement similar in scope.

The Company and Starboard Value LP have entered into an Expense Agreement, pursuant to which the Company shall reimburse Starboard Value LP or its designee for up to $592,500 of its out-of-pocket fees, costs and expenses actually incurred in connection with the foregoing agreements as of the Closing Date (to the extent not previously reimbursed by the Company).

The foregoing summary of the Governance Agreement is qualified in its entirety by the full text of the Governance Agreement, a copy of which is filed herewith as Exhibit 10.3 and incorporated herein by reference.

Amendment to Rights Agreement

In addition, on February 3, 2019, prior to entry into the Purchase Agreement, the Company entered into Amendment No. 1 to the Rights Agreement (the "**Rights Agreement Amendment**"), by and between the Company and Computershare Trust Company, N.A., as rights agent (the "**Rights Agent**"), which amends that certain Rights Agreement, dated as of July 22, 2018, by and between the Company and the Rights Agent (the "**Rights Agreement**").

The Rights Agreement Amendment amends the Rights Agreement to address the sale and issuance of the Purchased Shares to the Buyers. In particular, the Rights Agreement Amendment exempts the Buyers from being considered an "Acquiring Person" under the Rights Agreement with respect to their beneficial ownership of the (i) shares of Common Stock beneficially owned by the Buyers as of the Closing Date, (ii) shares of Series B Preferred Stock issued or issuable to the Buyers under the terms of the Purchase Agreement, and (iii) shares of the Common Stock (or in certain circumstances certain series of preferred stock) issuable upon conversion of the Series B Preferred Stock pursuant to the terms of the Purchase Agreement. However, the Buyers would be deemed an

"Acquiring Person" if they acquire beneficial ownership of any additional shares of Common Stock or other securities of the Company that exceeds the applicable limit other than as a result of (A) any dividend or distribution paid or made by the Company on the outstanding Common Stock or pursuant to a split or subdivision of the outstanding Common Stock or (B) any unilateral grant of any security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to such Buyers.

The foregoing summary of the Rights Agreement Amendment is qualified in its entirety by the full text of the Rights Agreement Amendment, a copy of which is filed herewith as Exhibit 4.1 and incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Items 1.01 and 5.03 of this Current Report on Form 8-K regarding the sale of the Purchased Shares, the Purchase Agreement and the terms of the Series B Preferred Stock is incorporated herein by reference.

The sale of the Purchased Shares has not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D as promulgated by the U.S. Securities and Exchange Commission thereunder.

Item 3.03 Material Modification to Rights of Security Holders.

The information contained in Item 5.03 of this Current Report on Form 8-K regarding the Certificate of Designation (as defined below) is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information contained in Item 1.01 of this Current Report on Form 8-K regarding the Governance Agreement is incorporated herein by reference.

Effective February 4, 2019, and pursuant to the terms of the Governance Agreement, the Board increased the size of the Board from six to nine directors and appointed Jeffrey C. Smith, Anthony M. Sanfilippo, and Steve M. Ritchie, the Company's President and Chief Executive Officer, to the Board. Mr. Smith has been appointed as the Chairman of the Board and as a member of the Special Committee. Mr. Sanfilippo will serve on the Compensation Committee, the Corporate Governance and Nominating Committee and the Special Committee. There are no transactions in which Messrs. Smith, Sanfilippo or Ritchie had or will have an interest that would be required to be disclosed pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934, excepting, as disclosed in the Company's proxy statement filed with the Securities and Exchange Commission on March 28, 2018, Mr. Ritchie's approximately 40% ownership interest in Northern Bay Pizza, LLC, a franchise entity that operates nine Papa John's restaurants in Wisconsin. In 2017, royalties earned by the Company from this entity were $363,519 and incentive amounts earned by this entity were $808.

Additionally, pursuant to the terms of the Governance Agreement, Mr. Smith delivered to the Company an irrevocable resignation letter pursuant to which he will resign from the Board and all applicable committees and subcommittees thereof effective automatically and immediately if (i) Starboard fails to satisfy the Minimum Ownership Threshold at any time following the date of such appointment or (ii) Starboard, its affiliates or associates or any Starboard Appointee who is not independent of Starboard materially breaches the terms of the Governance Agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On February 4, 2019, of the Company filed the Certificate of Designation of Series B Convertible Preferred Stock (the "**Certificate of Designation**") with the Secretary of State of the State of Delaware establishing the rights, preferences, privileges, qualifications, restrictions, and limitations relating to the Series B Preferred Stock. A

summary of such material terms is set forth below. Capitalized terms used in this Item 5.03 but not defined herein shall have the meanings set forth in the Certificate of Designation.

Security	Series B Convertible Preferred Stock, par value $0.01 per share
Ranking, with respect to rights as to as to dividends, distributions, redemptions and payments upon the liquidation, dissolution and winding up of the Company	The Series B Preferred Stock will rank (i) senior to all of the Common Stock and any other class or series of capital stock of the Company (including the Company's Series A Junior Participating Preferred Stock), the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Series B Preferred Stock, (ii) on a parity basis with each other class or series of capital stock hereafter issued or authorized, the terms of which expressly provide that such class or series ranks on a parity basis with the Series B Preferred Stock and (iii) on a junior basis with each other class or series of capital stock now or hereafter issued or authorized, the terms of which expressly provide that such class or series ranks on a senior basis to the Series B Preferred Stock.
Stated Value	$1,000 per share of Series B Preferred Stock
Dividend	The initial dividend rate will be 3.6% per annum on the Stated Value, payable quarterly in arrears. The Series B Preferred Stock will also participate on an as-converted basis in any regular or special dividends paid to Common Stock holders. If at any time, the Company reduces the regular dividends paid to Common Stock holders, it will increase the Series B Preferred Stock dividend by an offsetting amount such that the total dividends paid to the Holders of Series B Preferred Stock remain the same as if the Common Stock dividend had not been reduced. On the third year anniversary of the date of issuance, each holder of Series B Preferred Stock (each, a "**Holder**") will have the right to increase the dividend on the shares of Series B Preferred Stock held by such Holder to 5.6% (subject to the Company's right to redeem such Series B Preferred Shares for cash at the Stated Value plus accrued and unpaid dividends). On the fifth year anniversary of the date of issuance, each Holder will have the right to increase the dividend on the shares of Series B Preferred Stock held by such Holder to 7.6% (subject to the Company's right to redeem such Series B Preferred Shares for cash at the Stated Value plus accrued and unpaid dividends).
Redemption	On any date following November 6, 2026, the Company and each Holder will have the right, upon 90 days' notice to the other, to require the Company to repurchase or to repurchase, as the case may be, all or any portion of the Series B Preferred Stock for cash at a price equal

	to the Stated Value plus (without duplication) all accrued but unpaid dividends.
Conversion Rights	Holders' Conversion Right The Holders may elect to convert the Series B Preferred Stock into shares of the Common Stock, at the applicable conversion rate (subject to certain adjustments), at any time and from time to time. The conversion rate is determined by dividing 1,000 by the "Conversion Price." The Conversion Price will be 122.5% of the volume-weighted average trading price of the Common Stock for the ten consecutive trading days after February 4, 2019, subject to a floor and cap of $34.66 and $50.06, respectively, and subject to certain anti-dilution adjustments. Company's Conversion Right At any time on or after February 4, 2024, the Company will have the right to cause all or a portion of the Series B Preferred Stock to be converted into shares of Common Stock at the applicable conversion rate, if the closing price of the Common Stock equals or exceeds 190% of the Conversion Price for 30 consecutive trading days, and assuming certain tradeability conditions of the Common Stock have been met.
Limitations on Conversions	The Company shall not convert any shares of Series B Preferred Stock (and any such conversion shall be null and void) to the extent that (i) after giving effect to such conversion, such Holder together with its affiliates collectively would own in excess of 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion, or (ii) the conversion would result in the issuance of greater than 19.99% of the number of Common Stock outstanding as of the date of signing (the "**Exchange Cap**").
Voting	The Series B Preferred Stock will have the right to vote with common shareholders on an as-converted basis on all matters, without regard to limitations on conversion other than the Exchange Cap and subject to certain limitations in the Certificate of Designation. Holders of Series B Preferred Stock will also be entitled to a separate class vote with respect to amendments to the Company's organizational documents that generally have an adverse effect on the Series B Preferred Stock.
Change of Control	Upon consummation of a change of control of the

	Company, the Holders shall have the right to require the Company to repurchase the Series B Preferred Stock at an amount equal to the sum of (i) the greater of (A) the Stated Value of the Series B Preferred Shares being redeemed plus accrued and unpaid dividends and interest and (B) the Change of Control As-Converted Value with respect to the Series B Preferred Shares being redeemed and (ii) the Make-Whole Amount (as each of those terms is defined in the Certificate of Designation). In addition, the Company has the right to redeem the Series B Preferred Stock in the event of a change of control of the Company where the successor entity is not publicly traded.
No Maturity and No Sinking Fund	The Series B Preferred Stock will have no stated maturity and will not be subject to any sinking fund.

The foregoing summary is qualified in its entirety by the full text of the Certificate of Designation, a copy of which is filed herewith as Exhibit 3.1 and incorporated herein by reference.

Forward-Looking Statements

Certain matters discussed in this Current Report on Form 8-K and other company communications constitute forward-looking statements within the meaning of the federal securities laws. Generally, the use of words such as “expect,” “intend,” “estimate,” “believe,” “anticipate,” “will,” “forecast,” “plan,” “project,” or similar words identify forward-looking statements that we intend to be included within the safe harbor protections provided by the federal securities laws. Such forward-looking statements may relate to future business, operational or financial performance; the quantitative and qualitative benefits of the transaction with Starboard; use of proceeds from the sale of the Series B convertible preferred stock, including debt repayment, investments in certain growth initiatives, advertising, marketing and promotional activity, rebranding efforts, technological investments, and franchisee support; capital allocation; ; capital expenditures; corporate governance; leadership; shareholder and other stakeholder engagement and support; strategic decisions and actions; changes to our current business plan; compliance with debt covenants; and the Company’s financial flexibility and financial condition. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements. The risks, uncertainties and assumptions that are involved in our forward-looking statements include, but are not limited to, risks related to the issuance of the Series B Preferred Stock to Starboard and those in our risk factors discussed in detail in “Part I. Item 1A. — Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as updated by “Part II. Item 1A. — Risk Factors” in our Quarterly Report on Form 10-Q for the quarterly period ended July 1, 2018. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
3.1	Certificate of Designation of Series B Convertible Preferred Stock
4.1	Amendment No. 1 to Rights Agreement, dated February 3, 2019, by and between the Company and Computershare Trust Company, N.A., as rights agent
10.1	Securities Purchase Agreement, dated as of February 3, 2019, by and among the Company and the investors listed on the schedule of buyers attached thereto
10.2	Registration Rights Agreement, dated as of February 4, 2019, by and among the Company and the investors listed on the schedule of buyers attached thereto
10.3	Governance Agreement, dated as of February 4, 2019, by and among the Company and the entities and natural persons listed on the signature pages attached thereto

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PAPA JOHN'S INTERNATIONAL, INC.
(Registrant)

Date: February 4, 2019

/s/ Steve Ritchie
Steve Ritchie

President and Chief Executive Officer

Exhibit 3.1

CERTIFICATE OF DESIGNATION
OF
SERIES B CONVERTIBLE PREFERRED STOCK
OF
PAPA JOHN'S INTERNATIONAL, INC.

Pursuant to Section 151 of the
General Corporation Law of
the State of Delaware

Papa John's International, Inc., (the "**Company**") a corporation duly organized and existing under the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

That, pursuant to authority conferred by the Amended and Restated Certificate of Incorporation of the Company (the "**Charter**"), and by the provisions of Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors of the Company (the "**Board**"), at a duly called meeting held on February 3, 2019, at which a quorum was present and acted throughout, adopted the following resolutions, which resolutions remain in full force and effect on the date hereof, creating a series of two hundred sixty thousand (260,000) shares of Preferred Stock, $0.01 par value per share, designated as "Series B Convertible Preferred Stock":

RESOLVED, that pursuant to the authority vested in the Board in accordance with the provisions of the Charter, and Section 151(g) of the General Corporation Law of the State of Delaware, the Board does hereby create, authorize and provide for the issuance of a series of Preferred Stock, $0.01 par value per share, of the Company, designated as "Series B Convertible Preferred Stock," having the voting powers, designation, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof that are set forth as follows:

(1) Designation and Amount. There shall be a series of Preferred Stock $0.01 par value per share, of the Company designated as the "**Series B Convertible Preferred Stock**" (the "**Series B Preferred Stock**") and the number of shares constituting such series shall be two hundred sixty thousand (260,000) shares (each a "**Series B Preferred Share**").

(2) Ranking. The Series B Preferred Stock shall rank, with respect to rights as to dividends, distributions, redemptions and payments upon the liquidation, dissolution and winding up of the Company (a) senior to all of the Common Stock and any other class or series of capital stock of the Company, including, without limitation, the Company's Series A Junior Participating Preferred Stock, now or hereafter issued or authorized, the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Series B Preferred Stock as to dividends, distributions, redemptions and payments upon the liquidation, dissolution and winding up of the Company (such stock being referred to hereinafter collectively

as "**Junior Stock**"), (b) on a parity basis with each other class or series of capital stock now or hereafter issued or authorized, the terms of which expressly provide that such class or series ranks on a parity basis with the Series B Preferred Stock as to dividends, distributions, redemptions and payments upon the liquidation, dissolution and winding up of the Company (such stock being referred to hereinafter collectively as "**Pari Passu Stock**"), and (c) on a junior basis with each other class or series of capital stock now or hereafter issued or authorized, the terms of which expressly provide that such class or series ranks on a senior basis to the Series B Preferred Stock as to dividends, distributions, redemptions and payments upon the liquidation, dissolution and winding up of the Company (such stock being referred to hereinafter collectively as "**Senior Stock**"). Notwithstanding anything to the contrary in this Certificate of Designation of Series B Preferred Stock of the Company (this "**Certificate of Designation**"), the Company shall have the right to issue Series B-1 Preferred Stock and Series B-2 Preferred Stock pursuant to Section 10 and may issue it without the consent of the Holders.

(3) No Maturity or Sinking Fund. The Series B Preferred Stock shall have no stated maturity and will not be subject to any sinking fund.

(4) Liquidation. In the event of a Liquidation Event, holders of Series B Preferred Shares (each, a "**Holder**" and collectively, the "**Holders**") shall be entitled to receive in cash out of the assets of the Company legally available therefor, whether from capital or from earnings available for distribution to its stockholders (the "**Liquidation Funds**") upon such Liquidation Event, before any amount shall be paid to the holders of Junior Stock, but subject to the rights of Senior Stock and Pari Passu Stock, an amount per Series B Preferred Share equal to the greater of (i) the Conversion Amount and (ii) the amount that would have been received had such Series B Preferred Shares been converted into Common Stock immediately prior to such Liquidation Event at the then effective Conversion Rate (without regard to any limitations on conversion); provided that, if the Liquidation Funds are insufficient to pay the full amount due to the Holders and holders of shares of Pari Passu Stock, if any, then each Holder and each holder of any such Pari Passu Stock shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds that would be payable to such Holder or holder of Pari Passu Stock as a liquidation preference in accordance with their respective Certificate of Designation, as a percentage of the full amount of Liquidation Funds that would be payable to all Holders and holders of Pari Passu Stock in accordance with their respective Certificate of Designation.

(5) Dividends. From and after the Issuance Date, (i) the Holders of record as they appear on the stock books of the Company on the fifteenth (15th) day (or, if such date falls on a day that is not a Business Day, the next day that is a Business Day) (a "**Preferential Dividend Record Date**") of the calendar month immediately preceding the first (1st) Business Day of each succeeding Calendar Quarter (each such date, a "**Preferential Dividend Date**"), shall be entitled to receive, to the fullest extent permitted by law and out of funds lawfully available therefor, before any dividends shall be declared, set apart for or paid upon the Common Stock or any other Junior Stock, cash dividends per Series B Preferred Share on the applicable Preferential Dividend Date in arrears for the previous Calendar Quarter equal to an amount of cash calculated at the applicable Preferential Dividend Rate on the Stated Value of each such Series B Preferred Share computed on the basis of a 360-day year and twelve 30-day months (the "**Preferential Dividends**") and (ii) the Holders on the record date fixed for holders of Common Stock for dividends or distributions (or, in the event no such date is fixed prior to the Preferential Dividend

Record Date, on the Preferential Dividend Record Date) shall be entitled to receive, (x) concurrently with the quarterly cash dividends (or, in the event no such quarterly cash dividends are made, on the Preferential Dividend Date), being paid to the holders of Common Stock, the greater of (A) such dividends paid to the holders of Common Stock to the same extent as if such Holders had converted the Series B Preferred Shares into Common Stock (without regard to any limitations on conversion) and had held such shares of Common Stock on such record date and (B) $0.225 (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the Subscription Date) per share of Common Stock issuable upon conversion of the Series B Preferred Shares on the applicable record date for payment of such dividend (without regard to any limitations on conversion) and (y) concurrently with any dividends or distributions (other than quarterly cash dividends), such dividends or distributions paid to the holders of Common Stock to the same extent as if such Holders had converted the Series B Preferred Shares into Common Stock (without regard to any limitations on conversion) and had held such shares of Common Stock on such record date (clauses (x) and (y) collectively, the "**Participating Dividends**" and together with the Preferential Dividends, the "**Dividends**"). For the avoidance of doubt, Holders shall be entitled to receive to the fullest extent permitted by law and out of funds lawfully available therefor the Participating Dividend set forth in Section 5(ii)(x)(B) each Calendar Quarter regardless of whether a quarterly cash dividend is declared on the Common Stock. The Dividends shall be mandatorily paid by the Company to the fullest extent permitted by applicable law and out of funds lawfully available therefor. For the avoidance of doubt, the Company shall not be required to declare and pay Dividends to the extent and only to the extent that the Company is prohibited from paying such Dividends by the terms of the Company's Credit Agreement dated August 30, 2017 by and among the Company and the lender parties thereto, including any amendments, extensions, renewals, restatements, refinancings or replacements thereof. Dividends on the Series B Preferred Shares shall commence accruing on the Issuance Date, shall be cumulative and shall continue to accrue without interest whether or not declared and whether or not in any fiscal year there shall be net profits or surplus available for the payment of Dividends in such fiscal year, so that if in any fiscal year or years, Dividends in whole or in part are not paid upon the Series B Preferred Shares as required by this Section 5 for any reason, including, without limitation, because there are no funds legally available therefor, unpaid Dividends shall accumulate thereon. If the Company fails to declare and pay in cash full Preferential Dividends on the Series B Preferred Shares on any Preferential Dividend Date as provided in this Section 5, then any Preferential Dividends payable on such Preferential Dividend Date on the Series B Preferred Shares but not paid shall accrue and bear interest at a rate equal to the Preferential Dividend Rate, computed on the basis of a 360-day year and twelve 30-day months, from and including the applicable Preferential Dividend Date to but excluding the day on which the Company shall have paid in cash in accordance with this Section 5 all Dividends on which the Series B Preferred Shares that are then in arrears or until the conversion or redemption of the applicable shares of Series B Preferred Shares. The Company and its Subsidiaries shall not redeem or repurchase any Equity Interests (other than Series B Preferred Shares pursuant to the terms of this Certificate of Designation) unless the Company has declared all Dividends on the Series B Preferred Shares that have accrued through the Preferential Dividend Record Date immediately preceding the date of such redemption or repurchase and paid all Dividends on the Series B Preferred Shares that are payable through the Preferential Dividend Date immediately preceding the date of such redemption or repurchase.

(6) Conversion of Series B Preferred Shares into Common Stock. Series B Preferred Shares shall be convertible into shares of Common Stock on the terms and conditions set forth in this Section 6.

(a) Holder's Conversion Right. Subject to the provisions of Section 6(e), at any time or times on or after the Issuance Date, any Holder shall be entitled to convert any Series B Preferred Shares into fully paid and nonassessable shares of Common Stock in accordance with this Section 6 at the Conversion Rate (as defined below).

(b) Conversion. The number of shares of Common Stock issuable upon conversion of each Series B Preferred Share pursuant to Section 6(a) shall be determined by multiplying (x) the quotient of the Conversion Amount and one thousand (1,000) by (y) the Conversion Rate. No fractional shares of Common Stock are to be issued upon the conversion of any Series B Preferred Share, but rather the number of shares of Common Stock to be issued shall be rounded down to the nearest whole number and the Company shall in lieu of delivering any fractional share of Common Stock issuable upon conversion make a cash payment (calculated to the nearest cent) equal to such fraction multiplied by the Closing Sale Price of the Common Stock on the relevant Conversion Date without interest. The applicable Conversion Rate is subject to adjustment as hereinafter provided.

(c) Mechanics of Conversion. The conversion of Series B Preferred Shares shall be conducted in the following manner:

(i) Holder's Delivery Requirements. To convert Series B Preferred Shares into shares of Common Stock on any date, a Holder shall (A) deliver to the Company and the Transfer Agent for receipt on or prior to 11:59 p.m., New York City Time, on such date, a copy of a properly completed and duly executed notice of conversion executed by the registered Holder of the Series B Preferred Shares subject to such conversion in the form attached hereto as Exhibit I (a "**Conversion Notice**"); and (B) deliver to the Transfer Agent funds for the payment of any stock transfer, documentary, stamp or similar taxes not payable by the Company pursuant to Section 6(f).

(ii) Company's Response. As soon as practicable after the Conversion Date, but in any event within two (2) Trading Days, the Company shall (A) provided the Transfer Agent is participating in the Depository Trust Company ("**DTC**") Fast Automated Securities Transfer Program ("**FAST Program**") and the Series B Preferred Shares are DTC eligible, credit such aggregate number of shares of Common Stock to which such Holder shall be entitled to such Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (3) if the Transfer Agent

is not participating in the DTC FAST Program or the Series B Preferred Shares are not DTC eligible, make a book-entry notation registered in the name of such Holder or its designee, for the number of shares of Common Stock to which such Holder shall be entitled and deliver to the address as specified in the applicable Conversion Notice any notice required by law. While any Series B Preferred Shares are outstanding, the Company shall use a transfer agent that participates in the FAST Program or any successor program.

(iii) Record Holder. To the fullest extent permitted by law, the Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of Series B Preferred Shares shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the applicable Conversion Date, irrespective of the date such shares of Common Stock are credited to such Holder's account with DTC or the date of the book-entry notations evidencing such shares of Common Stock, as the case may be.

(iv) Company's Failure to Timely Convert. If a Holder has not received all of the shares of Common Stock to which such Holder is entitled on the applicable share delivery date with respect to a conversion of Series B Preferred Shares for any reason other such Holder's failure to comply with the conditions set forth herein, then such Holder, upon written notice to the Company, with a copy to the Transfer Agent, may void its Conversion Notice with respect to, and retain or have returned, as the case may be, any Series B Preferred Shares that have not been converted pursuant to such Holder's Conversion Notice.

(d) Mandatory Conversion at the Company's Election. If at any time, or from time to time, from and after February 4, 2024 (the "**Mandatory Conversion Start Date**") (i) the Closing Sale Price of the Common Stock has equaled or exceeded 190% of the Conversion Price as of the Determination Date (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the Subscription Date) (a "**Mandatory Conversion Price Condition**") for at least thirty (30) consecutive Trading Days following the Mandatory Conversion Start Date (a "**Mandatory Conversion Measuring Period**") and (ii) no Equity Conditions Failure has occurred during the period beginning on the first day of the applicable Mandatory Conversion Measuring Period relating to the applicable Mandatory Conversion (as defined below) through the applicable Mandatory Conversion Date (as defined below), the Company shall from time to time have the right to require the Holders to convert all, or any portion, of the outstanding Series B Preferred Shares, as designated in the Mandatory Conversion Notice relating to the applicable Mandatory Conversion on the applicable Mandatory Conversion Date into fully paid, validly issued and

nonassessable shares of Common Stock at the Conversion Rate as of the applicable Mandatory Conversion Date (a "**Mandatory Conversion**"). The Company may exercise its right to require conversion under this Section 6(d) by delivering within not more than five (5) Trading Days following the end of any such Mandatory Conversion Measuring Period a written notice thereof to all Holders and the Transfer Agent (a "**Mandatory Conversion Notice**" and the date the Transfer Agent and all Holders received such notice is referred to as a "**Mandatory Conversion Notice Date**"). Each Mandatory Conversion Notice shall be irrevocable. Each Mandatory Conversion Notice shall (i) state (a) the Trading Day on which the applicable Mandatory Conversion shall occur, which Trading Day shall be the twentieth (20^{th}) Trading Day following the applicable Mandatory Conversion Notice Date (or, if such date falls on a day that is not a Business Day, the next day that is a Business Day) (a "**Mandatory Conversion Date**"), (b) the aggregate Conversion Amount of the Series B Preferred Shares which the Company has elected to be subject to such Mandatory Conversion from such Holder and all other Holders pursuant to this Section 6(d), (c) the number of shares of Common Stock to be issued to such Holder on the applicable Mandatory Conversion Date, (d) in the event such Mandatory Conversion cannot be consummated in full due to the limitations set forth in Section 6(e)(i), state whether the Company shall on the applicable Mandatory Conversion Date redeem the Series B Preferred Shares that cannot be converted due to such limitation (such Series B Preferred Shares that the Company has elected to be subject to a Mandatory Conversion but which cannot be so converted due to the limitations set forth in Section 6(e)(i), the "**Excess Mandatory Conversion Shares**") and (e) state whether the conversion of all or any portion of the Series B Preferred Shares that the Company has elected to be subject to a Mandatory Conversion will result in the issuance of a greater number of shares of Common Stock than permitted under Section 6(e)(ii), and (ii) certify that the Mandatory Conversion Price Condition relating to the applicable Mandatory Conversion has been satisfied and that there has been no Equity Conditions Failure on any day during the period beginning on the first day of the applicable Mandatory Conversion Measuring Period prior to the related Mandatory Conversion Notice Date through the applicable Mandatory Conversion Notice Date. If the Company confirmed that there was no such Equity Conditions Failure relating to the applicable Mandatory Conversion as of the applicable Mandatory Conversion Notice Date but an Equity Conditions Failure occurs at any time between the applicable Mandatory Conversion Notice Date and the applicable Mandatory Conversion Date (a "**Mandatory Conversion Interim Period**"), the Company shall provide each Holder a subsequent written notice to that effect. If there is an Equity Conditions Failure during the applicable Mandatory Conversion Interim Period, then such Mandatory Conversion shall be null and void with respect to all or any part designated by such Holder of the unconverted Series B Preferred Shares subject to the applicable Mandatory Conversion and such Holder shall be entitled to all the rights of a holder of Series B Preferred Shares with respect to such Series B Preferred Shares; provided, however, that if a Holder waives in writing an

Equity Conditions Failure during the applicable Mandatory Conversion Interim Period, then the Company shall be required to proceed with the applicable Mandatory Conversion with respect to such Holder. Notwithstanding anything to the contrary in this Section 6(d), until the applicable Mandatory Conversion has occurred, the Series B Preferred Shares subject to the Mandatory Conversion may be converted, in whole or in part, by a Holder into shares of Common Stock pursuant to Sections 6(a)-(c). All Series B Preferred Shares converted by a Holder after a Mandatory Conversion Notice Date shall reduce the Series B Preferred Shares required to be converted on the related Mandatory Conversion Date. If a Mandatory Conversion cannot be consummated in full due to the limitations set forth in Section 6(e)(i), then (i) on the applicable Mandatory Conversation Date, only that portion of the applicable Mandatory Conversion that complies with the limitations set forth in Section 6(e)(i) shall occur, (ii) unless the Company has indicated in the applicable Mandatory Conversion Notice that it shall redeem the applicable Excess Mandatory Conversion Shares on the applicable Mandatory Conversion Date, such Holder must promptly deliver one or more Conversion Notice(s) to the Company and the Transfer Agent upon disposition of any securities of the Company that would permit the conversion of any portion of such Excess Mandatory Conversion Shares and (iii) notwithstanding anything herein to the contrary, Preferential Dividends with respect to the Series B Preferred Shares which the Company has elected to be subject to such Mandatory Conversion shall cease to accrue and be payable as of the applicable Mandatory Conversion Date and all approval, consent or voting rights and any right to a Make-Whole Amount shall cease with respect to the Series B Preferred Shares not able to be so converted. If a Mandatory Conversion consummated in full would violate the limitations set forth in (i) Section 6(e)(i), the Company may indicate in the related Mandatory Conversion Notice that it shall redeem the Excess Mandatory Conversion Shares on the applicable Mandatory Conversion Date in cash, without interest, at a price equal to the greater of (x) 100% of the Conversion Amount of the applicable Excess Mandatory Conversion Shares and (y) the product of (1) the Conversion Amount of the applicable Excess Mandatory Conversion Shares and (2) the quotient determined by dividing (x) the greatest Closing Sale Price of the Common Stock during the period beginning on the date immediately preceding the applicable Mandatory Conversion Notice Date and ending on the applicable Mandatory Conversion Date, by (y) the lowest Conversion Price in effect during such period or (ii) Section 6(e)(ii), the Company shall indicate in the related Mandatory Conversion Notice that it shall redeem the portion of the Series B Preferred Shares that is subject to a Mandatory Conversion that cannot be converted due to the limitations set forth in Section 6(e)(ii) on the applicable Mandatory Conversion Date in cash, without interest, at a price per share of Common Stock that the Company is prohibited from issuing pursuant to Section 6(e)(ii) equal to the amount set forth in the last sentence of Section 6(e)(ii). If the Company elects to cause a Mandatory Conversion pursuant to this Section 6(d), then it must simultaneously take the same action in the same proportion with respect to all

Series B Preferred Shares to the extent practicable or, if the pro rata basis is not practicable for any reason, by lot or such other equitable method as the Company determines in good faith. At the Mandatory Conversion Date, each Series B Preferred Share to be converted pursuant to such Mandatory Conversion shall automatically be converted into fully paid, validly issued, nonassessable shares of Common Stock at the Conversion Rate as of the applicable Mandatory Conversion Date without any further act or deed on the part of the Company, any Holder or any other Person.

(e) Limitation on Conversions.

(i) Beneficial Ownership. Notwithstanding anything to the contrary contained herein, the Company shall not effect the conversion of any Series B Preferred Shares, and no Holder shall have the right to convert any Series B Preferred Shares pursuant to the terms and conditions of this Certificate of Designation, and any such conversion shall be null and void and treated as if it had never occurred, to the extent that after giving effect to such conversion, such Holder, together with its Attribution Parties collectively would beneficially own in excess of the Maximum Percentage of the number of shares of Common Stock outstanding immediately after giving effect to such conversion. For purposes of determining the number of shares of Common Stock the Holder may acquire upon conversion of Series B Preferred Shares without exceeding the Maximum Percentage, the Holder and its Attribution Parties shall be deemed to beneficially own the aggregate number of shares of Common Stock beneficially owned by the Holder and its Attribution Parties plus the number of shares of Common Stock issuable upon the conversion of the Series B Preferred Shares with respect to which the determination hereunder is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted Series B Preferred Shares beneficially owned by such Holder or any of its Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants) beneficially owned by such Holder or any of its Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 6(e)(i). For purposes of this Section 6(e)(i), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, taking into account the provisions of the preceding sentence. For purposes of determining the number of outstanding shares of Common Stock a Holder may acquire upon the conversion of Series B Preferred Shares without exceeding the Maximum Percentage, such Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K, Quarterly

Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Company or (z) any other written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding (the "**Reported Outstanding Share Number**"). If the Company receives a Conversion Notice from a Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall notify such Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Conversion Notice would otherwise cause such Holder's beneficial ownership, as determined pursuant to this Section 6(e)(i), to exceed the Maximum Percentage, such Holder must notify the Company of a reduced number of shares of Common Stock to be converted pursuant to such Conversion Notice. For any reason at any time, upon the written request of any Holder, the Company shall within two (2) Trading Days confirm in writing or by electronic mail to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including the Series B Preferred Shares, by such Holder and any of its Attribution Parties since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to a Holder upon exercise of such Holder's Series B Preferred Shares results in such Holder and its other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the Exchange Act), the number of shares so issued by which such Holder's and its other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and such Holder shall not have the power to vote or to transfer the Excess Shares. Upon delivery of a written notice to the Company, any Holder may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (A) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, (B) any such decrease may not be effected between a Mandatory Conversion Notice Date and the related Mandatory Conversion Date and (C) any such increase or decrease will apply only to such Holder and its other Attribution Parties and not to any other Holder that is not an Attribution Party. For purposes of clarity, the shares of Common Stock underlying the Series B Preferred Shares in excess of the Maximum Percentage shall not be deemed to be beneficially owned

by a Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6(e)(i) to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 6(e)(i) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of Series B Preferred Shares.

(ii) Principal Market Regulation. The Company shall not be obligated to issue any shares of Common Stock pursuant to the terms of this Certificate of Designation, and the Holders shall not have the right to receive any shares of Common Stock pursuant to the terms of this Certificate of Designation, to the extent the issuance of such shares of Common Stock would exceed 6,330,357 shares of Common Stock (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the Subscription Date) (the "**Exchange Cap**"), except that such limitation shall not apply in the event that the Company obtains the approval of its stockholders as required by the applicable rules of the Principal Market for issuances of Common Stock in excess of such amount or if the Principal Market allows for a greater number of shares of Common Stock to be issued pursuant to this Certificate of Designation. Until such approval is obtained, no Holder shall be issued in the aggregate, pursuant to the terms of this Certificate of Designation, shares of Common Stock in an amount greater than the product of the Exchange Cap multiplied by a fraction, the numerator of which is the number of Series B Preferred Shares issued to such Holder pursuant to the Securities Purchase Agreement on the Issuance Date(s) that occurred on or prior to the applicable date of determination and the denominator of which is the aggregate number of all Series B Preferred Shares issued to the initial Holders pursuant to the Securities Purchase Agreement on the Issuance Date(s) that occurred on or prior to the applicable date of determination (with respect to each such Holder, the "**Exchange Cap Allocation**"). In the event that any Holder shall sell or otherwise transfer any of such Holder's Series B Preferred Shares, the transferee shall be allocated a pro rata portion of such Holder's Exchange Cap Allocation, and the restrictions of the prior sentence shall apply to such transferee with respect to the portion of the Exchange Cap Allocation allocated to such transferee. In the event that any Holder shall have converted any of such Holder's Series B Preferred Shares into a number of shares of Common Stock which, in the aggregate, is less than such Holder's Exchange Cap Allocation, then the difference

between such Holder's Exchange Cap Allocation and the number of shares of Common Stock actually issued to such Holder shall be allocated to the respective Exchange Cap Allocations of the remaining Holders on a pro rata basis in proportion to the shares of Common Stock underlying the Series B Preferred Shares then held by each such Holder. In the event that the Company is prohibited from issuing any shares of Common Stock for which a Conversion Notice has been received as a result of the operation of this Section 6(e)(ii) (the "**Exchange Cap Shares**"), the Company shall pay out of the assets of the Company legally available therefor cash on or prior to the applicable share delivery date to such Holder in exchange for the redemption of such number of Series B Preferred Shares held by the Holder that are not convertible into such Exchange Cap Shares at a price equal to the product of (x) such number of Exchange Cap Shares and (y) the Closing Sale Price of the Common Stock on the attempted Conversion Date.

(f) Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of the Series B Preferred Shares shall be made without charge to the Holders for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates. The Company shall not, however, be required to pay any documentary stamp or similar tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series B Preferred Shares, shares of Common Stock or other securities to a beneficial owner other than the beneficial owner of the Series B Preferred Shares immediately prior to such conversion, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the reasonable satisfaction of the Company (as determined in its reasonable discretion), that such tax has been paid or is not payable.

(7) Adjustments to Conversion Rate.

(a) Adjustments. The Conversion Rate will be subject to adjustment, without duplication, upon the occurrence of the following events, except that the Company shall not make any adjustment to the Conversion Rate if Holders of the Series B Preferred Shares participate, at the same time and upon the same terms as holders of Common Stock and solely as a result of holding Series B Preferred Shares, in any transaction described in this Section 7(a), without having to convert their Series B Preferred Shares, as if they held a number of shares of Common Stock per Series B Preferred Share equal to multiplying (x) the quotient of the Conversion Amount and one thousand (1,000) by (y) the Conversion Rate:

(i) The exclusive issuance of Common Stock as a dividend or distribution on all or substantially all shares of the Common Stock, or a

subdivision or combination of Common Stock or a reclassification of Common Stock into a greater or lesser number of shares of Common Stock, in which event the Conversion Rate shall be adjusted based on the following formula:

CR1 = CR0 x (OS1 / OS0)

CR0 = the Conversion Rate in effect immediately prior to the close of business on (i) the Ex-Dividend Date for such dividend or distribution, or (ii) the effective date of such subdivision, combination or reclassification

CR1 = the new Conversion Rate in effect immediately after the close of business on (i) the Ex-Dividend Date for such dividend or distribution, or (ii) the effective date of such subdivision, combination or reclassification

OS0 = the number of shares of Common Stock outstanding immediately prior to the close of business on (i) the Ex-Dividend Date for such dividend or distribution or (ii) the effective date of such subdivision, combination or reclassification

OS1 = the number of shares of Common Stock that would be outstanding immediately after, and solely as a result of, the completion of such event

Any adjustment made pursuant to this clause (i) shall be effective immediately after the close of business on the Ex-Dividend Date for such dividend or distribution, or the effective date of such subdivision, combination or reclassification. If any such event is announced or declared but does not occur, the Conversion Rate shall be readjusted, effective as of the date the Company announces that such event shall not occur, to the Conversion Rate that would then be in effect if such event had not been declared.

(ii) The dividend, distribution or other issuance to all or substantially all holders of Common Stock of rights (other than rights, options or warrants distributed in connection with a stockholder rights plan (in which event the provisions of Section 7(a)(v) shall apply)), options or warrants entitling them to subscribe for or purchase shares of Common Stock for a period expiring forty-five (45) days or less from the date of issuance thereof, at a price per share that is less than the Current Market Price as of the date such dividend, distribution or other issuance is publicly announced (the "**Public Announcement Date**") for such issuance, in which event the Conversion Rate will be increased based on the following formula:

CR1 = CR0 x [(OS0+X) / (OS0+Y)]

CR0 = the Conversion Rate in effect immediately prior to the close of business on the Public Announcement Date for such dividend, distribution or issuance

CR1 = the new Conversion Rate in effect immediately following the close of business on the Public Announcement Date for such dividend, distribution or issuance

OS0 = the number of shares of Common Stock outstanding immediately prior to the close of business on the Public Announcement Date for such dividend, distribution or issuance

X = the total number of shares of Common Stock issuable pursuant to such rights, options or warrants

Y = the number of shares of Common Stock equal to the aggregate price payable to exercise such rights, options or warrants divided by the Current Market Price as of the Public Announcement Date for such dividend, distribution or issuance

For purposes of this clause (ii), in determining whether any rights, options or warrants entitle the holders to purchase the Common Stock at a price per share that is less than the Current Market Price as of the Public Announcement Date for such dividend, distribution or issuance, there shall be taken into account any consideration the Company receives for such rights, options or warrants, and any amount payable on exercise thereof, with the value of such consideration, if other than cash, to be the Fair Market Value thereof.

Any adjustment made pursuant to this clause (ii) shall become effective immediately following the close of business on the Ex-Dividend Date for such dividend, distribution or issuance. In the event that such rights, options or warrants are not so issued, the Conversion Rate shall be readjusted, effective as of the date the Company publicly announces its decision not to issue such rights, options or warrants, to the Conversion Rate that would then be in effect if such dividend, distribution or issuance had not been declared. To the extent that such rights, options or warrants are not exercised prior to their expiration or shares of Common Stock are otherwise not delivered pursuant to such rights, options or warrants upon the exercise of such rights, options or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the dividend, distribution or issuance of such rights, options or warrants been made on the basis of the delivery of only the number of shares of Common Stock actually delivered.

(iii) The Company shall, by dividend or otherwise, distribute to all or substantially all holders of its Common Stock (other than for cash in lieu of fractional shares), shares of any class of its capital stock, evidences of its indebtedness, assets, other property or securities, but excluding

(A) dividends or distributions referred to in Section 7(a)(i) or Section 7(a)(ii) hereof, (B) Distribution Transactions as to which Section 7(a)(iv) shall apply, and (C) rights, options or warrants distributed in connection with a stockholder rights plan as to which Section 7(a)(v) shall apply (any of such shares of its capital stock, indebtedness, assets or property that are not so excluded are hereinafter called the "**Distributed Property**"), then, in each such case the Conversion Rate shall be adjusted based on the following formula:

CR1 = CR0 x [SP0 / (SP0 - FMV)]

CR0 = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such dividend or distribution

CR1 = the new Conversion Rate in effect immediately after the close of business on the Record Date for such dividend or distribution

SP0 = the Current Market Price as of the Record Date for such dividend or distribution

FMV = the Fair Market Value of the portion of Distributed Property distributed with respect to each outstanding share of Common Stock on the Record Date for such dividend or distribution; provided that, if FMV is equal or greater than SP0, then in lieu of the foregoing adjustment, the Company shall distribute to each holder of Series B Preferred Shares on the date the applicable Distributed Property is distributed to holders of Common Stock, but without requiring such holder to convert its shares of Series B Preferred Shares, in respect of each share of Series B Preferred Shares held by such holder, the amount of Distributed Property such holder would have received had such holder owned a number of shares of Common Stock equal to the Conversion Rate on the Record Date for such dividend or distribution

Any adjustment made pursuant to this clause (iii) shall be effective immediately after the close of business on the Record Date for such dividend or distribution. If any such dividend or distribution is declared but does not occur, the Conversion Rate shall be readjusted, effective as of the date the Company announces that such dividend or distribution shall not occur, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(iv) The Company effects a Distribution Transaction, in which case the Conversion Rate in effect immediately prior to the effective date of the Distribution Transaction shall be adjusted based on the following formula:

CR1 = CR0 x [(FMV + MP0) / MP0]

CR0 = the Conversion Rate in effect immediately prior to the close of business on the effective date of the Distribution Transaction

CR1 = the new Conversion Rate in effect immediately after the close of business on the effective date of the Distribution Transaction

FMV = the arithmetic average of the volume-weighted average prices for a share of the capital stock or other interest distributed per share of Common Stock to holders of Common Stock on the principal United States securities exchange or automated quotation system on which such capital stock or other interest trades, as reported by Bloomberg (or, if Bloomberg ceases to publish such price, any successor service chosen by the Company) in respect of the period from the open of trading on the relevant Trading Day until the close of trading on such Trading Day (or if such volume-weighted average price is unavailable, the market price of one share of such capital stock or other interest on such Trading Day determined, using a volume-weighted average method, by an Independent Financial Advisor retained for such purpose by the Company), for each of the ten (10) consecutive full Trading Days commencing with, and including, the Trading Day next succeeding the effective date of the Distribution Transaction

MP0 = the arithmetic average of the Weighted Average Price per share of Common Stock for each of the ten (10) consecutive full Trading Days commencing on, and including, the Trading Day next succeeding the effective date of the Distribution Transaction

Such adjustment shall become effective immediately following the close of business on the effective date of the Distribution Transaction. If an adjustment to the Conversion Rate is required under this Section 7(a)(iv), delivery of any additional shares of Common Stock that may be deliverable upon conversion as a result of an adjustment required under this Section 7(a)(iv) shall be delayed to the extent necessary in order to complete the calculations provided for in this Section 7(a)(iv).

(v) If the Company has a stockholder rights plan in effect with respect to the Common Stock on any Conversion Date, upon conversion of any of the Series B Preferred Shares, Holders of such shares will receive, in addition to the applicable number of shares of Common Stock, the rights under such rights plan relating to such Common Stock, unless, prior to such Conversion Date, the rights have (A) become exercisable or (B) separated from the shares of Common Stock (the first of such events to occur, a "**Trigger Event**"), in which case, the Conversion Rate will be adjusted, effective automatically at the time of such Trigger Event, as if the Company had made a distribution of such rights to all holders of the

Company Common Stock as described in Section 7(a)(ii) (without giving effect to the forty-five (45) day limit on the exercisability of rights, options or warrants ordinarily subject to such Section 7(a)(ii)), subject to appropriate readjustment in the event of the expiration, termination or redemption of such rights prior to the exercise, deemed exercise or exchange thereof. Notwithstanding the foregoing, to the extent any such stockholder rights are exchanged by the Company for shares of Common Stock or other property or securities, the Conversion Rate shall be appropriately readjusted as if such stockholder rights had not been issued, but the Company had instead issued such shares of Common Stock or other property or securities as a dividend or distribution of shares of Common Stock pursuant to Section 7(a)(i) or Section 7(a)(iii), as applicable.

To the extent that such rights are not exercised prior to their expiration, termination or redemption, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the occurrence of the Trigger Event been made on the basis of the issuance of, and the receipt of the exercise price with respect to, only the number of shares of Common Stock actually issued pursuant to such rights.

Notwithstanding anything to the contrary in this Section 7(a)(v), no adjustment shall be required to be made to the Conversion Rate with respect to any Holder which is, or is an "affiliate" or "associate" of, an "acquiring person" under such stockholder rights plan or with respect to any direct or indirect transferee of such Holder who receives Series B Preferred Shares in such transfer after the time such Holder becomes, or its affiliate or associate becomes, an "acquiring person."

(b) Calculation of Adjustments. All adjustments to the Conversion Rate shall be calculated by the Company to the nearest 1/10,000th of one share of Common Stock (or if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a share). No adjustment to the Conversion Rate will be required unless such adjustment would require an increase or decrease of at least one percent of the Conversion Rate; provided, however, that any such adjustment that is not required to be made will be carried forward and taken into account in any subsequent adjustment; provided further that any such adjustment of less than one percent that has not been made will be made upon any conversion.

(c) When No Adjustment Required.

(i) Except as otherwise provided in this Section 7, the Conversion Rate will not be adjusted for the issuance of Common Stock or any securities convertible into or exchangeable for Common Stock or

carrying the right to purchase any of the foregoing, or for the repurchase of Common Stock.

(ii) Except as otherwise provided in this Section 7, the Conversion Rate will not be adjusted as a result of the issuance of, the distribution of separate certificates representing, the exercise or redemption of, or the termination or invalidation of, rights pursuant to any stockholder rights plans.

(iii) No adjustment to the Conversion Rate will be made:

(A) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Company and the investment of additional optional amounts in Common Stock under any plan in which purchases are made at market prices on the date or dates of purchase, without discount, and whether or not the Company bears the ordinary costs of administration and operation of the plan, including brokerage commissions;

(B) upon the issuance of any shares of Common Stock or options or rights to purchase such shares pursuant to any present or future employee, director or officer benefit plan or program of or assumed by the Company or any of its Subsidiaries or of any employee agreements or arrangements or programs;

(C) except as otherwise provided in this Section 7 upon the issuance of any shares of Common Stock pursuant to any Option, warrant, right, or exercisable, exchangeable or Convertible Security;

(D) for dividends or distributions declared or paid to holders of Common Stock in which Holders participate pursuant to Section 5; or

(E) for a change in the par value of the Common Stock.

(d) Successive Adjustments. After an adjustment to the Conversion Rate under this Section 7, any subsequent event requiring an adjustment under this Section 7 shall cause an adjustment to each such Conversion Rate as so adjusted.

(e) Multiple Adjustments. For the avoidance of doubt, if an event occurs that would trigger an adjustment to the Conversion Rate pursuant to this Section 7 under more than one subsection hereof, such event, to the extent fully taken into account in a single adjustment, shall not result in multiple adjustments hereunder; provided, however, that if more than one subsection of

this Section 7 is applicable to a single event, the subsection shall be applied that produces the highest adjusted Conversion Rate.

(f) Notice of Adjustments. Whenever the Conversion Rate is adjusted as provided under this Section 7, the Company shall as soon as reasonably practicable following the occurrence of an event that requires such adjustment (or if the Company is not aware of such occurrence, as soon as reasonably practicable after becoming so aware):

(i) compute the adjusted applicable Conversion Rate in accordance with this Section 7 and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth the applicable Conversion Rate, the method of calculation thereof, and the facts requiring such adjustment and upon which such adjustment is based; and

(ii) provide a written notice to the Holders of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the applicable Conversion Rate was determined and setting forth the adjusted applicable Conversion Rate.

(g) Transfer Agent. The Transfer Agent shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist that may require any adjustment of the Conversion Rate or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Transfer Agent shall be fully authorized and protected in relying on any Officer's Certificate delivered pursuant to Section 7(f) and any adjustment contained therein and the Transfer Agent shall not be deemed to have knowledge of any adjustment unless and until it has received such certificate. The Transfer Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock pursuant to the conversion of Series B Preferred Shares or to comply with any of the duties, responsibilities or covenants of the Company contained in this Section 7.

(8) Offer To Repurchase. If, at any time while any Series B Preferred Shares remain outstanding, the Company redeems or repurchases any of its Equity Interests (other than Series B Preferred Shares pursuant to the terms hereof and other than the redemption or repurchase of any Exempted Buyback Shares) (an "**Offer to Repurchase Event**"), the Company shall deliver a written notice thereof (an "**Offer to Repurchase Notice**") no later than five (5) Business Days following the end of the Calendar Quarter during which one or more Offer to Repurchase Events occurred to all, but not less than all, of the Holders and the Transfer Agent (the date the Transfer Agent and all Holders received such notice is referred to as an "**Offer to Repurchase Notice Date**") and offer to repurchase (an "**Offer to Repurchase**") from each Holder a number of such Holder's Series B Preferred Shares equal to no less than such Holder's Offer to Repurchase Pro Rata Portion of the Offer to Repurchase Percentage of the Series B Preferred Shares then issued and outstanding (such number of Series B Preferred Shares, the "**Offer to Repurchase Shares**"). An Offer to Repurchase shall offer to redeem each such Offer

to Repurchase Share for cash at a price equal to the applicable Offer to Repurchase Price. Within twenty (20) Business Days after the receipt by the Holder of an Offer to Repurchase Notice, each Holder may require the Company to redeem to the fullest extent permitted by law and out of funds lawfully available therefor, at the Offer to Repurchase Price, up to the amount of such Holder's Offer to Repurchase Shares by delivering written notice thereof (an "**Acceptance Notice**") to the Company which Acceptance Notice shall indicate the number of Offer to Repurchase Shares that such Holder is electing to redeem and the wire instructions for the payment of the applicable Offer to Repurchase Price to such Holder. Each Offer to Repurchase shall occur on the thirtieth (30th) Business Day following the end of the Calendar Quarter during which one more Offers to Repurchase giving rise to the applicable Offer to Repurchase occurred (an "**Offer to Repurchase Date**"). Each Offer to Repurchase Notice shall (A) describe the applicable Offer to Repurchase Event, including, without limitation, the calculation of the Offer to Repurchase Pro Rata Portion, the Offer to Repurchase Percentage and the Offer to Repurchase Price and (B) state the maximum Offer to Repurchase Price to be paid to such Holder on such Offer to Repurchase Date. The Company shall publicly disclose (as part of an Annual Report on Form 10-K, a Quarterly Report on Form 10-Q or on a Current Report on Form 8 K or otherwise), that an Offer to Repurchase Event has occurred and that, pursuant to the terms of this Certificate of Designation, each Holder may require the Company to redeem a number of Series B Preferred Shares equal to the Offer to Repurchase Percentage of the Series B Preferred Shares then issued and outstanding at the applicable Offer to Repurchase Price per Series B Preferred Share being redeemed. On the applicable Offer to Repurchase Date the Company shall deliver or shall cause to be delivered to the Holder to the fullest extent permitted by law and out of funds lawfully available therefor the Offer to Repurchase Price in cash by wire transfer of immediately available funds pursuant to wire instructions provided by the Holder in writing to the Company in its Acceptance Notice. All Series B Preferred Shares converted by the Holder after the Offer to Repurchase Notice Date shall reduce the Holder's right to require redemption of the Holder's Offer to Repurchase Shares on a one-for-one basis.

(9) Change of Control Redemption Rights.

(a) Holders' Change of Control Redemption Right. No later than ten (10) days prior to the consummation of a Change of Control, or, if not practicable as promptly as reasonably practicable after the Company is aware of such Change of Control, the Company shall deliver written notice thereof to the Holders and publicly disclose such notice (a "**Change of Control Notice**") setting forth a description of such transaction in reasonable detail and the anticipated Change of Control Redemption Date if then known. At any time during the period beginning after a Holder's receipt of a Change of Control Notice and ending on the date that is twenty (20) Trading Days after the consummation of such Change of Control, such Holder may require the Company to redeem (a "**Change of Control Redemption**"), to the fullest extent permitted by law and out of funds lawfully available therefor, all or any portion of such Holder's Series B Preferred Shares by delivering written notice thereof ("**Change of Control Redemption Notice**") to the Company and the Transfer Agent, which Change of Control Redemption Notice shall indicate the number of Series B Preferred Shares such Holder is electing to redeem and include wire instructions for the payment of the applicable Change of Control Redemption

Price. Any Series B Preferred Shares subject to redemption pursuant to this Section 9(a) shall, to the fullest extent permitted by law and out of funds lawfully available therefor, be redeemed by the Company in cash, without interest, at a price equal to the sum of (A) the greater of (x) the Conversion Amount of the Series B Preferred Shares being redeemed and (y) the Change of Control As-Converted Value with respect to the Series B Preferred Shares being redeemed and (B) the Make-Whole Amount (the "**Change of Control Redemption Price**"). The Company shall make payment of the Change of Control Redemption Price concurrently with the consummation of such Change of Control if such a Change of Control Redemption Notice is received at least five (5) Trading Days prior to the consummation of such Change of Control and within five (5) Trading Days after the Company's receipt of such notice otherwise (the "**Change of Control Redemption Date**"). Once a Change of Control Redemption Notice has been delivered, the Series B Preferred Shares submitted for redemption under this Section 9(a) may not be converted, in whole or in part, pursuant to Sections 6(a)-(c).

(b) Redemption by the Company Upon a Qualified Change of Control. In the case of a Change of Control in which the Successor Entity is not a publicly traded corporation whose common capital stock is quoted on or listed for trading on an Eligible Market (a "**Qualified Change of Control**"), any shares of Series B Preferred Stock, may be redeemed, at the option of the Company (or its successor or the acquiring or surviving Person in such Qualified Change of Control), upon not less than thirty (30) days' notice delivered to the Holders not later than ten (10) days after the consummation of such Qualified Change of Control, at a redemption price per share equal to the Change of Control Redemption Price with respect to such Qualified Change of Control. Unless the Company (or its successor or the acquiring or surviving Person in such Qualified Change of Control) defaults in making the redemption payment on the applicable redemption date, on and after the redemption date, (A) Dividends shall cease to accrue on the shares of Series B Preferred Stock so called for redemption, (B) all shares of Series B Preferred Stock called for redemption shall no longer be deemed outstanding and (C) all rights with respect to such shares of Series B Preferred Stock shall on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable in such redemption.

(c) Assumption and Corporate Events. Upon the occurrence or consummation of any Fundamental Transaction (unless all of the outstanding shares of the Series B Preferred Stock are being redeemed on the date of the consummation of a Change of Control), the Company and the Successor Entity or Successor Entities, jointly and severally, shall succeed to, and the Company shall cause any Successor Entity or Successor Entities to jointly and severally succeed to, and be added to the term "Company" under this Certificate of Designation (so that from and after the date of such Fundamental Transaction, each and every provision of this Certificate of Designation referring to the "Company" shall refer instead to each of the Company and the Successor Entity

or Successor Entities, jointly and severally), and the Company and the Successor Entity or Successor Entities, jointly and severally, may exercise every right and power of the Company prior thereto and shall assume all of the obligations of the Company prior thereto under this Certificate of Designation with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company in this Certificate of Designation. In addition to and not in substitution for any other rights hereunder, prior to the occurrence or consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities, cash, assets or other property with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that, and any applicable Successor Entity or Successor Entities shall ensure that, such Holder will thereafter have the right to receive at its option upon surrender of such Holder's Series B Preferred Shares upon the occurrence or consummation of the Corporate Event, in lieu of the shares of Common Stock (or other securities, cash, assets or other property) such Holder is entitled to receive upon the conversion of such Holder's Series B Preferred Shares prior to such Corporate Event (but not in lieu of such items still issuable under Section 5, which shall continue to be receivable on the Common Stock or on such shares of stock, securities, cash, assets or any other property otherwise receivable with respect to or in exchange for shares of Common Stock), such shares of stock, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights and any shares of Common Stock) which the Holders would have been entitled to receive upon the occurrence or consummation of such Corporate Event or the record, eligibility or other determination date for the event resulting in such Corporate Event, had such Holder's Series B Preferred Shares been converted immediately prior to such Corporate Event or the record, eligibility or other determination date for the event resulting in such Corporate Event (without regard to any limitations on conversion, including without limitation, the Maximum Percentage) (provided, however, to the extent that a Holder's right to receive any such shares of publicly traded common stock (or their equivalent) of the Successor Entity would result in such Holder and its other Attribution Parties exceeding the Maximum Percentage, then such Holder shall not be entitled to receive such shares to such extent (and shall not be entitled to beneficial ownership of such shares of publicly traded common stock (or their equivalent) of the Successor Entity as a result of such consideration to such extent) and the portion of such shares shall be held in abeyance for such Holder until such time or times, as its right thereto would not result in such Holder and its other Attribution Parties exceeding the Maximum Percentage, at which time or times such Holder shall be delivered such shares to the extent as if there had been no such limitation). The provisions of this Section shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied without regard to any limitations on the conversion of the Series B Preferred Shares.

(10) Right of the Holders to Convert to Series B-1 and Series B-2 Preferred Stock; Company's Option to Redeem Upon Such Request.

(a) Conversion to Series B-1. Each Holder shall have the right, at such Holder's option on or prior to the thirtieth (30th) day immediately preceding the third (3rd) anniversary of the Initial Issuance Date, but not prior to the date that is sixty (60) days prior to such date, subject to the conversion procedures set forth in Section 10(e) and the Company's right to effect a Company Dividend Increase Optional Redemption pursuant to Section 11(c)(ii), to convert each share of such Holder's Series B Preferred Stock into one share of Series B-1 Preferred Stock (the "**Series B-1 Conversion Right**"). The right of conversion may be exercised as to all or any portion of such Holder's Series B Preferred Shares; provided that, in each case, no right of conversion may be exercised by a Holder in respect of fewer than ten (10) Series B Preferred Shares (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Series B Preferred Shares occurring after the Subscription Date) (or less if such conversion relates to all shares of Series B Preferred Shares then held by such Holder). On the third (3rd) anniversary of the Initial Issuance Date (the "**Series B-1 Conversion Date**"), if the Company has not delivered a Company Dividend Increase Optional Redemption Notice prior to such date, then the Company shall convert the amount of Series B Preferred Shares specified in the Dividend Increase Conversion Notice (as defined in Section 10(e)), if any, to shares of Series B-1 Preferred Stock as of the Series B-1 Conversion Date. For the avoidance of doubt, the Conversion Amount of the shares of Series B-1 Preferred Stock to be issued upon such conversion shall equal the Conversion Amount of the Series B Preferred Shares and submitted for conversion upon exercise of the Series B-1 Conversion Right set forth herein.

(b) Reservation of Shares for Designation as Series B-1 Preferred Stock. The Company shall at all times reserve and keep available out of its authorized and unissued shares of Preferred Stock, solely for designation as Series B-1 Preferred Stock to be issued upon the conversion of the Series B Preferred Stock, such number of shares of Preferred Stock as shall from time to time be equal to the number of shares of Series B-1 Preferred Stock issuable upon the conversion of all the shares of Series B Preferred Stock then outstanding. Any shares of Series B-1 Preferred Stock issued upon conversion of Series B Preferred Stock shall be duly authorized, validly issued, fully paid and nonassessable.

(c) Conversion to Series B-2. Each Holder shall have the right, at such Holder's option on or prior to the thirtieth (30th) day immediately preceding the fifth (5th) anniversary of the Initial Issuance Date, but not prior to the date that is sixty (60) days prior to such date, subject to the conversion procedures set forth in Section 10(e) and the Company's right to effect a Company Dividend Increase Optional Redemption pursuant to Section 11(c)(ii), to convert each share of such Holder's Series B Preferred Stock and/or Series B-1 Preferred

Stock into a share of Series B-2 Preferred Stock (the "**Series B-2 Conversion Right**"). The right of conversion may be exercised as to all or any portion of such Holder's Series B Preferred Shares and/or Series B-1 Preferred Stock; provided that, in each case, no right of conversion may be exercised by a Holder in respect of fewer than ten (10) Series B Preferred Shares (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Series B Preferred Shares occurring after the Subscription Date) and/or ten (10) shares of Series B-1 Preferred Stock (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the shares of Series B-1 Preferred Stock occurring after the Subscription Date) (or, in each case, less if such conversion relates to all shares of Series B Preferred Shares or shares of Series B-1 Preferred Stock, as applicable, then held by such Holder). On the fifth (5th) anniversary of the Initial Issuance Date (the "**Series B-2 Conversion Date**" and together with the Series B-1 Conversion Date a "**Dividend Increase Conversion Date**"), if the Company has not delivered a Company Dividend Increase Optional Redemption Notice prior to such date, then the Company shall convert the amount of Series B Preferred Shares and/or shares of Series B-1 Preferred Stock, as applicable, specified in the Dividend Increase Conversion Notice to shares of Series B-2 Preferred Stock as of the Series B-2 Conversion Date. For the avoidance of doubt, (i) the Conversion Amount of the shares of Series B-2 Preferred Stock to be issued upon such conversion shall equal the Conversion Amount of the Series B Preferred Shares and/or the shares of Series B-1 Preferred Stock submitted for conversion upon exercise of the Series B-2 Conversion Right set forth herein and (ii) the Series B-2 Conversion Right entitles (x) a Holder to convert all or some of such Holder's Series B Preferred Shares into shares of Series B-2- Preferred Stock and (y) a holder of shares of Series B-1 Preferred Stock to convert all or some of such Holder's shares of Series B-1 Preferred Stock into shares of Series B-2- Preferred Stock.

(d) Reservation of Shares for Designation as Series B-2 Preferred Stock. The Company shall at all times reserve and keep available out of its authorized and unissued shares of Preferred Stock, solely for designation a Series B-2 Preferred Stock, to be issued upon the conversion of the Series B Preferred Stock and/or Series B-1 Preferred Stock, such number of shares of Series B-2 Preferred Stock as shall from time to time be equal to the number of shares of Series B Preferred Stock and shares of Series B-1 Preferred Stock issuable upon the conversion of all the shares of Series B Preferred Stock then outstanding. Any shares of Series B-2 Preferred Stock issued upon conversion of Series B Preferred Stock and/or Series B-1 Preferred Stock, as applicable, shall be duly authorized, validly issued, fully paid and nonassessable.

(e) Notice of Intended Conversion. To exercise its Series B-1 Conversion Right or its Series B-2 Conversion Right, a Holder shall, not less than thirty (30) days prior to the third (3rd) or fifth (5th) anniversary of the Initial Issuance Date, as applicable, but not prior to the date that is sixty (60) days prior to such date, (A) deliver a written notice executed by the registered Holder of

the Series B Preferred Shares and/or shares of Series B-1 Preferred Stock, as applicable, subject to such conversion (a "**Dividend Increase Conversion Notice**") to the Company and the Transfer Agent, which Dividend Increase Conversion Notice shall indicate the amount of Series B Preferred Shares and/or shares of Series B-1 Preferred Stock, as applicable, such Holder is electing to convert pursuant to Sections 10(a) or (c), as applicable; and (B) deliver to the Transfer Agent funds for the payment of any stock transfer, documentary, stamp or similar taxes not payable by the Company pursuant to Section 6(f).

(f) Series B-1 and B-2 Certificates of Designation. If a Holder validly delivers a Dividend Increase Conversion Notice and the Company does not exercise its right to redeem pursuant to Section 10(e) with respect to all Series B Preferred Shares and/or shares of Series B-1 Preferred Stock, as applicable, specified in the Holder's Dividend Increase Conversion Notice, then the Company shall, prior to the Dividend Increase Conversion Date, file a Certificate of Designation setting forth the designation, preferences and rights of the Series B-1 Preferred Stock or Series B-2 Preferred Stock, as applicable, which Certificate of Designation will be in the same form as this Certificate of Designation, except for changes (i) to account for the different series, different dates, including issuance dates, and changes in law, (ii) in the case of the Series B-1 Preferred Stock Certificate of Designation, to Sections 10 and 11 to, among other things, account for the right of Series B-1 Preferred Stock to convert into Series B-2 Preferred Stock, to reserve an adequate amount of shares of Preferred Stock to accommodate such conversion right and to provide a redemption right by the Company analogous to the rights in Section 11(c)(ii) to provide for the Company's right to redeem the shares of Series B-1 Preferred Stock upon a Holder exercising its right to convert shares of Series B-1 Preferred Stock into Series B-2 Preferred Stock and, in the case of the Series B-2 Preferred Stock Certificate of Designations to eliminate this Section 10 conversion right for the Series B-2 Preferred Stock and the corresponding Company redemption right in Section 11(c)(ii) and (iii) to the Preferential Dividend Rate, which with respect to the Series B-1 Preferred Stock shall replace "3.60%" with "5.60%", and with respect to the Series B-2 Preferred Stock shall replace "3.60%" or "5.60%", as the case may be, with "7.60%". The Series B-1 Preferred Stock and Series B-2 Preferred Stock shall have the same preferences and rights as the Series B Preferred Stock, other than solely with respect to the Preferential Dividend Rate. For the avoidance of doubt, Dividends on the shares of Series B-1 Preferred Stock and on the shares of Series B-2 Preferred Stock shall start to accrue as of the applicable Dividend Increase Conversion Date.

(11) Optional Redemptions.

(a) General. Other than as specifically permitted by this Certificate of Designation, the Company may not redeem any of the outstanding Series B Preferred Shares.

(b) Optional Redemption at the Holder's Election. At any time on or after November 6, 2026 (the "**Optional Trigger Date**"), each Holder shall have the right to require that the Company redeem (a "**Holder Optional Redemption**"), to the fullest extent permitted by law and out of funds lawfully available therefor, all or any portion of such Holder's Series B Preferred Shares by delivering a duly executed written notice thereof (a "**Holder Optional Redemption Notice**" and the date the Holder delivers such notice, the "**Holder Optional Redemption Notice Date**") to the Company and the Transfer Agent which notice shall state (i) the number of Series B Preferred Shares that is being redeemed by such Holder, (ii) the date on which the Holder Optional Redemption shall occur which date shall be the ninetieth (90^{th}) day (or, if such date falls on a day that is not a Business Day, the next day that is a Business Day) following the applicable Holder Optional Redemption Notice Date (a "**Holder Optional Redemption Date**") and (iii) the wire instructions for the payment of the applicable Holder Optional Redemption Price (as defined below) to such Holder. The Series B Preferred Shares subject to redemption pursuant to this Section 11(b) shall, to the fullest extent permitted by law and out of funds lawfully available therefor, be redeemed by the Company on the Holder Optional Redemption Date in cash, without interest, at a price (the "**Holder Optional Redemption Price**") equal to 100% of the Conversion Amount being redeemed.

(c) Redemption at the Option of the Company.

(i) 2027 Company Redemption. At any time after the Optional Trigger Date, so long as there has been no Equity Conditions Failure during the period beginning on the applicable Company 2027 Optional Redemption Notice Date (as defined below) through the applicable Company 2027 Optional Redemption Date (as defined below), the Company shall have the right to redeem all or any portion of the Series B Preferred Shares then outstanding as designated in the applicable Company 2027 Optional Redemption Notice (as defined below) (the "**Company 2027 Optional Redemption Shares**") on the applicable Company 2027 Optional Redemption Date (as defined below) (a "**Company 2027 Optional Redemption**"). Each Company 2027 Optional Redemption Share shall be redeemed by the Company on the applicable Company 2027 Optional Redemption Date in cash, without interest, at a price equal to 100% of the Conversion Amount of such Company 2027 Optional Redemption Share. The Company may exercise its right to redeem the Company 2027 Optional Redemption Shares under this Section 11(c)(i) by delivering a written notice thereof to all, but not less than all, of the Holders and the Transfer Agent (a "**Company 2027 Optional Redemption Notice**" and the date all of the Holders and the Transfer Agent are given such notice is referred to as a "**Company 2027 Optional Redemption Notice Date**"). Each Company 2027 Optional Redemption Notice shall be irrevocable. Each Company

2027 Optional Redemption Notice shall (A) state the date on which the applicable Company 2027 Optional Redemption shall occur (a "**Company 2027 Optional Redemption Date**"), which date shall be the ninetieth (90th) day (or, if such date falls on a day that is not a Business Day, the next day that is a Business Day) following the applicable Company 2027 Optional Redemption Notice Date, (B) state the number of the Series B Preferred Shares which the Company has elected to redeem from the Holders on the applicable Company 2027 Optional Redemption Date and (C) confirm that there has been no Equity Conditions Failure during the period beginning on the applicable Company 2027 Optional Redemption Date through the applicable Company 2027 Optional Redemption Notice Date.

(ii) Company Redemption Upon Dividend Increase. If one or more Holders delivered a Dividend Increase Conversion Notice to the Company and the Transfer Agent in compliance with Section 10, so long as there has been no Equity Conditions Failure during the period beginning on the third (3rd) anniversary of the Initial Issuance Date or the fifth (5th) anniversary of the Initial Issuance Date, as applicable, through the applicable Company Dividend Increase Optional Redemption Date (as defined below), the Company shall have the right to redeem all or any portion of the Series B Preferred Shares and/or shares of Series B-1 Preferred Stock, as applicable, for which an increase in the Preferential Dividend Rate has been demanded, as designated in the applicable Company Dividend Increase Optional Redemption Notice (as defined below) (such shares the "**Company Dividend Increase Optional Redemption Shares**" and together with the Company 2027 Optional Redemption Shares, the "**Company Optional Redemption Shares**") on the applicable Company Dividend Increase Optional Redemption Date (a "**Company Dividend Increase Optional Redemption**" and together with a Company 2027 Optional Redemption, a "**Company Optional Redemption**"). The Company Dividend Increase Optional Redemption Shares shall be redeemed by the Company on the applicable Company Dividend Increase Optional Redemption Date in cash, without interest, at a price equal to 100% of the Conversion Amount of the Company Dividend Increase Optional Redemption Shares to be redeemed (a "**Company Dividend Increase Optional Redemption Price**" and together with a Company Dividend Increase Optional Redemption Price, a "**Company Optional Redemption Price**"). The Company may exercise its right to require redemption under this Section 11(c)(ii) by delivering a written notice thereof by no later than the third (3rd) anniversary of the Initial Issuance Date or the fifth (5th) anniversary of the Initial Issuance Date, as applicable (or, if such date falls on a day that is not a Business Day, the next day that is a Business Day), to the Transfer Agent and all, but not less than all, of the Holders who delivered a Dividend Increase

Conversion Notice to the Company and the Transfer Agent in compliance with this Section 11 (a "**Company Dividend Increase Optional Redemption Notice**" and together with a Company 2027 Optional Redemption Notice, a "**Company Optional Redemption Notice**", and the date such notice is given to all of the Holders and the Transfer Agent is referred to as a "**Company Dividend Increase Optional Redemption Notice Date**" and together with a Company 2027 Optional Redemption Notice Date, a "**Company Optional Redemption Notice Date**"). Each Company Dividend Increase Optional Redemption Notice shall be irrevocable. Each Company Dividend Increase Optional Redemption Notice shall (A) state the date on which the applicable Company Dividend Increase Optional Redemption shall occur (a "**Company Dividend Increase Optional Redemption Date**" and together with a Company 2027 Optional Redemption Date, a "**Company Optional Redemption Date**"), which date shall be the thirtieth (30th) day (or, if such date falls on a day that is not a Business Day, the next day that is a Business Day) following the applicable Company Dividend Increase Optional Redemption Notice Date, (B) state the aggregate Conversion Amount of the Series B Preferred Shares and/or shares of Series B-1 Preferred Stock, as applicable, which the Company has elected to redeem from the Holders on the applicable Company Dividend Increase Optional Redemption Date and (C) confirm that there has been no Equity Conditions Failure during the period beginning on the applicable Company Dividend Increase Optional Redemption Date through the applicable Company Dividend Increase Optional Redemption Notice Date.

(iii) Company Optional Redemptions. If the Company confirmed that there was no such Equity Conditions Failure as of the applicable Company Optional Redemption Notice Date but an Equity Conditions Failure occurs between the applicable Company Optional Redemption Notice Date and the applicable Company Optional Redemption Date (a "**Company Optional Redemption Interim Period**"), the Company shall provide the Holders a subsequent written notice to that effect. If there is an Equity Conditions Failure during such Company Optional Redemption Interim Period, then the applicable Company Optional Redemption shall be null and void with respect to all or any part designated by such Holder of the applicable unconverted Company Optional Redemption Shares and such Holder shall be entitled to all the rights of a Holder with respect to such applicable Company Optional Redemption Shares. Notwithstanding anything to the contrary in this Section 11, until the applicable Company Optional Redemption Shares are redeemed, the applicable Company Optional Redemption Shares may be converted, in whole or in part, by the Holders into shares of Common Stock pursuant to Sections 6(a)-(c). All Series B Preferred Shares converted by a

Holder after the applicable Company Optional Redemption Notice Date shall reduce the amount of the Holder's Company Optional Redemption Shares on a one-for-one basis. For the avoidance of doubt, any Series B Preferred Shares that are subject to a Conversion Notice delivered to the Company may no longer be subject to a Company Optional Redemption. If the Company elects to cause a Company Optional Redemption pursuant to this Section 11, then it must simultaneously take the same action in the same proportion with respect to all Company Dividend Increase Optional Redemption Shares subject to the applicable dividend increase to the extent practicable or, if the pro rata basis is not practicable for any reason, by lot or such other equitable method as the Company determines in good faith. If the applicable Company Optional Redemption Notice shall have been duly given, the Company shall irrevocably deposit or set aside the aggregate Company Optional Redemption Price to be paid to all Holders of the Company Optional Redemption Shares entitled thereto and, from and after the applicable Company Optional Redemption Date, the applicable Company Optional Redemption Price shall promptly be paid to all former Holders of Company Optional Redemption Shares entitled thereto in respect thereof. So long as the applicable aggregate Company Optional Redemption Price shall be paid in full to such Holders or is irrevocably deposited or set aside with a depository for payment to the Holders, the applicable Company Optional Redemption shall be effective with respect to all Company Optional Redemption Shares on the applicable Company Optional Redemption Date, and thereupon dividends with respect to such Company Optional Redemption Shares shall cease to accrue and all rights with respect to such Company Optional Redemption Shares shall forthwith terminate.

(d) Void Redemption. In the event that the Company does not pay a Redemption Price within the applicable time period, at any time thereafter and until the Company pays such unpaid applicable Redemption Price in full, a Holder shall have the option to, in lieu of redemption, require the Company to promptly return to such Holder any or all of the Series B Preferred Shares that were submitted for redemption by such Holder and for which the applicable Redemption Price has not been paid, by sending written notice thereof to the Company and the Transfer Agent (the "**Void Optional Redemption Notice**"). Upon the Company's receipt of such Void Optional Redemption Notice, (i) any applicable redemption notice of Holder shall be null and void with respect to those Series B Preferred Shares subject to the Void Optional Redemption Notice and (ii) the Company shall immediately return any Series B Preferred Shares subject to the Void Optional Redemption Notice.

(e) Effect of Redemption. Subject to Section 11(d), effective immediately prior to the close of business on the day before any Series B Preferred Shares are redeemed pursuant to this Certificate of Designation,

Dividends shall no longer accrue or be declared on any such shares of Series B Preferred Stock, and such shares of Series B Preferred Stock shall cease to be outstanding.

(f) Status of Redeemed Shares. Shares of Series B Preferred Stock redeemed in accordance with this Certificate of Designation shall return to the status of and constitute authorized but unissued shares of Preferred Stock, without classification as to series until such shares are once more classified as to a particular series by the Board pursuant to provisions of the Charter.

(12) Reservation of Shares. The Company shall have sufficient authorized and unissued shares of Common Stock for each of the Series B Preferred Shares equal to no less than (i) during the period from the Issuance Date until the date, if ever, that the Company obtains the approval of its stockholders providing for the issuance of all of the shares of Common Stock issued and issuable pursuant to the terms of the Certificate of Designation in accordance with the rules and regulations of the Principal Market without giving effect to the Exchange Cap (the date, if any, such affirmative approval is obtained, the "**Stockholder Approval Date**"), 6,330,357 shares of Common Stock (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the Subscription Date) (the "**Initial Required Reserved Amount**") and (ii) from and after the Stockholder Approval Date, if any, the greater of (x) the Initial Required Reserved Amount and (y) 110% of the maximum number of shares of Common Stock issuable with respect to the outstanding Series B Preferred Shares pursuant to the terms of the Certificate of Designation (assuming for purposes hereof, that no Dividends accrue and that the Series B Preferred Shares are convertible at the Conversion Rate (as defined in the Certificate of Designation) and without taking into account any limitations on the conversion of the Series B Preferred Shares set forth in the Certificate of Designation) (the "**Subsequent Required Reserved Amount**" and together with the Initial Required Reserved Amount, the "**Required Reserved Amount**"). The Company shall, so long as any of the Series B Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of issuing shares of Common Stock with respect of the Series B Preferred Shares pursuant to the terms of this Certificate of Designation, no less than a number of shares of Common Stock equal to the applicable Required Reserved Amount.

(13) Voting Rights. Each Holder shall be entitled to the whole number of votes equal to the number of whole shares of Common Stock into which such Holder's Series B Preferred Shares would be convertible (without regard to any limitations on conversion, including, without limitation, the Maximum Percentage, other than the limitations on conversion set forth in Section 6(e)(ii), which will apply) on the record date for the vote or consent of stockholders or if no record date is established, at the date such vote or consent is taken, and shall otherwise have voting rights and consent rights equal to the voting rights and consent rights of the Common Stock to the fullest extent permitted by law, but in lieu of using the Conversion Price in effect as of the applicable record date, such votes shall be calculated based on the higher of (i) $38.51 per share and (ii) the Conversion Price as of the Determination Date (the "**Number of Preferred Share Votes**"); provided that if the Company at any time after the Subscription Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Number of Preferred Share Votes

in effect immediately prior to such subdivision will be proportionately increased and if the Company at any time after the Subscription Date combines (by combination, reverse stock split, or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Number of Preferred Share Votes in effect immediately prior to such combination will be proportionately decreased; provided, however, that the Required Holders, by written notice to the Company, may terminate the voting rights set forth in this Section 13 effective at any time from and after the registration of the Series B Preferred Shares under the Exchange Act. Each Holder shall be entitled to receive the same prior notice of any stockholders' meeting as is provided to the holders of Common Stock in accordance with the bylaws of the Company, as well as prior notice of all stockholder actions to be taken by legally available means in lieu of a meeting, and shall vote as a class with the holders of Common Stock as if they were a single class of securities upon any matter submitted to a vote of stockholders, except those matters required by law or by the terms hereof to be submitted to a class vote of the Holders, in which case the Holders only shall vote as a separate class, or those matters required by law to be submitted to a class vote of solely the holders of Common Stock, in which case such holders only shall vote as a separate class.

(14) Series B Preferred Stock Approval Rights. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the Charter, the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the Required Holders, voting together as a single class, shall be required before the Company may: (a) create (by reclassification or otherwise), or authorize the creation of, or issue or obligate itself to issue additional or other Senior Stock or securities exchangeable for or convertible or exercisable into Senior Stock, (b) so long as the Designee and/or any of its Affiliates beneficially own, in the aggregate, at least the Minimum Ownership Threshold, create (by reclassification or otherwise), or authorize the creation of, or issue or obligate itself to issue additional or other Pari Passu Stock or securities exchangeable for or convertible or exercisable into Pari Passu Stock, (c) amend or repeal any provision of, or add any provision to, the Charter, or file any certificate of amendment, certificate of designations, preferences, limitations and relative rights of any series of preferred stock, if such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions of the Series B Preferred Shares, regardless of whether any such action shall be by means of amendment to the Charter or by merger, consolidation or otherwise and provided that an increase in the authorized number of shares of Preferred Stock, other than Series B Preferred Shares, or the creation or issuance of Pari Passu Stock (if not prohibited by clause (b) above) or Junior Stock will not be deemed to adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series B Preferred Shares, (d) increase or decrease (other than by conversion or redemption in accordance with the terms hereof) the authorized number of shares of Series B Preferred Shares, or (e) amend or waive any provision of the Certificate of Designation that would be adverse to the Series B Preferred Shares. Notwithstanding the provisions of this Section 14, in the event of a Fundamental Transaction, so long as: (i) the Series B Preferred Stock remains outstanding following consummation of such Fundamental Transaction with its terms materially unchanged, taking into account that, upon the occurrence of such a Fundamental Transaction, the Company may not be the surviving entity (in which case, the Series B Preferred Stock may be converted into or exchanged for preferred stock of the surviving entity having terms substantially the same as the Series B Preferred Stock) and, if applicable, with any changes to the terms of the Series B

Preferred Stock required pursuant to and made in compliance with the provisions of Section 9(c) in connection with such Fundamental Transaction and (ii) if such transaction also constitutes a Change of Control, the provisions of Section 9(a) and Section 9(b) are complied with in connection with such Fundamental Transaction, then the occurrence of such Fundamental Transaction shall not be deemed to adversely affect the powers, preferences, or other special rights or privileges of the Series B Preferred Stock or its Holders and in such case such Holders shall not have any voting rights with respect to the occurrence of such Fundamental Transaction pursuant to this Section 14.

(15) General Provisions.

(a) In addition to the above provisions with respect to Series B Preferred Shares, the Series B Preferred Shares shall be subject to and be entitled to the benefit of the provisions set forth in the Charter with respect to preferred stock of the Company generally; provided, however, that in the event of any conflict between such provisions, the provisions set forth in this Certificate of Designation shall control.

(b) Any Series B Preferred Shares which are converted, repurchased or redeemed shall be automatically and immediately retired and shall not be reissued, sold or transferred.

(c) Whenever notice is required to be given under this Certificate of Designation, unless otherwise provided herein, such notice shall be given by first-class mail to each record Holder of outstanding Series B Preferred Shares as such Holder's address as the same appears on the books of the Company or the Transfer Agent. With respect to any notice to a Holder required to be provided hereunder, neither the failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings referred to in such notice with respect to the other Holders or affect the legality or validity of any distribution, rights, warrant, reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any such action. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives the notice. All notice periods referred to herein shall commence on the date of the mailing of the applicable notice.

(d) Whenever any amount expressed to be due by the terms of this Certificate of Designation is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day without interest or penalty.

(16) Transfer of Series B Preferred Shares. A Holder may transfer some or all of the Series B Preferred Shares and the accompanying rights hereunder held by such Holder without the consent of the Company; provided that such transfer is in compliance with applicable securities laws.

(17) Series B Preferred Share Register.

(a) Notwithstanding anything to the contrary herein, the shares of Preferred Stock and any shares of Common Stock issued upon conversion thereof will be in uncertificated, book entry form as permitted by the bylaws of the Company and the Delaware

General Corporation Law. Within a reasonable time after the issuance or transfer of uncertificated shares, the Company shall, or shall cause the Transfer Agent to, send to the registered owner thereof a notice of ownership of capital stock of the Company containing the information required to be set forth or stated on certificates pursuant to the Delaware General Corporation Law.

(b) The Company or the Transfer Agent shall maintain a register for the Series B Preferred Shares, in which the Company or the Transfer Agent shall record the name and address of the Persons in whose name the Series B Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Series B Preferred Share is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

(c) The Company or the Transfer Agent shall maintain records showing the number of Series B Preferred Shares converted and/or redeemed and the dates of such conversions and/or redemptions. In the event of any dispute or discrepancy, such records of the Company establishing the number of Series B Preferred Shares to which the record holder is entitled shall be controlling and determinative in the absence of manifest error.

(18) Certain Defined Terms. For purposes of this Certificate of Designation the following terms shall have the following meanings:

(a) "**Affiliate**" shall have the meaning ascribed to such term in Rule 405 of the Securities Act.

(b) "**Attribution Parties**" means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the applicable Issuance Date, directly or indirectly managed or advised by such Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of such Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting as a Group together with such Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership of the Common Stock would or could be aggregated with such Holder's and the other Attribution Parties for purposes of Section 13(d) of the Exchange Act. For clarity, the purpose of the foregoing is to subject collectively such Holder and all other Attribution Parties to the Maximum Percentage.

(c) "**Bloomberg**" means Bloomberg Financial Markets.

(d) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(e) "**Calendar Quarter**" means each of: the period beginning on and including January 1 and ending on and including March 31; the period beginning on and including April 1 and ending on and including June 30; the

period beginning on and including July 1 and ending on and including September 30; and the period beginning on and including October 1 and ending on and including December 31.

(f) "**Change of Control**" means any Fundamental Transaction other than (i) any reorganization, recapitalization or reclassification of the Common Stock in which holders of the Company's voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, the voting power of the surviving entity or entities necessary to elect a majority of the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities, or (ii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company.

(g) "**Change of Control As-Converted Value**" means, with respect to any Series B Preferred Shares, the product of (i) the quotient of the Conversion Amount of such Series B Preferred Shares and one thousand (1,000) multiplied by (ii) the Conversion Rate multiplied by (iii) the Make-Whole Stock Price with respect to the applicable Change of Control.

(h) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price, as the case may be, then the last bid price or the last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the OTC Link or "pink sheets" by OTC Markets Group Inc. (formerly Pink OTC Markets Inc.). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price, as the case may be, of such security on such date shall be the Fair Market Value. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or other similar transaction relating to the Common stock during the applicable calculation period.

(i) "**Common Stock**" means (i) the Company's shares of common stock, par value $0.01 per share and (ii) any capital stock into which such Common Stock shall have been changed or any capital stock resulting from a reorganization, recapitalization or reclassification of such Common Stock.

(j) "**Conversion Amount**" means, for each Series B Preferred Share, the sum of (i) the Stated Value, (ii) accrued and unpaid Dividends, if any, with respect to such Series B Preferred Share and (iii) any accrued and unpaid interest accrued pursuant to Section 5.

(k) "**Conversion Date**" means with respect to a conversion pursuant to Section 6, the date on which the Holder complied with the procedures in Section 6(c)(i) thereof.

(l) "**Conversion Price**" means (i) prior to the Determination Date, $50.06, (ii) as of the Determination Date, a price per share (as adjusted after the Determination Date in accordance with this Certificate of Designation) equal to the lower of (A) the greater of: (x) 122.50% of the arithmetic average of the ten (10) consecutive Weighted Average Prices of the Common Stock immediately following the Public Announcement (all such determinations to be appropriately adjusted for any stock split, stock dividend, stock combination, reclassification or other similar transaction relating to the Common Stock occurring during such period) and (y) $34.66 (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring between the Subscription Date and the Determination Date) and (B) $50.06 (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring between the Subscription Date and the Determination Date) and (iii) thereafter, such price set forth in clause (iv), subject to adjustment as set forth herein.

(m) "**Conversion Rate**" means, subject to adjustment as set forth herein, for each share of Series B Preferred Stock, an amount equal to the quotient of (i) 1,000 and (ii) the Conversion Price.

(n) "**Convertible Securities**" means any stock or securities (other than Options) directly or indirectly convertible into or exercisable or exchangeable for shares of Common Stock.

(o) "**Current Market Price**" per share of Common Stock, as of any date of determination, means the arithmetic average of the Weighted Average Price per share of Common Stock for each of the ten (10) consecutive full Trading Days ending on the Trading Day immediately preceding such day, adjusted to take into account the occurrence during such period of any event described in Section 7.

(p) "**Designee**" means Starboard Value and Opportunity Master Fund Ltd.

(q) "**Determination Date**" means the date (as of the time on such date) that completes ten (10) Weighted Average Prices of the Common Stock after the Public Announcement.

(r) "**Distribution Transaction**" means any transaction by which a Subsidiary of the Company ceases to be a Subsidiary of the Company by reason of the distribution of such Subsidiary's equity securities to holders of Common Stock, whether by means of a spin-off, split-off, redemption, reclassification, exchange, stock dividend, share distribution, rights offering or similar transaction.

(s) "**Eligible Market**" means the Principal Market, The Nasdaq Capital Market, The Nasdaq Global Market or The New York Stock Exchange, Inc.

(t) "**Equity Conditions**" means each of the following conditions: (i) all shares of Common Stock issuable pursuant to the terms of this Certificate of Designation (without regard to any restriction or limitation on conversion as set forth herein), including, without limitation, as applicable, any shares of Common Stock to be issued on the applicable Mandatory Conversion Date or shares of Common Stock issuable upon conversion of the Series B Preferred Shares that are subject to the applicable Company Optional Redemption, shall be either (x) issuable without restrictive legends and shall be eligible for sale without restriction or limitation pursuant to Rule 144 of the Securities Act and without the requirement to be in compliance with Rule 144(c)(1) (or any successor thereto) or Rule 3(a)(9) of the Securities Act and without the need for registration under any applicable federal or state securities laws or (y) be eligible for resale without restriction or limitation pursuant to an effective registration statement that is available for use and, for the avoidance of doubt, not subject to any Allowable Grace Period (as defined in the Registration Rights Agreement); (ii) the Company shall have no knowledge of any fact that would cause, as applicable, any shares of Common Stock to be issued on the applicable Mandatory Conversion Date or shares of Common Stock issuable upon conversion of the Conversion Amount that is subject to the applicable Company Optional Redemption, (x) not to be resaleable pursuant to effective and available Registration Statements as required pursuant to, and in accordance with, the Registration Rights Agreement (including no knowledge of any anticipated Allowable Grace Periods), or (y) not being eligible for sale without restriction or limitation pursuant to Rule 144 and without the requirement to be in compliance with Rule 144(c)(1) (or any successor thereto) promulgated under the Securities Act and any applicable state securities laws; (iii) the Common Stock is listed or designated for quotation on an Eligible Market and shall not have been suspended from trading on such exchange or market; (iv) the Company shall have delivered all shares of Common Stock to such Holder pursuant to the terms of this Certificate of Designation to the Holders as set forth in Section 6(c) hereof; and (v) the shares of Common Stock to be issued on the applicable Mandatory Conversion Date or the shares of Common Stock issuable upon conversion of the Series B Preferred Shares that are subject to the

applicable Company Optional Redemption, as applicable, requiring the satisfaction of the Equity Conditions are duly authorized and listed and eligible for trading without restriction on an Eligible Market.

(u) "**Equity Conditions Failure**" means that as of the applicable date of determination the Equity Conditions have not each been satisfied (or waived in writing by the Holder); provided that the Company's failure to satisfy the Equity Condition set forth in clause (iv) of the definition of "Equity Conditions" with respect to a particular Holder shall only be deemed an Equity Condition Failure with respect to such Holder (unless waived in writing by such Holder).

(v) "**Equity Interests**" means (i) all shares of capital stock (whether denominated as common capital stock or preferred capital stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting and (ii) all securities convertible into or exchangeable for any of the foregoing and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any of the foregoing, whether or not presently convertible, exchangeable or exercisable.

(w) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(x) "**Ex-Dividend Date**" means, with respect to an issuance, dividend or distribution on the Common Stock, the first date on which shares of Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance, dividend or distribution (including pursuant to due bills or similar arrangements required by the relevant stock exchange). For the avoidance of doubt, any alternative trading convention on the applicable exchange or market in respect of the Common Stock under a separate ticker symbol or CUSIP number will not be considered "regular way" for this purpose.

(y) "**Exempted Buyback Shares**" means (i) up to 9,914,849 shares of Common Stock (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the Subscription Date) held by John Schnatter and/or his family members, and/or his and their Affiliates, charitable foundations and/or any other affiliated entities, charitable foundations or entities controlled by such Persons (collectively, the "**Schnatter Persons**") at prices no higher than prevailing market prices at the time of such redemption or repurchase or (ii) shares of Common Stock from Persons other than from the Schnatter Persons, at prices no higher than prevailing market prices at the time of such redemption or repurchase; provided that the aggregate amount of repurchases and/or redemptions under this clause (ii) do not exceed, in any Calendar Quarter, 0.5%

of the outstanding shares of Common Stock at the end of each Calendar Quarter.

(z) "**Fair Market Value**" means, with respect to any security or other property, the fair market value of such security or other property as reasonably determined in good faith by a majority of the Board, or an authorized committee thereof, (i) after consultation with an Independent Financial Advisor, as to any security or other property with a Fair Market Value of less than $50,000,000, or (ii) otherwise using an Independent Financial Advisor to provide a valuation opinion.

(aa) "**Fundamental Transaction**" means (i) that the Company shall, directly or indirectly, including through Subsidiaries, Affiliates or otherwise, in one or more related transactions, (a) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (b) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Subsidiaries on a consolidated basis to one or more Subject Entities, or (c) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Common Stock be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (1) 50% of the outstanding shares of Common Stock, (2) 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all Subject Entities making or party to, or affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (3) such number of shares of Common Stock such that all Subject Entities making or party to, or affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of at least 50% of the outstanding shares of Common Stock, or (d) consummate a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby such Subject Entities, individually or in the aggregate, acquire, either (1) at least 50% of the outstanding shares of Common Stock, (2) at least 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all the Subject Entities making or party to, or affiliated with any Subject Entity making or party to, such stock purchase agreement or other business combination were not outstanding; or (3) such number of shares of Common Stock such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of at least 50% of the outstanding shares of Common Stock, or (e) reorganize, recapitalize or reclassify its Common Stock, (ii) that the Company shall, directly or indirectly, including through Subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, whether through acquisition, purchase,

assignment, conveyance, tender, tender offer, exchange, reduction in outstanding shares of Common Stock, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (a) at least 50% of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock, (b) at least 50% of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock not held by all such Subject Entities as of the Subscription Date calculated as if any shares of Common Stock held by all such Subject Entities were not outstanding, or (c) a percentage of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other stockholders of the Company to surrender their shares of Common Stock without approval of the stockholders of the Company or (iii) directly or indirectly, including through Subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(bb) "**Group**" means a "group" as that term is used in Section 13(d) of the Exchange Act and as defined in Rule 13d-5 thereunder.

(cc) "**Independent Financial Advisor**" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing; provided, however, that such firm or consultant is not an Affiliate of the Company.

(dd) "**Initial Issuance Date**" means the Initial Closing Date (as defined in the Securities Purchase Agreement).

(ee) "**Issuance Date**" means with respect to the Series B Preferred Shares issued (i) at the Initial Closing (as defined in the Securities Purchase Agreement), the Initial Closing Date (as defined in the Securities Purchase Agreement), (ii) at the Optional Closing (as defined in the Securities Purchase Agreement), if any, the Optional Closing Date (as defined in the Securities Purchase Agreement) and (iii) to franchisee(s) of the Company, if any, as contemplated by Section 4(i) of the Securities Purchase Agreement, the issuance date of the Series B Preferred Shares to such franchisees.

(ff) "**Liquidation Event**" means the voluntary or involuntary liquidation, dissolution or winding up of the Company or such Subsidiaries the assets of which constitute all or substantially all of the assets of the business of

the Company and its Subsidiaries taken as a whole, in a single transaction or series of transactions, or adoption of any plan for the same.

(gg) "**Make-Whole Amount**" means a cash amount per $1,000 Conversion Amount of Series B Preferred Shares being redeemed in a Change of Control determined by multiplying the applicable Make-Whole Stock Price (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction occurring with respect to the Common Stock after the Subscription Date) by the amount set forth in a table to be mutually agreed upon by the Company and the Holder which table shall be determined based on the assumptions and methodology agreed to in writing by the Company and the Designee promptly following the Determination Date (the "**Make-Whole Agreement**") and disclosed on a Current Report on Form 8-K filed by the Company and shall be in the format set forth below and shall be deemed an integral part of this Certificate of Designation for all purposes hereof (the "**Final Make-Whole Table**"), with such amount corresponding to the date of the Change of Control occurring after the date in the first column but prior to the date, if any, on the immediately following row of the first column of the tables set forth in the Make-Whole Agreement or the Final Make-Whole Table:

Change of Control Redemption Date	**Make-Whole Stock Price**									
	$15	**$[·]**	**$[·]**	**$[·]**	**$[·]**	**$[·]**	**$[·]**	**$[·]**	**$[·]**	**$200**
February 4, 2019										
February 4, 2020										
February 4, 2021										
February 4, 2022										
February 4, 2023										
February 4, 2024										
February 4, 2025										
February 4, 2026										
February 4, 2027										

The exact Make-Whole Stock Price and Change of Control Redemption Date may not be set forth in the Make-Whole Agreement or the Final Make-Whole Table, in which case, if the Make-Whole Stock Price is between two such amounts in the Final Make-Whole Table or the Change of Control Redemption Date is between two Change of Control Redemption Dates in the Final Make-Whole Table, the applicable value will be determined by straight-line interpolation between the applicable value set forth for the higher and lower Make-Whole Stock Prices and the earlier and later Change of Control Redemption Dates, as applicable, based on a 365-day year. In no event shall the Make-Whole Amount be greater than or less than the maximum and minimum values set forth in the table above and no Make-Whole Amount shall be paid with respect to a Change of Control occurring on or after February 4, 2027.

(hh) "**Make-Whole Stock Price**" means (i) the cash amount paid per share of Common Stock, if the holders of Common Stock receive only cash in the applicable Fundamental Transaction or (ii) in any other situation, the price of the Common Stock at the time of the consummation of the applicable Fundamental Transaction (all such determinations to be appropriately adjusted for any stock split, stock dividend, stock combination, reclassification or other similar transaction during such period).

(ii) "**Maximum Percentage**" means, initially, 9.99%, which may be increased or decreased in accordance with the provisions of Section 6(e)(i); provided, however, that upon receipt by a Holder of a Mandatory Conversion Notice or a Company Dividend Increase Optional Redemption Notice, then, the Maximum Percentage shall immediately and automatically, without any further action by such Holder, be set at 9.99%.

(jj) "**Minimum Ownership Threshold**" means twenty five percent (25.0%) of the Series B Preferred Shares outstanding as of the applicable date of determination.

(kk) "**Offer to Repurchase Percentage**" means such percentage of such class of Equity Interests (other than Series B Preferred Shares) being redeemed or repurchased by the Company out of the total number of such class of Equity Interests issued and outstanding as of the applicable time of determination.

(ll) "**Offer to Repurchase Price**" means the greater of (x) the Conversion Amount of the Series B Preferred Shares subject to the applicable Offer to Repurchase and (y) the amount set forth in (x) increased by the same

percentage as the premium offered to the holders of each share, unit or other equivalent term of Equity Interest giving rise to the Offer to Repurchase determined based on the offer price relative to the Closing Sale Price of each share, unit or other equivalent term of Equity Interest being redeemed or repurchased giving rise to the Offer to Repurchase on the Trading Day immediately prior to the public announcement, of the applicable Offer to Repurchase.

(mm) "**Offer to Repurchase Pro Rata Portion**" means, for each Holder, a fraction the numerator of which is the number of Series B Preferred Shares held by such Holder at the applicable time of determination and the denominator of which is the total number of Series B Preferred Shares outstanding at the applicable time of determination. In the event that a Holder shall sell or otherwise transfer any of its Series B Preferred Shares, the transferee shall be allocated a pro rata portion of the transferring Holder's Offer to Repurchase Pro Rata Portion.

(nn) "**Options**" means any rights, warrants or options to subscribe for or purchase (i) shares of Common Stock or (ii) Convertible Securities.

(oo) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person, including such entity whose common capital or equivalent equity security is quoted or listed on an Eligible Market (or, if so elected by the Required Holders, any other market, exchange or quotation system), or, if there is more than one such Person or such entity, the Person or such entity designated by the Required Holders or in the absence of such designation, such Person or entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(pp) "**Person**" means an individual, a limited liability company, a partnership (limited or general), a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(qq) "**Preferential Dividend Rate**" means 3.60% per annum;

(rr) "**Principal Market**" means The Nasdaq Global Select Market.

(ss) "**Public Announcement**" means the first public announcement of the transactions contemplated by the Transaction Documents, as contemplated by Section 4 (h) of the Securities Purchase Agreement.

(tt) "**Record Date**" means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Stock have the right to receive any cash, securities or other property or in which the Common Stock is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the Common Stock

entitled to receive such cash, securities or other property (whether such date is fixed by the Board or by statute, contract or otherwise).

(uu) "**Redemption Price**" means, collectively, each Offer to Repurchase Price, each Change of Control Redemption Price, each Holder Optional Redemption Price, each Company Optional Redemption Price and any other redemption price set forth herein, each of the foregoing, individually, a Redemption Price.

(vv) "**Registration Rights Agreement**" means that certain registration rights agreement dated as of the Subscription Date by and among the Company and the initial holders of the Series B Preferred Shares relating to, among other things, the registration of the resale of the Series B Preferred Shares and the shares of Common Stock issuable pursuant to the terms of this Certificate of Designation, as may be amended from time to time.

(ww) "**Registration Statement**" shall have the meaning ascribed to such term in the Registration Rights Agreement.

(xx) "**Required Holders**" means the Holders representing at least a majority of the aggregate Series B Preferred Shares then outstanding and shall include the Designee so long as the Designee and/or any of its Affiliates is a Holder who beneficially own, in the aggregate, at least the Minimum Ownership Threshold.

(yy) "**SEC**" means the United States Securities and Exchange Commission.

(zz) "**Securities Act**" means the Securities Act of 1933, as amended.

(aaa) "**Securities Purchase Agreement**" means the Securities Purchase Agreement, dated as of the Subscription Date, by and among the Company and the investors referred to therein, as may be amended and/or restated from time to time.

(bbb) "**Stated Value**" means, per Series B Preferred Share, $1,000, subject to adjustment to preserve such value for stock splits, stock dividends, recapitalizations, reorganizations, reclassifications, combinations, reverse stock splits or other similar events relating to the Series B Preferred Shares after the Subscription Date.

(ccc) "**Subject Entity**" means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(ddd) "**Subscription Date**" means February 3, 2019.

(eee) "**Subsidiaries**" means any joint venture or entity in which the Company, directly or indirectly, owns more than 50% of the voting power of

shares of capital stock or other equity or similar interest, including any subsidiaries formed or acquired after the Subscription Date.

(fff) "**Successor Entity**" means one or more Person or Persons (or, if so elected by the Required Holders, the Company or Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or one or more Person or Persons (or, if so elected by the Required Holders, the Company or the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(ggg) "**Trading Day**" means any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock on such day, then on the principal securities exchange or securities market on which the Common Stock is then traded.

(hhh) "**Transaction Documents**" shall have the meaning ascribed to such term in the Securities Purchase Agreement.

(iii) "**Transfer Agent**" means Computershare Shareholder Services or such other agent or agents of the Company as may be designated by the Board as the transfer agent for the Preferred Stock and/or the Common Stock, as applicable.

(jjj) "**Weighted Average Price**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market during the period beginning at 9:30:01 a.m., New York time (or such other time as the Principal Market publicly announces is the official open of trading), and ending at 4:00:00 p.m., New York time (or such other time as the Principal Market publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time (or such other time as such market publicly announces is the official open of trading), and ending at 4:00:00 p.m., New York time (or such other time as such market publicly announces is the official close of trading), as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the OTC Link or "pink sheets" by OTC Markets Group Inc. (formerly Pink OTC Markets Inc.). If the Weighted Average Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Weighted Average Price of such security on such date shall be the Fair Market Value. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or other similar transaction during the applicable calculation period.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation to be signed by Steve M. Ritchie, its President and Chief Executive Officer, as of the 4th day of February, 2019.

PAPA JOHN'S INTERNATIONAL, INC.

By: /s/ Steve M. Ritchie
Name: Steve M. Ritchie
Title: President and Chief Executive Officer

EXHIBIT I

PAPA JOHN'S INTERNATIONAL, INC.

CONVERSION NOTICE

Reference is made to the Certificate of Designation of Series B Convertible Preferred Stock of Papa John's International, Inc. (the "**Certificate of Designation**"). In accordance with and pursuant to the Certificate of Designation, the undersigned hereby elects to convert the number of shares of Series B Convertible Preferred Stock, par value $0.01 per share (the "**Series B Preferred Shares**"), of Papa John's International, Inc., a Delaware corporation (the "**Company**"), indicated below into shares of Common Stock, par value $0.01 per share (the "**Common Stock**"), of the Company, as of the date specified below.

Date of Conversion:

Number of Series B Preferred Shares to be converted:

Tax ID Number (If applicable):

Please confirm the following information:

Conversion Rate:

Number of shares of Common Stock to be issued:

Please issue the Common Stock into which the Series B Preferred Shares are being converted to the Holder, or for its benefit, as follows:

o To the undersigned's account on the records of the Transfer Agent

Issue to:

Address:

Telephone Number:

Tax Identification Number:

o If the securities are unrestricted, check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant:

DTC Number:

Account Number:

Note: Initially, the common shares issued upon conversion will include restrictive legends and will not be able to be processed through DTC.

Payment Instructions for cash payment in lieu of fractional shares:

Authorization: _____

By: _____
Title: _____

Dated:

Account Number (if electronic book entry transfer):

Transaction Code Number (if electronic book entry transfer):

[NOTE TO HOLDER — THIS FORM MUST BE SENT CONCURRENTLY TO TRANSFER AGENT**]**

ACKNOWLEDGMENT

The Company hereby acknowledges this Conversion Notice and hereby directs Computershare Trust Company, N.A. to issue the above indicated number of shares of Common Stock in accordance with the Standing Transfer Agent Instructions dated February 4, 2019 from the Company and acknowledged and agreed to by Computershare Trust Company, N.A..

PAPA JOHN'S INTERNATIONAL, INC.

By: _____

Name: _____
Title: _____

Exhibit 4.1

AMENDMENT NO. 1
TO
RIGHTS AGREEMENT

This AMENDMENT NO. 1 (this "Amendment") to the Rights Agreement, dated as of July 22, 2018 (the "Rights Agreement"), by and between Papa John's International, Inc., a Delaware corporation (the "Company"), and Computershare Trust Company, N.A., as rights agent (the "Rights Agent"), is entered into February 3, 2019. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given to them in the Rights Agreement.

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to amend the Rights Agreement as set forth herein in connection with the issuance of shares of Series B Convertible Preferred Stock, $0.01 par value per share, of the Company (the "Series B Preferred Stock") pursuant to the execution of, and to facilitate the transactions contemplated by, that certain Securities Purchase Agreement, dated as of February 3, 2019 (as amended, modified or supplemented from time to time, the "Securities Purchase Agreement"), by and among the Company and Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity Master Fund L LP, Starboard Value and Opportunity S LLC, Starboard Value and Opportunity C LP, and an Account Managed by Starboard Value LP, as such Account was identified to the Company prior to the date hereof (collectively, the "Starboard Investors");

WHEREAS, the Board has determined that it is in the best interests of the Company and its stockholders to amend the Rights Agreement pursuant to and in accordance with Section 27 thereof to ensure that the Starboard Investors, or any one or more of them, do not become an Acquiring Person under the Rights Agreement solely as a result of the acquisition of Series B Preferred Stock by the Starboard Investors, or any one or more of them, pursuant to the Securities Purchase Agreement, the acquisition of shares of Common Stock issued or issuable upon the conversion of such Series B Preferred Stock, or any and all of the other transactions contemplated by the Securities Purchase Agreement;

WHEREAS, no Person has become an Acquiring Person under the Rights Agreement; and

WHEREAS, pursuant to Section 27 of the Rights Agreement, the Company hereby directs the Rights Agent that the Rights Agreement shall be amended as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements herein set forth, the parties hereby agree as follows:

1. The first sentence of the definition of "Acquiring Person" in Section 1(a) of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the shares of Common Stock of the Company then outstanding, but shall not include (i) the Company, (ii) any Subsidiary of the Company, (iii) any employee benefit plan of the Company or any Subsidiary of the Company, or any Person holding shares of Common Stock for or pursuant to the terms of any such plan to the extent, and only to the extent, of such shares of Common Stock so held, (iv) a Grandfathered Person to the extent that such Person remains a Grandfathered Person, or (v) a Starboard Exempt Party, but only to the extent such Person remains a Starboard Exempt Party.

2. Section 1 of the Rights Agreement is hereby amended by adding the following definitions in the appropriate alphabetical order:

"First Amendment Date" shall mean February 3, 2019.

"Securities Purchase Agreement" shall mean that certain Securities Purchase Agreement, dated as of February 3, 2019 (as amended, modified or supplemented from time to time), by and among the Company and the Starboard Investors.

"Starboard Exempt Party" shall mean each of the Starboard Investors and their respective Affiliates and Associates, so long as each such Person is not, at any time, the Beneficial Owner of any shares of Common Stock of the Company that are not Starboard Shares; provided, however, that such Persons shall not cease to be a Starboard Exempt Party and become an Acquiring Person as the result of:

(i) a dividend or distribution paid or made by the Company on the outstanding Common Stock or pursuant to a split or subdivision of the outstanding Common Stock; or

(ii) any unilateral grant of any security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to such Starboard Exempt Party.

"Starboard Investors" shall mean Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity Master Fund L LP, Starboard Value and Opportunity S LLC, Starboard Value and Opportunity C LP, and an Account Managed by Starboard Value LP, as such Account was identified to the Company prior to the First Amendment Date.

"Starboard Shares" shall mean the aggregate of (i) 1,000 shares of Common Stock of the Company Beneficially Owned by Starboard Value LP as of the First Amendment Date, (ii) any shares of Series B Convertible Preferred Stock, $0.01 par value per share, of the

Company issued to the Starboard Investors pursuant to the terms of the Securities Purchase Agreement, (iii) any shares of Common Stock, Series B-1 Preferred Stock of the Company or Series B-2 Preferred Stock of the Company issued or issuable upon conversion of Series B Convertible Preferred Stock pursuant to the terms of the Certificate of Designation of Series B Convertible Preferred Stock, as filed with the Office of the Secretary of State of the State of Delaware on February 4, 2019 (the "Series B Certificate of Designation"), and (iv) any shares of Common Stock or, in the case of the Series B-1 Preferred Stock, Series B-2 Preferred Stock issued or issuable upon conversion of shares of the Series B-1 Preferred Stock or the Series B-2 Preferred Stock issued upon conversion of the Series B Convertible Preferred Stock or, in the case of the Series B-2 Preferred Stock, upon conversion of the Series B-1 Preferred Stock, and as contemplated by the terms of the Series B Certificate of Designation.

3. The first sentence of Section 2 of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the express terms and conditions hereof (and no implied terms or conditions), and the Rights Agent hereby accepts such appointment."

4. Except as expressly set forth in this Amendment, all other terms of the Rights Agreement shall remain in full force and effect. The term "Agreement" as used in the Rights Agreement shall be deemed to refer to the Rights Agreement as amended hereby.

5. This Amendment shall be deemed effective as of the date first written above. The Authorized Officer of the Company executing this Amendment hereby certifies to the Rights Agent that the amendments to the Rights Agreement set forth in this Amendment are in compliance with Section 27 of the Rights Agreement and the certification contained in this Section 5 shall constitute the certification required by Section 27 of the Rights Agreement.

6. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

7. This Amendment may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. A signature to this Amendment transmitted electronically shall have the same authority, effect and enforceability as an original signature.

8. The Rights Agent and the Company hereby waive any notice requirement with respect to each other under the Rights Agreement, if any, pertaining to the matters covered by this Amendment.

[*The remainder of this page has been intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of the date first above written.

PAPA JOHN'S INTERNATIONAL, INC.

By: /s/ Clara M. Passafiume
Name: Clara M. Passafiume
Title: Corporate Secretary

COMPUTERSHARE TRUST COMPANY, N.A.
as Rights Agent

By: /s/ Jeanine Caldwell
Name: Jeanine Caldwell
Title: VP of IR ; Relationship Manager

Exhibit 10.1

EXECUTION VERSION

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (the "**Agreement**"), dated as of February 3, 2019, by and among Papa John's International, Inc., a Delaware corporation, with headquarters located at 2002 Papa John's Boulevard, Louisville, Kentucky 40299-2367 (the "**Company**"), and the investors listed on the Schedule of Buyers attached hereto (individually, an "**Original Buyer**" and collectively, the "**Original Buyers**").

WHEREAS:

A. The Company and each Original Buyer is executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**1933 Act**"), and Rule 506(b) of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the 1933 Act.

B. The Company has authorized the filing of a certificate of designation (as may be amended from time to time, the "**Certificate of Designation**") in the form attached hereto as Exhibit A, creating a new series of convertible preferred stock of the Company designated as Series B Convertible Preferred Stock, the terms of which are set forth in the Certificate of Designation (together with any convertible preferred shares issued in replacement thereof in accordance with the terms of the Certificate of Designation, the "**Series B Preferred Shares**"), which Series B Preferred Shares shall be convertible into the Company's common stock, par value $0.01 per share (the "**Common Stock**"), in accordance with the terms of the Certificate of Designation (as converted, collectively, the "**Conversion Shares**").

C. Each Original Buyer wishes to purchase, and the Company wishes to sell at the Initial Closing (as defined below), upon the terms and conditions stated in this Agreement, that aggregate number of Series B Preferred Shares set forth opposite such Buyer's name in column (3) on the Schedule of Buyers (which aggregate number for all Buyers shall be 200,000) (the "**Initial Series B Preferred Shares**").

D. Subject to the terms and conditions set forth in this Agreement, any Original Buyer (and/or any Person affiliated with any Original Buyer who becomes a Buyer (as defined below) hereunder by valid assignment to such Person, in whole or in part by a Buyer, this Agreement pursuant to Section 9(g) and subject to such Person's delivery to the Company of a duly executed Joinder Agreement (a "**Joinder Agreement**") in the form attached hereto as Exhibit B (individually, an "**Affiliated Buyer**" and collectively, the "**Affiliated Buyers**" and together with the Original Buyers, individually, a "**Buyer**" and collectively, the "**Buyers**")) may elect to purchase, and the Company will thereafter sell at the Optional Closing (as defined below), upon the terms and conditions stated in this Agreement, an aggregate number of Series B Preferred Shares as set forth in this Agreement (the "**Optional Series B Preferred Shares**" and together with the Initial Series B Preferred Shares, but excluding any shares sold to franchisees pursuant to Section 4(i), the "**Purchased Shares**").

E. As a condition precedent to the Initial Closing, the parties hereto will execute and deliver a Registration Rights Agreement, substantially in the form attached hereto as Exhibit C

(the "**Registration Rights Agreement**"), pursuant to which the Company will agree to provide certain registration rights with respect to the Registrable Securities (as defined in the Registration Rights Agreement) under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

F. The Series B Preferred Shares and the Conversion Shares collectively are referred to herein as the "**Securities**".

NOW, THEREFORE, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF SERIES B PREFERRED SHARES.

(a) Purchase of Series B Preferred Shares.

(i) Initial Closing. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Original Buyer, and each Original Buyer severally, but not jointly, agrees to purchase from the Company on the Initial Closing Date (as defined below), the number of Initial Series B Preferred Shares as is set forth opposite such Original Buyer's name in column (3) on the Schedule of Buyers (the "**Initial Closing**").

(ii) Optional Closing. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, any Buyer (which, for the avoidance of doubt, may be an Affiliated Buyer, to the extent such right is validly assigned in accordance with Section 9(g)) may elect to purchase, and the Company shall agree to issue and sell to the participating Buyers, on the Optional Closing Date (as defined below) a number of Optional Series B Preferred Shares (allocated among the Buyers at the Buyers' sole discretion) not to exceed the lesser of (x) 50,000 Series B Preferred Shares (in the aggregate among all participating Buyers) and (y) the difference between the Maximum Share Amount and the Purchased Shares acquired by all Buyers immediately prior to the consummation of the purchase contemplated by this Section 1(a)(ii) (the closing of the transactions described in this Section 1(a)(ii), the "**Optional Closing**" and together with the Initial Closing, each a "**Closing**"). Promptly upon determination by the Buyers of the allocation of the number of Optional Series B Preferred Shares to be purchased by each Buyer at the Optional Closing, but in any event not later than March 27, 2019, the Buyers shall deliver to the Company a written notice (the "**Optional Closing Notice**") indicating the Optional Closing Date and the number of Optional Series B Preferred Shares, if any, each Buyer has, subject to satisfaction of the conditions to the consummation of the Optional Closing set forth in Sections 6 and 7, irrevocably elected to purchase at the Optional Closing. As used in this Agreement, "**Maximum Share Amount**" means the number of Series B Preferred Shares that would, upon conversion (without regard to any limitation on such conversion set forth in Section 6(e)(i) or Section 6(e)(ii) of the Certificate of Designation) at the Conversion Price (as defined in the Certificate of Designation), yield a number of shares of Common Stock equal to the Exchange Cap (as defined in the Certificate of Designation).

(b) Closing Date.

(i) Initial Closing Date. The date and time of the Initial Closing (the "**Initial Closing Date**") shall be on February 4, 2019 (or such other date and time as is mutually agreed to by the Company and each Original Buyer) after notice of satisfaction (or waiver) of the conditions to the Initial Closing set forth in Sections 6 and 7 below, at the offices of Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022. The location of the Initial Closing may be undertaken remotely by electronic transfer of Closing documentation upon mutual agreement among the Company and the Original Buyers.

(ii) Optional Closing Date. The date and time of the Optional Closing (the "**Optional Closing Date**" and together with the Initial Closing Date, each a "**Closing Date**") shall be 10:00 a.m., New York City time, on such date as set forth in the Optional Closing Notice to be no later than March 29, 2019 (or such other date and time as is mutually agreed to by the Company and each Buyer) and after notification of satisfaction (or waiver) of the conditions to the Optional Closing set forth in Sections 6 and 7 below, at the offices of Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022. The location of the Optional Closing may be undertaken remotely by electronic transfer of Closing documentation upon mutual agreement among the Company and the Buyers.

(c) Purchase Price. Each Buyer shall pay $1,000 for each Series B Preferred Share to be purchased by such Buyer at the applicable Closing (the "**Purchase Price**"). The aggregate purchase price for the applicable Purchased Shares shall be the product of (i) $1,000 and (ii) the aggregate number of Series B Preferred Shares purchased by the applicable Buyers at the applicable Closing (less, in the case of Starboard Value and Opportunity Master Fund Ltd. (the "**Lead Investor**"), the amounts withheld pursuant to Section 4(f)).

(d) Form of Payment. On the applicable Closing Date, (i) each applicable Buyer shall pay its applicable Purchase Price to the Company for the applicable Purchased Shares at the applicable Closing (less, in the case of the Lead Investor, the amounts withheld pursuant to Section 4(f)), by wire transfer of immediately available funds in accordance with the Company's written wire instructions and (ii) the Company shall issue to such Buyer in book-entry form such number of applicable Series B Preferred Shares and deliver to such Buyer a copy from the Company's books and records evidencing such issuance.

2. BUYER'S REPRESENTATIONS AND WARRANTIES. Each applicable Buyer, severally and not jointly, represents and warrants with respect to only itself that, as of the date hereof and as of the applicable Closing Date:

(a) Organization and Qualification. Such Buyer is duly organized and validly existing and in good standing under the laws of the jurisdiction in which it is formed, and has the requisite power and authorization to own its properties and to carry on its business as now being conducted and as presently proposed to be conducted. Such Buyer is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect. As used in this Agreement, "**Buyer Material Adverse Effect**" means any effect, change, event or occurrence that would prevent or materially delay, interfere with, hinder or impair (i) the

consummation by such Buyer of any of the transactions contemplated hereby on a timely basis or (ii) the material compliance by such Buyer with its obligations under the Transaction Documents (as defined in Section 3(b)).

(b) Consents. Such Buyer is not required to obtain any consent, authorization or order of, or make any filing or registration with any court, governmental agency or any regulatory or self-regulatory agency or any other Person (as defined below) in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents, in each case in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which such Buyer is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the Initial Closing Date, and such Buyer is unaware of any facts or circumstances that might prevent such Buyer from obtaining or effecting any of the consent, registration, application or filings pursuant to the preceding sentence.

(c) Sufficient Funds. At the applicable Closing, such Buyer will have available funds necessary to consummate the purchase of the applicable Purchased Shares and pay to the Company the applicable Purchase Price for such Series B Preferred Shares, as contemplated by Section 1(c).

(d) Ownership of Shares. Such Buyer and its affiliates beneficially own 1,000 shares of Common Stock (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the date hereof) (without giving effect to the issuance of the Series B Preferred Shares).

(e) No Public Sale or Distribution. Such Buyer is acquiring the applicable Purchased Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the 1933 Act; provided, however, that except as otherwise set forth in the Transaction Documents, by making the representations herein, such Buyer does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Buyer is acquiring the Securities hereunder in the ordinary course of its business. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities. For purposes of this Agreement, "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any governmental entity or any department or agency thereof.

(f) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D. Such Buyer (i) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment with respect to the Series B Preferred Shares and (ii) can bear the economic risk of (A) an investment in the Securities indefinitely and (B) a total loss in respect of such investment.

(g) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities. Prior to the applicable Closing, such Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and such Buyer is not (i) an officer or director of the Company or any of its Subsidiaries, (ii) an "affiliate" of the Company or any of its Subsidiaries (as defined in Rule 144) or (iii) a "beneficial owner" of more than 10% of the shares of Common Stock (as defined for purposes of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**1934 Act**")).

(h) Information. Such Buyer and its advisors, if any, have been furnished with or have had full access to all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities that have been requested by such Buyer. Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company or its representatives. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its advisors, if any, or its representatives shall modify, amend or affect such Buyer's right to rely on the Company's representations and warranties contained herein. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(i) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(j) Transfer or Resale. Such Buyer acknowledges that: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, (ii) such Buyer cannot sell, transfer, or otherwise dispose of any of the Securities, except in compliance with the Transaction Documents and the registration requirements or exemption provisions of the 1933 Act and any other applicable securities laws; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (except pursuant to the Registration Rights Agreement). Notwithstanding the foregoing, but subject to the Company's Policies to the extent applicable, the Securities may be pledged in connection with a bona fide margin account or other loan or financing arrangement secured by the Securities and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document (as defined in Section 3(b)), including, without limitation, this Section 2(j); provided, however, such Buyer complies with its obligations, if any, set forth in Section 4(g). As used in this Agreement, "**Policies**" means

the Company's agreements, policies, procedures, processes, codes, rules, standards and guidelines of the Company applicable to non-employee Board members (including confidentiality, corporate governance, conflict of interest, Regulation FD, code of conduct and ethics, and stock ownership and trading policies and guidelines of the Company).

(k) General Solicitation. To such Buyer's knowledge, neither the Company nor any other Person offered to sell the Securities to it by means of any form of general solicitation or advertising, including but not limited to: (A) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or (B) any seminar or meeting whose attendees were invited by any general solicitation or general advertising.

(l) Brokers; Finders. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisors or other similar fee or commission, or the reimbursement of expenses in connection therewith, in connection with the transactions contemplated by the Transaction Documents based upon arrangements made by or on behalf of such Buyer.

(m) Authorization; Validity; Enforcement. Such Buyer has the requisite power and authority to enter into and perform its obligations under the Transaction Documents to which such Buyer is a party. The execution and delivery of this Agreement and the other applicable Transaction Documents to which such Buyer is a party by such Buyer and the consummation by such Buyer of the transactions contemplated hereby and thereby have been duly authorized by such Buyer. This Agreement and the other Transaction Documents to which such Buyer is a party have been duly and validly authorized, executed and delivered on behalf of such Buyer and shall constitute the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(n) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the other Transaction Documents to which such Buyer is a party and the consummation by such Buyer of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Buyer or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including foreign, federal and state securities laws and regulations and applicable laws of any foreign, federal, and other state laws) applicable to such Buyer or by which any property or asset of such Buyer is bound or affected, in each case other than such other consents, approvals, filings, licenses, permits or authorizations, declarations or registrations that, if not obtained, made or given, would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

(o) No Other Company Representations or Warranties. Such Buyer acknowledges and agrees that neither the Company nor any of its Subsidiaries makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3. In connection with the due diligence investigation of the Company by such Buyer and its representatives, such Buyer and its representatives have received and may continue to receive from the Company and its representatives certain estimates, projections, forecasts and other forward-looking information, as well as certain business plan information containing such information, regarding the Company and its Subsidiaries and their respective businesses and operations. Such Buyer hereby acknowledges that there are uncertainties inherent in attempting to make such estimates, projections, forecasts and other forward-looking statements, as well as in such business plans, with which such Buyer is familiar, that such Buyer is making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts and other forward-looking information, as well as such business plans, so furnished to such Buyer (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, forward-looking information or business plans), and that except for the representations and warranties made by the Company in Section 3 and in any certificate or other Transaction Document delivered by the Company in connection with this Agreement, such Buyer will have no claim against the Company or any of its Subsidiaries, or any of their respective representatives, with respect thereto. Notwithstanding anything to the contrary in this Agreement or any Transaction Document, other than the Company's representations and warranties set forth in Section 3(s)(iii), Section 3(dd) and Section 3(gg) and the Company's covenant set forth in Section 4(h), such Buyer acknowledges that none of the Company, any of its affiliates or any other Person on behalf of the Company or otherwise makes or has made any representation or warranty in respect of (i) the Current Proceedings and (ii) any conduct, statements or actions of any member of the Founder Group (as defined in Section 3(a)) in any capacity. Notwithstanding anything to the contrary in this Agreement or any Transaction Document, with respect to the Company, the term "affiliate" shall not include any member of the Founder Group.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each of the Buyers that, as of the date hereof and as of the applicable Closing Date, except as (A) disclosed in all reports, schedules, forms, statements and other documents required to be filed and so filed by it with, or furnished by it to, the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed or furnished prior to such Closing Date, and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**") other than any risk factor disclosures in any such SEC Document contained in the "Risk Factors" section or any forward-looking statements within the meaning of the 1933 Act or the 1934 Act, (it being acknowledged that nothing disclosed in the SEC Documents shall be deemed to qualify or modify the representations and warranties set forth in Sections 3(b), 3(c), 3(d), 3(e), 3(g), 3(h), 3(i), 3(o), 3(w)-(x) or 3(z)-(hh)) or (B) set forth in the confidential disclosure letter delivered by the Company to the Buyers prior to the execution of this Agreement (the "**Company Disclosure Letter**") (it being understood that any information, item or matter set forth on one section or subsection of the Company Disclosure Letter shall be deemed disclosure with respect to, and shall be deemed to apply to and qualify, the section or subsection of this Agreement to which it corresponds in number and each other

section or subsection of this Agreement to the extent that it is reasonably apparent that such information, item or matter is relevant to such other section or subsection):

(a) Organization and Qualification. Each of the Company and each of its "**Subsidiaries**" (which for purposes of this Agreement, means a "significant subsidiary" as defined in Rule 1-02(w) of Regulation S-X) are entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed, and have the requisite power and authorization to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Company and its Subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means any change, effect, event, occurrence or development that has a material adverse effect (i) on the business, operations, or financial condition of the Company and the Subsidiaries, taken as a whole, (ii) on the Company's ability to consummate any of the transactions contemplated hereby on a timely basis or (iii) on the Company's material compliance with its obligations under the Transaction Documents, provided, that, with respect to clause (i), none of the following shall be deemed either alone or in combination to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (A) changes in the industry in which the Company or its Subsidiaries operate or changes or developments in public perceptions of the quick service restaurant industry and/or the products offered by the industries in which the Company or any of its Subsidiaries operate; (B) changes in the general economic or business conditions within the U.S. or other jurisdictions or any change in prices, availability or quality of raw materials used in the businesses of the Company, its Subsidiaries or its franchisees; (C) general changes in the economy or securities, credit, financial or other capital markets of the U.S. or any other region outside of the U.S. (including changes generally in prevailing interest rates, currency exchange rates, credit markets and price levels or trading volumes); (D) earthquakes, fires, floods, hurricanes, tornadoes or similar catastrophes or acts of god or weather conditions, (E) political conditions, including acts of terrorism, war, sabotage, national or international calamity, military action or any other similar event or any change, escalation or worsening thereof after the date hereof; (F) any change in GAAP (as defined in Section 3(j)) or any change in laws (or interpretation or enforcement thereof); (G) the execution of this Agreement or the public disclosure of this Agreement or the transactions contemplated hereby (including the impact thereof on the relationships, contractual or otherwise, of the Company or any of its Subsidiaries with employees, labor unions, financing sources, customers, suppliers, franchisees or partners); (H) any failure to meet internal or published projections, forecasts or revenue or earning predictions for any period; (I) a decline in the trading price or trading volume of the Company's common stock or any change in the ratings or ratings outlook for the Company or any of its Subsidiaries; provided that the underlying causes of such decline, change or failure, may be considered in determining whether there was a Material Adverse Effect; (J) any actions taken, or failure to take any action, in each case, to which the Buyers have or the Lead Investor (acting on behalf of the Buyers) has expressly given advance written approval or consent, that is affirmatively required by this Agreement or requested by a Buyer; (K) any action or matter set forth on Schedule 3(a) of the Company

Disclosure Letter; (L) any Current Proceedings; and (M) any action, changes or developments (including any impact on the business, operations or prospects of the Company and its Subsidiaries as a result thereof) by or with respect to the Company or any of its Subsidiaries, arising out of or relating to (i) the Current Proceedings or (ii) any statements or actions of the Founder Group; provided that a material adverse effect described in any of the foregoing clauses (A) through (F) may be taken into account to the extent the Company and its Subsidiaries are disproportionately affected thereby relative to other companies in the industries in which the Company and its Subsidiaries operate; provided, further, that the foregoing clauses (G) and (J) shall not apply to Sections 3(b)-(i), Sections 3(w)-(x) and Sections 3(z)-(hh). As used in this Agreement, "**Current Proceedings**" means any proceedings as asserted as of the date hereof (i) by, against or related to the Founder Group, whether in connection with the Company, the Board or any committee thereof, or any of the directors, officers, franchisees, counterparts, vendors, suppliers or employees of the Company or the business of such parties or otherwise or (ii) in respect of, arising out of or related to any rights plan of the Company. As used in this Agreement, "**Founder Group**" means, collectively, John H. Schnatter and his family members, and his and their affiliates, charitable foundations and any other affiliated entities, charitable foundations or entities controlled by such persons. As used in this Agreement, "**knowledge**" means, with respect to the Company, the actual knowledge as of the date hereof of (i) Steve M. Ritchie, Caroline Miller Oyler, Michael R. Nettles and Joseph H. Smith, in each case, after reasonable inquiry of such person's direct reports, and (ii) the members of the Special Committee (as defined below) solely in connection with such person's service on the special committee of the Company's Board of Directors (the "**Board**") formed on or about July 15, 2018 (the "**Special Committee**") and solely for purposes of the representations and warranties set forth in Section 3(s)(iii). Notwithstanding anything to the contrary, no person shall have any liability (personal or otherwise) as a result of their status within the definition of "knowledge."

(b) Authorization; Enforcement; Validity. The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Certificate of Designation, the Registration Rights Agreement, the Irrevocable Transfer Agent Instructions, in the form of Exhibit D attached hereto, the Governance Agreement in the form attached hereto as Exhibit E (the "**Governance Agreement**"), any Joinder Agreement and each of the other agreements entered into (or to be entered into) by the parties hereto in connection with the transactions contemplated by this Agreement (collectively, the "**Transaction Documents**") and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Series B Preferred Shares, the reservation for issuance and the issuance of the Conversion Shares issuable upon conversion of the Series B Preferred Shares have been duly authorized by the Board and (other than the filing with the SEC of a Form D and one or more Registration Statements (as defined in the Registration Rights Agreement) in accordance with the requirements of the Registration Rights Agreement and other filings as may be required by state securities agencies) no further filing, consent, or further authorization is required by the Company, the Board or its stockholders. This Agreement and the other Transaction Documents have been (or will be, upon execution) duly executed and delivered by the Company, and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy,

insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The Certificate of Designation in the form attached hereto as Exhibit A shall be filed on February 4, 2019 with the Secretary of State of the State of Delaware and, as of such filing, shall be in full force and effect, enforceable against the Company in accordance with its terms and has not been amended.

(c) Issuance of Securities. The issuance of the Series B Preferred Shares is duly authorized and, upon issuance in accordance with the terms of the Transaction Documents, shall be validly issued and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof and the Series B Preferred Shares shall be fully paid and nonassessable with the holders being entitled to the rights and preferences set forth in the Certificate of Designation. As of the date hereof, the Initial Required Reserved Amount (as defined in the Certificate of Designation) has been duly authorized and reserved for issuances with respect to the Series B Preferred Shares. Upon conversion of the Series B Preferred Shares in accordance with the Certificate of Designation, the applicable Conversion Shares will be validly issued, fully paid and nonassessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Stock. Assuming in part the accuracy of each of the representations and warranties of the Buyers set forth in Section 2 of this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Series B Preferred Shares and reservation of the Initial Required Reserved Amount and issuance of the Conversion Shares) will not (i) result in a violation of the Certificate of Incorporation or Bylaws (each, as defined in Section 3(o)) or any memorandum of association, certificate of incorporation, certificate of formation, bylaws, any certificate of designations or other constituent documents of the Company's Subsidiaries or any capital stock of the Company or any of its Subsidiaries or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including foreign, federal and state securities laws and regulations and the rules and regulations of The NASDAQ Global Select Market (the "**Principal Market**") and applicable laws of the State of Delaware and any foreign, federal, and other state laws) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, in each case other than such other consents, approvals, filings, licenses, permits or authorizations, declarations or registrations that, if not obtained, made or given, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) Consents. The Company is not required to obtain any consent, authorization or order of, or make any filing or registration with (other than the filing with the SEC of a Form D and one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement and other filings as may be required by state securities

agencies), any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its obligations under or contemplated by the Transaction Documents, in each case in accordance with the terms hereof or thereof and other than such other consents, approvals, filings, licenses, permits or authorizations, declarations or registrations that, if not obtained, made or given, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to such Closing Date (or in the case of the filings detailed above, will be made timely after such Closing Date), and the Company and its Subsidiaries are unaware of any facts or circumstances that might prevent the Company or any of its Subsidiaries from obtaining or effecting any of the consent, registration, application or filings pursuant to the preceding sentence. The Company is not in violation of the listing requirements of the Principal Market and has no knowledge of any facts or circumstances that would reasonably lead to delisting or suspension of the Common Stock in the foreseeable future, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The issuance by the Company of the Securities shall not have the effect of delisting or suspending the Common Stock from the Principal Market.

(f) Acknowledgment Regarding Buyer's Purchase of Securities. The Company acknowledges that no Buyer is acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by a Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to each Buyer that the Company's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Company and its representatives, including, without limitation, any placement agent or investment bank retained by the Company in connection with the sale of the Securities.

(g) No General Solicitation; Placement Agent's Fees. Neither the Company, nor any of its Subsidiaries, nor, to the knowledge of the Company, any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or brokers' commissions (other than for Persons engaged by any Buyer or its investment advisor) relating to or arising out of the transactions contemplated hereby.

(h) No Integrated Offering. None of the Company nor its Subsidiaries, nor, to the knowledge of the Company, any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require the approval of the stockholders of the Company for purposes of the 1933 Act or any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of the Principal Market.

(i) Application of Takeover Protections; Rights Agreement. The Company and the Board have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement (including, without limitation, that certain Rights Agreement dated as of July 22, 2018 by and between the Company and Computershare Trust Company, N.A., as rights agent, as amended by Amendment No. 1 thereto, dated as of February 3, 2019, by and between the Company and Computershare Trust Company, N.A., as rights agent)) or other similar anti-takeover provision under the Certificate of Incorporation, Bylaws or other organizational documents or the laws of the State of Delaware which is or could reasonably be expected to become applicable to any Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and any Buyer's ownership of the Securities.

(j) SEC Documents; Financial Statements; No Undisclosed Liabilities. During the two (2) years prior to the date hereof, the Company has timely filed all the SEC Documents required to be filed by it with the SEC pursuant to the 1934 Act. As of their respective filing dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the Sarbanes-Oxley Act of 2002, as amended (and in both cases, the rules and regulations of the SEC promulgated thereunder), in each case, applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC (or, if amended prior to the date hereof, the date of the filing of such amendment, with respect to the disclosures that are amended), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective filing dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved ("**GAAP**") (except (i) as may be otherwise indicated in such financial statements or the notes thereto, (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements or (iii) as otherwise permitted by Regulation S-X and the other rules and regulations of the SEC) and fairly present in all material respects the financial position of the Company and its Subsidiaries as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except (i) liabilities related to the Current Proceedings and (ii) as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, neither the Company nor any of its Subsidiaries has any liabilities of any nature (whether accrued, absolute, contingent or otherwise) that would be required under GAAP, as in effect on the date hereof, to be reflected on a consolidated balance sheet of the Company (including the notes thereto) except liabilities (i) reflected or reserved against in the balance sheet (or the notes thereto) of the Company and its Subsidiaries as of December 31, 2017 (the "**Balance Sheet Date**") included in the SEC Documents, (ii) incurred after the Balance Sheet Date in the ordinary course of business, (iii) as expressly contemplated by the Transaction Documents or otherwise incurred in connection with the transactions contemplated hereby and thereby, (iv) that have been discharged or paid prior to the date of this

Agreement, or (v) that have been incurred in the ordinary course, consistent in nature with the Company's past practice prior to the date hereof.

(k) Absence of Certain Changes. Except matters (x) related to the Current Proceedings or (y) which are disclosed in Schedule 3(k), since December 31, 2017 (a) except for the execution and performance of this Agreement and the discussions, negotiations and transactions related thereto, the business of the Company and its Subsidiaries has been carried on and conducted in all material respects in the ordinary course of business and (b) there has not been any Material Adverse Effect or any event, change or occurrence that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy insolvency, reorganization, receivership, liquidation or winding up nor does the Company or any Subsidiary have any knowledge or reason to believe that any of its respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact that would reasonably lead a creditor to do so. The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the applicable Closing, will not be Insolvent (as defined below). For purposes of this Section 3(k), "**Insolvent**" means, with respect to any Person, (i) the present fair saleable value of such Person's assets is less than the amount required to pay such Person's total indebtedness, (ii) such Person is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, (iii) such Person intends to incur or believes that it will incur debts that would be beyond its ability to pay as such debts mature or (iv) such Person has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(l) No Undisclosed Events, Liabilities, Developments or Circumstances. No event, liability, development or circumstance has occurred or exists, or is contemplated to occur with respect to the Company, its Subsidiaries or their respective business, properties, prospects, operations or financial condition, that would be required to be disclosed by the Company under applicable securities laws on a registration statement on Form S-1 filed with the SEC relating to an issuance and sale by the Company of its Common Stock and which has not been publicly announced, except (i) with respect to matters related to the Current Proceedings and (ii) as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) Conduct of Business; Regulatory Permits. Neither the Company nor any of its Subsidiaries is in violation of any term of or in default under any certificate of designations of any outstanding series of preferred stock of the Company (if any), the Certificate of Incorporation or Bylaws or their organizational charter or memorandum of association or certificate of incorporation or articles of association or bylaws, respectively, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing, except for possible violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, the Company is not in violation of any of the rules, regulations or requirements of the

Principal Market except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and has no knowledge of any facts or circumstances that would reasonably be expected to lead to delisting or suspension of the Common Stock by the Principal Market in the foreseeable future. Except as set forth in Schedule 3(m), during the two (2) years prior to the date hereof, the Common Stock has been designated for quotation on the Principal Market. Except as set forth in Schedule 3(m), during the two (2) years prior to the date hereof, (i) trading in the Common Stock has not been suspended by the SEC or the Principal Market and (ii) the Company has received no written communication from the SEC or the Principal Market regarding the suspension or delisting of the Common Stock from the Principal Market. The Company and its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and to the knowledge of the Company, neither the Company nor any of its Subsidiaries has received any written notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(n) Transactions With Affiliates. Except as set forth on Schedule 3(n) of the Company Disclosure Letter, none of the officers, directors or employees of the Company or any of its Subsidiaries is presently a party to any transaction with the Company or any of its Subsidiaries (other than for ordinary course services as employees, officers or directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director or employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any such officer, director, or employee has a substantial interest or is an officer, director, employee, trustee or partner, in each case that would require disclosure in an SEC filing made by the Company (if such filing were being made on the date hereof) pursuant to Item 404 of Regulation S-K under the 1934 Act.

(o) Equity Capitalization. As of the date hereof, the authorized capital stock of the Company consists of (i) 100,000,000 shares of Common Stock, of which as of the date hereof, 31,667,620 shares are issued and outstanding, 6,556,075 shares are reserved for issuance pursuant to the Company's stock option and purchase plans and 124,773 shares are reserved for issuance pursuant to securities (other than the aforementioned options and the Series B Preferred Shares) exercisable or exchangeable for, or convertible into, Common Stock and (ii) 5,000,000 shares of preferred stock, par value $0.01 per share, of which 100,000 shares have been designated as Series A Junior Participating Preferred Stock, none of which are issued and outstanding as of the date hereof. All of such outstanding shares have been, or upon issuance will be, validly issued and are fully paid and nonassessable. As of the applicable Closing Date, (i) the Series B Preferred Shares shall rank senior to all capital stock of the Company and (ii) there will be no Pari Passu Stock or Senior Stock (each as defined in the Certificate of Designation) as of such Closing Date. Except pursuant to the Company's stock option and purchase plans or other incentive plans and as disclosed in: (i) Schedule 3(o)(i), none of the Company's capital stock is subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company; (ii) Schedule 3(o)(ii), there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for,

any shares of capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Company or any of its Subsidiaries; (iii) Schedule 3(o)(iii), there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the 1933 Act (except pursuant to the Registration Rights Agreement); (iv) Schedule 3(o)(iv), there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (v) Schedule 3(o)(v), there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; and (vi) Schedule 3(o)(vi), neither the Company nor any Subsidiary has any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Company has furnished or made available to the Buyers true, correct and complete copies of the Company's Certificate of Incorporation, as amended and as in effect on the applicable Closing Date (the "**Certificate of Incorporation**"), and the Company's Bylaws, as amended and as in effect on the applicable Closing Date (the "**Bylaws**"), and the terms of all securities convertible into, or exercisable or exchangeable for, shares of Common Stock and the material rights of the holders thereof in respect thereto.

(p) Indebtedness and Other Contracts. Except with respect to the covenants contained in (i) that certain Credit Agreement, dated August 30, 2017, by and among the Company, as borrower, the Guarantors party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other lending institutions that are parties thereto, as Lender, as amended, and (ii) that certain First Amended and Restated Credit Agreement by and among the Company, the Guarantors party thereto, PNC Bank, National Association, as a lender and in its capacity as Administrative Agent for the lenders; JPMorgan Chase Bank, N.A., as a lender and in its capacity as Co-Syndication Agent for the lenders; Bank of America, N.A., as a lender and in its capacity as Documentation Agent for the lenders; U.S. Bank, National Association, as a lender and in its capacity as Co-Syndication Agent for the lenders, and Branch Banking and Trust Company, as a lender (collectively, the "**Credit Agreements**"), the Company is not party to any material loan or credit agreement, indenture, debenture, note, bond, mortgage, deed of trust, lease, sublease, license, contract or other agreement, and is not subject to any provision in the Certificate of Incorporation or Bylaws that, in each case, by its terms prohibits or prevents the Company from paying dividends in form and the amounts contemplated by the Certificate of Designation. The Company and its Subsidiaries are not in material breach of, or default or violation under, the Credit Agreements.

(q) Absence of Litigation. The Company has received no written notice of any action, suit, proceeding, inquiry or investigation before or by the Principal Market, any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, the Common Stock or any of the Company's or its Subsidiaries' officers or directors, whether of a civil or criminal nature or otherwise, in their capacities as such, except (i)

(A) with respect to the Current Proceedings and (B) as set forth in Schedule 3(q), and (ii) in each case except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(r) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any material insurance coverage sought or applied for and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business, in each case, at a cost that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(s) Employee Relations.

(i) Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. Since December 31, 2017, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, as of the date hereof, there has been no strike, lockout, slowdown, or work stoppage against the Company or any of its Subsidiaries pending or, to the knowledge of the Company, threatened. As of the date hereof, no executive officer (as defined in Rule 501(f) of the 1933 Act) of the Company or any of its Subsidiaries has notified the Company or any such Subsidiary that such officer will terminate such officer's employment with the Company or any such Subsidiary.

(ii) The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect

(iii) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and except for the Current Proceedings and those set forth in Schedule 3(s), the Company has no knowledge of (a) any Conduct Violations during the last five years, (b) any claims or allegations made in the last five years of any Conduct Violations (other than any which, having been appropriately investigated and have been found to not have been substantiated or material to the Company's and its Subsidiaries' business, taken as a whole), or (c) any settlement agreements entered into by the Company or its Subsidiaries in the last five years related to allegations of Conduct Violations. As used in this Agreement, "**Conduct Violations**" means (a) reported complaints made to the Company against any executive officer or director of the Company of (i) sexual harassment or misconduct, (ii) racial discrimination or hostility, or (iii) material breaches of the Company's Code of Ethics and Business Conduct, Equal Employment Opportunity Policy or Workplace Harassment Policy, or (b) any conduct investigated or discovered by the Special Committee, or which the Special Committee has knowledge of, including without limitation, conduct related to but not alleged in the Current Proceedings, that would reasonably be expected to have a Material Adverse Effect.

(t) Title. The Company and its Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its Subsidiaries, in each case free and clear of all liens, encumbrances and defects except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Any real property and facilities held under lease by the Company or any of its Subsidiaries are held by them under valid, subsisting and enforceable leases except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(u) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, original works of authorship, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct their respective businesses as now conducted, except where failure to own or possess such Intellectual Property Rights would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3(u), none of the Company's or its Subsidiaries' material Intellectual Property Rights have expired or terminated or have been abandoned. The Company does not have any knowledge of any infringement by the Company or any of its Subsidiaries of Intellectual Property Rights of others except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no claim, action or proceeding being made or brought, or to the knowledge of the Company or any of its Subsidiaries, being threatened, against the Company or any of its Subsidiaries regarding its Intellectual Property Rights except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is aware of any facts or circumstances which might give rise to any of the foregoing infringements or claims, actions or proceedings, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights.

(v) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with any and all Environmental Laws (as hereinafter defined), (ii) have obtained all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply or the failure to obtain such permit, license or approval would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "**Environmental Laws**" means all federal, state, local or foreign laws relating to human health (to the extent related to exposure to Hazardous Materials (as hereinafter defined)), pollution or protection of the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all codes, decrees,

injunctions, judgments, orders, or regulations issued, entered, promulgated or approved thereunder.

(w) Investment Company Status. Neither the Company nor any Subsidiary is an "investment company," and, to the Company's knowledge, neither the Company nor any Subsidiary is a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(x) Tax Status. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and each Subsidiary of the Company (i) has timely and properly made or filed all U.S. federal, state and foreign tax returns, reports and declarations (including, without limitation, any information returns and any required schedules or attachments thereto) required to be filed by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges, except those being contested in good faith by appropriate proceedings and for which adequate reserves have been established, and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply.

(y) Internal Accounting and Disclosure Controls. The Company has established and maintains disclosure controls and procedures and a system of internal controls over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the 1934 Act) in accordance with Rule 13a-15 under the 1934 Act in all material respects. During the twelve (12) months prior to the date hereof, neither the Company nor any of its Subsidiaries has identified or been made aware of "significant deficiencies" or "material weaknesses" (as defined by the Public Company Accounting Oversight Board) in the design or operation of the Company's internal controls over and procedures relating to financial reporting which would reasonably be expected to adversely affect in any material respect the Company's ability to record, process, summarize and report financial data, in each case which has not been subsequently remediated.

(z) Eligibility for Registration. As of the date hereof, the Company is eligible to register the Series B Preferred Shares and the Conversion Shares for resale by the Buyers using Form S-3 promulgated under the 1933 Act.

(aa) U.S. Real Property Holding Corporation. The Company is not a United States real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended (the "**Code**"), as of the applicable Closing Date, and the Company shall provide certification as of the applicable Closing Date satisfying section 1445(b)(3) of the Code and the Treasury Regulations issued thereunder upon any Buyer's request.

(bb) Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i)(1) of the 1933 Act.

(cc) Compliance with Anti-Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with all applicable U.S. and non-U.S. anti-money laundering laws, rules and regulations, including, but not limited to, the Currency and Foreign Transactions Reporting Act of 1970, as amended, the United States Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, and the United States Money Laundering Control Act of 1986 (18 U.S.C. §§1956 and 1957), and the implementing rules and regulations promulgated thereunder (collectively, the "**Anti-Money Laundering Laws**"), except where failure to be in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(dd) No Conflicts with Sanctions Laws. Neither the Company nor any of its Subsidiaries, nor to the Company's knowledge, any director, officer, employee, agent or affiliate thereof is, or is directly or indirectly owned 50% or more by, a Person that is currently the subject or the target of any economic sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") or the U.S. Departments of State or Commerce and including, without limitation, the designation as a "Specially Designated National"), or by the United Nations Security Council, the European Union, Her Majesty's Treasury or any other applicable sanctions authority (collectively, "**Sanctions Laws**"); neither the Company, any of its Subsidiaries, nor, to the Company's knowledge, any director, officer, employee, agent, or affiliate thereof, is organized or resident in a country or territory that is the subject or target of comprehensive country-wide Sanctions Laws prohibiting trade with the country or territory (as of the Initial Closing Date, Crimea, Cuba, Iran, North Korea, and Syria); the Company maintains in effect and enforces policies and procedures designed to ensure compliance by the Company and its Subsidiaries with applicable Sanctions Laws; neither the Company nor any of its Subsidiaries will use the proceeds of the convertible securities or lend, contribute or otherwise make available such proceeds to finance or facilitate any activity in material violation of any applicable Sanctions Law.

(ee) Anti-Bribery. Neither the Company nor any of its Subsidiaries, nor any director, officer, employee, or agent thereof, in each case acting in their capacity as such, has, within the last five (5) years, either directly or indirectly through any third party, (i) made, promised, offered or authorized any unlawful payment or gift to or for the benefit of any foreign or domestic government official or employee, political party or candidate for political office; (ii) violated or is in violation of the U.S. Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**"), the U.K. Bribery Act 2010, or any other anti-bribery or anti-corruption law of any other jurisdiction in which the Company operates its business, including, in each case, the rules and regulations thereunder (the "**Anti-Bribery Laws**"), or (iii) otherwise made any unlawful bribe, payoff, influence payment, or kickback in violation of Anti-Bribery Laws; the Company and each of its respective Subsidiaries has instituted and has maintained, and will continue to maintain, policies and procedures reasonably designed to promote and achieve material compliance with the Anti-Bribery Laws; neither the Company nor any of its Subsidiaries will, directly or indirectly, use the proceeds of the Securities or lend, contribute or otherwise make available such proceeds to finance or facilitate any activity that would violate any Anti-Bribery Law.

(ff) Investigations and Proceedings. No action, suit, investigation, or proceeding by or before any court or governmental agency, authority or body or involving the Company or any of its Subsidiaries, or any of their respective directors, officers, employees or agents, in each case acting in their capacity as such, with respect to the Anti-Money Laundering Laws, the Sanctions Laws, or the Anti-Bribery Laws is pending or, to the knowledge of the Company, threatened.

(gg) No Disqualification Events. With respect to the Purchased Shares, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the 1933 Act) connected with the Company in any capacity at the time of sale (each, a "**Covered Person**" and, together, "**Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the 1933 Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Buyers a copy of any disclosures provided thereunder, if any.

(hh) No Other Buyer Representations and Warranties. The Company acknowledges and agrees that no Buyer makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Sections 2 and 4(f).

4. COVENANTS.

(a) Reasonable Best Efforts. Each party shall use its reasonable best efforts to timely satisfy each of the covenants and the conditions to be satisfied by it as provided in Sections 6 and 7 of this Agreement.

(b) Form D and Blue Sky. The Company agrees to file a Form D with respect to the Securities if required under Regulation D and shall provide a copy thereof to any Buyer promptly upon such Buyer's request. Following each Closing Date, the Company shall make all filings and reports relating to the offer and sale of the Securities required under applicable securities or "Blue Sky" laws of the states of the United States.

(c) Reporting Status. Until the date on which the Investors (as defined in the Registration Rights Agreement) shall have sold all of the Conversion Shares and none of the Series B Preferred Shares are outstanding (the "**Reporting Period**"), the Company shall timely file all reports required to be filed with the SEC pursuant to the 1934 Act, and the Company shall use commercially reasonable efforts to maintain its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would no longer require or otherwise permit such termination, and the Company shall use commercially reasonable efforts to maintain its eligibility to register the Series B Preferred Shares and the Conversion Shares for resale by the Investors on Form S-3.

(d) Use of Proceeds. The Company intends to use the proceeds from the sale of the Securities solely as set forth on Schedule 4(d).

(e) Financial Information. The Company agrees to send the following to each Investor (as defined in the Registration Rights Agreement) during the Reporting Period (i) unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, within three (3) Business Days after the filing thereof with the SEC, a copy of its Annual Reports on Form 10-K, any Quarterly Reports on Form 10-Q, any Current Reports on Form 8-K (or any analogous reports under the 1934 Act) and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act, (ii) within one (1) Business Day after the release thereof, facsimile or e-mailed copies of all press releases issued by the Company or any of its Subsidiaries (except to the extent the same are (x) filed or furnished to the SEC and available as described below; or (y) otherwise widely disseminated via a national news wire or similar service), and (iii) copies of any notices and other information made available or given to the stockholders of the Company generally, contemporaneously with the making available or giving thereof to the stockholders. Notwithstanding the foregoing, the Company shall not be obligated to send or deliver any of the foregoing to the Investors to the extent any of them are filed, furnished or otherwise made publicly available on the Company's website or the SEC's EDGAR (or any similar) electronic filing system. As used herein, "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(f) Fees. The Company shall reimburse the Lead Investor (a Buyer) or its designee(s) for its costs and expenses incurred in connection with the transactions contemplated by the Transaction Documents (to the extent not previously reimbursed by the Company) pursuant to that certain letter agreement dated January 2, 2019 (as amended, the "**Expense Agreement**"), by and between the Company and Starboard Value LP, which payment may be satisfied in full by the Lead Investor's withholding of such amount from the applicable Purchase Price payable by the Lead Investor to the Company at the Initial Closing or the Optional Closing, to the extent not previously reimbursed by the Company. Such reimbursement shall be subject to all terms, conditions and limitations set forth in the Expense Agreement. The Lead Investor represents and warrants to the Company that it is the valid designee of Starboard Value LP for purposes of reimbursement pursuant to the Expense Agreement. Except as otherwise set forth in the Transaction Documents or Expense Agreement, each party to this Agreement shall bear its own expenses in connection with the sale of the Series B Preferred Shares to the Buyers.

(g) Transfer or Resale; Pledge of Securities. Subject to the conditions set forth in Section 5(a) and the terms of the Governance Agreement, (i) no Buyer shall offer for sale, sell, assign or transfer the Securities unless (A) subsequently registered thereunder, (B) such sale, assignment or transfer is made to the Company, (C) such Buyer shall have delivered to the Company an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to (i) Regulation S promulgated under the 1933 Act; or (ii) another valid exemption from registration under the 1933 Act or the rules and regulations of the SEC thereunder, or (D) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to: (i) Rule 144 promulgated under the 1933 Act ("**Rule 144**"); or (ii) Rule 144A promulgated under the 1933 Act ("**Rule 144A**"). Except as set forth in the

Company's Policies (as defined in the Governance Agreement), the Company acknowledges and agrees that the Securities may be pledged by an Investor in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities and the pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder; provided, that such Investor, so long as any employee of such Investor serves on the Board, (i) provides prompt written notice to the Company if any event of default pursuant to any such bona fide margin agreement or other loan or financing arrangement results in any pledgee exercising its right to foreclose on such collateral, (ii) agrees with the pledgee in writing at the time of or prior to such pledge that the Company will be entitled to repurchase any Series B Preferred Shares so pledged before or after any foreclosure by the pledgee for the Company Optional Redemption Price (as defined in the Certificate of Designation) and (iii) agrees with the pledgee in writing at the time of or prior to such pledge that, in the event of foreclosure, such pledgee will not be entitled to exercise any rights of Starboard (as defined in the Governance Agreement) set forth in the Governance Agreement; provided, further, that an Investor and its pledgee shall be required to comply with the provisions of Section 2(j) hereof in order to effect a sale, transfer or assignment of Securities to such pledgee. Notwithstanding anything in this Agreement to the contrary, the Buyers' rights set forth in Section 4(j) shall not be saleable, transferable or assignable by any Buyer except to any of its affiliates.

(h) Disclosure of Transactions and Other Material Information. The Company shall (i) at approximately 7:00 a.m. but no later than 8:00 a.m., New York City time, on February 4, 2019, issue a press release and file a Current Report on Form 8-K, in each case, reasonably acceptable to the Lead Investor, describing the terms of the transactions contemplated by the Transaction Documents in the form required by the 1934 Act and (ii) on or before 4:30 p.m., New York City time, on February 4, 2019, file a Current Report on Form 8-K reasonably acceptable to the Lead Investor attaching this Agreement, the Governance Agreement, the form of the Certificate of Designation and the Registration Rights Agreement as exhibits to such filing (which shall not include schedules or exhibits not customarily filed with the SEC). The Company shall use its commercially reasonably efforts to not, and to cause each of its Subsidiaries and its and each of their respective officers, directors, affiliates, employees and agents, not to, provide any Buyer that at the applicable time of determination does not have an affiliate who serves on the Board, with any material, nonpublic information regarding the Company or any of its Subsidiaries from and after the Initial Closing Date without the express prior written consent of such Buyer or as otherwise contemplated by the Transaction Documents. To the extent that the Company delivers any material, nonpublic information to a Buyer without such Buyer's consent at a time when such Buyer does not have an affiliate who serves on the Board, the Company hereby covenants and agrees that, unless otherwise expressly agreed between such Buyer and the Company, such Buyer shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective, officers, directors, affiliates, employees or agents with respect to, or a duty to the Company, any of its Subsidiaries, or any of their respective, officers, directors, affiliates, employees or agents not to trade on the basis of, such material, nonpublic information. The Company understands and confirms that each of such Buyers will rely (in their own discretion) on the foregoing in effecting transactions in securities of the Company.

(i) Additional Series B Preferred Shares; Franchisees Purchase of Series B Preferred Shares. So long as any Buyer beneficially owns any Securities, without the prior written consent of the Required Holders (as defined in Section 9(e)), the Company will not issue

any Series B Preferred Shares other than as contemplated by the Transaction Documents. Notwithstanding the foregoing, the Company may offer and sell Series B Preferred Shares (in lots of no less than ten (10) Series B Preferred Shares per franchisee) on or prior to March 30, 2019 to franchisees of the Company so long as (x) the issuances will not reduce the number of Series B Preferred Shares purchased and purchasable by the Buyers pursuant to Section 1 hereof as a result of lowering the number of Series B Preferred Shares available to purchase by such Buyers at any of the Closings pursuant to Section 1 by reason of any sale to franchisees of the Company and (y) the number of Series B Preferred Shares offered and sold to such franchisees is not greater than the lesser of (x) 10,000 Series B Preferred Shares and (y) the difference between the Maximum Share Amount and the sum of (1) the Purchased Shares acquired by all Buyers immediately prior to the consummation of the purchase contemplated by this Section 4(i) and (2) in case the consummation of the purchase contemplated by this Section 4(i) occurs prior to the Optional Closing, the maximum Optional Series B Preferred Shares that may be purchased by the Buyers pursuant to Section 1(a)(ii); provided, that such franchisees of the Company must be eligible to purchase Series B Preferred Shares without jeopardizing the exemption from the registration requirement of the 1933 Act relied upon by the Company to issue any Series B Preferred Shares pursuant to any Transaction Document; provided, further, that any agreement entered into by the Company and the Company's franchisees in connection with the issuance of any Series B Preferred Shares to such franchisees as contemplated by this Section 4(i) shall not have the effect of impairing the rights granted to the Buyers in this Agreement or any of the other Transaction Documents or otherwise conflicts with the provisions hereof or thereof. The Company shall promptly, but in any event prior to April 5, 2019 notify the Buyers in writing the number of Series B Preferred Shares purchased by the franchisees hereunder. In the event the Principal Market (or other applicable Eligible Market (as defined in the Registration Rights Agreement)) determines that the amount of Series B Preferred Shares issuable pursuant to the Transaction Documents is required to be cutback, then, any such cutback shall be effected in the following order of priority: (i) first, the number of Series B Preferred Shares issuable to franchisees of the Company as contemplated by this Section 4(i), and (ii) second, any Optional Series B Preferred Shares issuable pursuant to Section 1(a)(ii).

(j) Additional Issuances of Securities.

(i) For purposes of this Section 4(j), the following definitions shall apply.

(1) "**Approved Stock Plan**" means any employee stock option plan, management incentive plan, restricted stock plan, stock purchase plan or stock ownership plan, retirement plan or any similar compensation or benefit plan, program or agreement which has been approved by the Board or the Compensation Committee of the Board, pursuant to which the Company's securities may be issued to any employee, officer, director or other agents for services provided to the Company.

(2) "**Common Stock Equivalents**" means, collectively, Options and Convertible Securities.

(3) "**Convertible Securities**" means any stock or securities (other than Options) convertible into or exercisable or exchangeable for shares of Common Stock.

(4) "**Excluded Securities**" means any: (i) shares of Common Stock issued or issuable (including upon the exercise of Options) (A) under any Approved Stock Plan; (B) pursuant to the terms of the Certificate of Designation (including in the Optional Closing and to the Company's franchisees as contemplated in Section 4(i)); (C) upon conversion or exercise of any Options or Convertible Securities which are outstanding on the day immediately preceding the date hereof, provided that the terms of such Options or Convertible Securities are not amended, modified or changed on or after the date hereof; or (D) pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company; (ii) securities of a Subsidiary of the Company issued to the Company or a Subsidiary of the Company, (iii) securities of a joint venture (provided that no affiliate (other than any Subsidiary) of the Company acquires any interest in such securities in connection with such issuance); or (iv) securities issued in connection with any "business combination" (as defined in the rules and regulations promulgated by the SEC) or otherwise in connection with bona fide acquisitions of securities or substantially all of the assets of another Person, business unit, division or business; provided, that the foregoing clauses (i)(D), (iii) and (iv) shall not include a transaction in which the Company or applicable joint venture, as applicable, is issuing securities for the purpose of raising capital or to an entity whose primary business is investing in securities.

(5) "**Options**" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

(6) "**Right of Participation Percentage**" means the percentage yielded from dividing (i) the number of shares of Common Stock issuable upon conversion of the aggregate number of Purchased Shares that were purchased by the Buyers on or prior to the applicable date requiring determination (without regard to the limitation on conversion set forth in Section 6(e)(i) of the Certificate of Designation) (the "**Underlying Conversion Shares**"), by (ii) the sum of (x) the total number of shares of Common Stock issued and outstanding at the last Closing that occurred prior to the applicable date requiring determination and (y) the Underlying Conversion Shares.

(7) "**Subsequent Placement**" means the issuance, sale, grant of any option to purchase, exchange or other disposition of any of the Company's or its Subsidiaries' equity or equity equivalent securities (other than the issuance and sale of the Optional Series B Preferred Shares or sales to franchisees pursuant to Section 4(i)), including without limitation any debt, preferred stock or other instrument or security that is, at any time during its life and under any circumstances, convertible into or exchangeable or exercisable for Common Stock or Common Stock Equivalents.

(ii) From the date hereof until the earlier to occur of (x) the Initial Closing Date and (y) the termination of this Agreement in accordance with Section 8, the Company shall not effect any Subsequent Placement. From the Initial Closing Date until the

date that the Buyers hold, in the aggregate, less than 10% of the Purchased Shares, the Company will not, directly or indirectly, effect any Subsequent Placement unless the Company shall have first complied with this Section 4(j)(ii). Each Buyer may assign all or any portion of its right of participation set forth in this Section 4(j) to one or more of its affiliates in accordance with Section 9(g)(y).

(1) The Company shall deliver to each Buyer a written notice (the "**Offer Notice**") of any proposed or intended Subsequent Placement (the "**Offer**"), which Offer Notice shall (A) identify and describe the terms and provisions of the securities being offered (the "**Offered Securities**"), (B) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the Offered Securities proposed to be issued, sold or exchanged (for the avoidance of doubt, such price and/or number or amount of the Offered Securities may be a formula or a reasonable range), and (C) offer to issue and sell to or exchange with such Buyers (or at such Buyer's discretion, any of such Buyer's affiliates) a portion of the Offered Securities equal to the Right of Participation Percentage of the Offered Securities multiplied by a fraction, the numerator of which is the Conversion Amount (as defined in the Certificate of Designation) of the Series B Preferred Shares held by the Buyers and any of their affiliates on the date that the Company delivers the applicable Offer Notice and the denominator of which is the aggregate Conversion Amount of all Purchased Shares acquired by the Buyers on or prior the applicable date requiring determination, allocated among such Buyers (or their affiliates) at such Buyers' discretion (the "**Basic Amount**").

(2) To accept an Offer, in whole or in part, such Buyer (or its affiliates) must deliver a written notice to the Company prior to the end of the fifth (5th) Business Day after such Buyer's receipt of the Offer Notice (or such shorter period if the Offer Notice was sent in less than five (5) Business Days prior to the proposed issuance date, but in no event less than two (2) Business Days) (the "**Offer Period**"), setting forth the portion of such Buyer's portion of the Basic Amount that such Buyer elects to purchase (the "**Notice of Acceptance**"). If the Company offers two (2) or more securities in units to the other participants in the Subsequent Placement, the participating Buyers must purchase such units as a whole and will not be given the opportunity to purchase only one of the securities making up such unit. Notwithstanding anything to the contrary contained herein, if the Company desires to modify or amend the terms and conditions of the Offer prior to the expiration of the Offer Period, the Company may deliver to the Buyers a new Offer Notice and the Offer Period shall expire on the fifth (5th) Business Day after such Buyer's receipt of such new Offer Notice.

(3) Simultaneously with the closing of the Subsequent Placement giving rise to the Buyers' participation right, the Buyers shall acquire from the Company, and the Company shall issue to the Buyers, the number or amount of Offered Securities specified in the Notices of Acceptance upon the terms and conditions specified in the Offer Notice; provided, however, that the closing of any purchase by any participating Buyer may be extended beyond the closing of the sale of the Offered Securities giving rise to such preemptive right to the extent reasonably necessary to (i) obtain required approvals from any governmental authority or (ii) permit the participating Buyer to receive proceeds from calling capital pursuant to commitments made by its (or

its affiliated investment funds') limited partners, in which case such closing shall occur on the second (2nd) Business Day after receipt of such required approvals or expiration of mandatory capital call notice periods under the applicable fund organizational documents.

(4) The Company shall have thirty (30) calendar days from the expiration of the Offer Period above (A) to offer, issue, sell or exchange all or any part of such Offered Securities as to which a Notice of Acceptance has not been given by the Buyers pursuant to a definitive agreement (the "**Subsequent Placement Agreement**") but only upon terms and conditions (including, without limitation, unit prices and interest rates) that are not more favorable to the acquiring Person or Persons or less favorable to the Company than those set forth in the Offer Notice and (B) to publicly announce (I) the execution of such Subsequent Placement Agreement, and (II) either (x) the consummation of the transactions contemplated by such Subsequent Placement Agreement or (y) the termination of such Subsequent Placement Agreement, in each case, which shall be filed with the SEC on a Current Report on Form 8-K with such Subsequent Placement Agreement and any documents contemplated therein filed as exhibits thereto.

(5) Any Offered Securities not acquired by the Buyers or other persons in accordance with Section 4(j)(ii)(3) and (4) above may not be issued, sold or exchanged after the expiration of the thirty (30) calendar day period described in Section 4(j)(ii)(4) above until they are again offered to the Buyers under the procedures specified in this Section 4(j)(ii).

(iii) Notwithstanding anything in this Agreement to the contrary, the restrictions contained in this Section 4(j) shall not apply in connection with the issuance of any Excluded Securities.

(iv) Notwithstanding anything in this Section 4(j) to the contrary, the Company will not be deemed to have breached this Section 4(j) if, not later than thirty (30) Business Days following the consummation of any Subsequent Placement in contravention of this Section 4(j), the Company or the transferee(s) in connection with such Subsequent Placement offers to sell a portion of such equity securities or additional equity securities of the type(s) in question to each Buyer so that, taking into account such previously-issued securities pursuant to the Subsequent Placement, each Buyer will have had the right to purchase or subscribe for such securities in a manner consistent with the allocation and other terms and upon same economic and other terms provided for in Section 4(j)(ii).

(k) Conduct of Business. The business of the Company and its Subsidiaries shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, including, without limitation, FCPA and other applicable Anti-Bribery Laws, OFAC regulations and other applicable Sanctions Laws, and Anti-Money Laundering Laws, except where such violations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Legends. The book-entry accounts maintained by the Company's transfer agent representing the Series B Preferred Shares and the Conversion Shares, except as set forth below, shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such Securities bearing such legend):

> **[**NEITHER THE ISSUANCE AND SALE OF THESE SECURITIES NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN**][**THESE SECURITIES HAVE NOT BEEN**]** REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL SELECTED BY THE HOLDER AND REASONABLY ACCEPTABLE TO THE COMPANY, IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT AND THE SELLER PROVIDES REASONABLE ASSURANCE THAT THE SECURITIES CAN BE SOLD PURSUANT TO SUCH RULE. THE SECURITIES ARE FURTHER SUBJECT TO THE RESTRICTIONS SET FORTH IN SECTION 5 OF THE SECURITIES PURCHASE AGREEMENT, DATED FEBRUARY 3, 2019, BY AND AMONG THE COMPANY AND THE INVESTORS LISTED ON THE SCHEDULE OF BUYERS ATTACHED THERETO (THE "SECURITIES PURCHASE AGREEMENT"). NOTWITHSTANDING THE FOREGOING, BUT SUBJECT TO SECTION 4(G) OF THE SECURITIES PURCHASE AGREEMENT AND THE COMPANY'S POLICIES (AS DEFINED IN THE SECURITIES PURCHASE AGREEMENT), THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

The legend set forth above shall be removed and the Company shall issue to the holder of such Securities by electronic delivery at (x) if eligible and requested by the holder, the applicable balance account at The Depository Trust Company, and (y) on the books of the Company or its transfer agent, if in the case of each of (x) and (y) (i) such Securities are registered for resale under the 1933 Act, or (ii) in connection with a sale, assignment or other transfer, such holder provides the Company with an opinion of counsel reasonably acceptable to the Company (with Schulte Roth & Zabel LLP deemed reasonably acceptable to the Company) in a form reasonably acceptable to the Company, to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the 1933 Act.

(m) Transfer Taxes. The Company shall pay any and all documentary, stamp and similar issue or transfer tax due on (x) the issue of the Series B Preferred Shares and (y) the issue of Conversion Shares upon conversion of the Series B Preferred Shares. However, in the case of conversion of Series B Preferred Shares, the Company shall not be required to pay any tax or duty that may be payable in respect of any transfer involved in the issue and delivery of Conversion Shares or Series B Preferred Shares to a beneficial owner other than the beneficial owner of the Series B Preferred Shares immediately prior to such conversion, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax or duty, or has established to the satisfaction of the Company that such tax or duty has been paid.

(n) USRPHC. In the event that the Company reasonably determines in good faith that 40% or more of the Company's USRPHC Asset Base (as defined below) consists of "United States real property interests" (within the meaning of Section 897(c)(1) of the Code), the Company shall promptly notify the Buyers of such determination in writing. For purposes of the foregoing, the Company's "**USRPHC Asset Base**" shall mean the amount determined under Section 897(c)(2)(B) of the Code.

(o) Investment Company. So long as any Buyer holds any Securities, the Company will not take any actions that would be reasonably likely to cause it to be an "investment company," or a company controlled by an "investment company" other than any Buyer, as such terms are defined in the Investment Company Act of 1940, as amended.

(p) No Integrated Offering. None of the Company, its Subsidiaries or any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings such that the offerings would require the approval of the stockholders of the Company for purposes of the 1933 Act or any applicable stockholder approval provisions, including, without limitation, in connection with the offer and sale of any Series B Preferred Shares to franchisees of the Company pursuant to Section 4(i).

(q) Public Disclosures. Each Buyer agrees that, from the date of this Agreement until the earlier of (x) the expiration or termination of the Standstill Period (as defined in the Governance Agreement) and (y) the date on which Jeffrey C. Smith ceases to be Chairman of the Board, no Buyer shall, and each Buyer shall cause each of its controlled Affiliates (including Starboard), its Associates and the Starboard Appointee (as defined in the Governance Agreement) (and any Replacement Director (as defined in the Governance Agreement) thereof who is not Independent of Starboard (as defined in the Governance Agreement)) not to, in each case directly or indirectly, in any manner, publicly disclose any intent or proposal to change the Company's management, business, capitalization, organizational documents or corporate structure, other than any statements or disclosures made by Mr. Smith in his capacity as a director of the Board. The terms "Affiliate" and "Associate" shall have the respective meanings set forth in Rule 12b-2 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

5. TRANSFER RESTRICTIONS; REGISTER

(a) Transfer Restriction. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, until the first anniversary of the Initial Closing Date, no Buyer shall, directly or indirectly, sell, transfer or otherwise dispose of any Securities without the Company's prior written consent (such consent to be provided or withheld by a majority of Company's directors voting who are independent directors and disinterested in the matter); provided, however, a Buyer may sell, transfer or otherwise dispose of Securities to an affiliate of such Buyer without the Company's prior written consent; provided, further, that such Buyer provides prompt written notice to the Company of such transfer, including the name and contact information of the affiliate transferee, and such affiliate transferee agrees in writing to be bound by the terms of the Transaction Documents to which the Buyers are parties (which agreement is also provided to the Company with such notice).

(b) Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company or its transfer agent as the Company may designate by notice to each holder of Securities), a register for the Series B Preferred Shares in which the Company shall record the name and address of the Person in whose name the Series B Preferred Shares have been issued (including the name and address of each transferee), the Stated Value (as defined in the Certificate of Designation) of the Series B Preferred Shares held by such Person and the number of Conversion Shares issuable upon conversion of the Series B Preferred Shares. The Company shall keep the register open and available during business hours for inspection by any Buyer or its legal representatives upon one (1) Business Day prior written request by such Buyer or its legal representatives.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

The obligation of the Company hereunder to issue and sell the applicable Series B Preferred Shares to each Buyer at the applicable Closing, is subject to the satisfaction, at or before the applicable Closing Date of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived (in whole or in part) by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Such Buyer shall have executed each of the Transaction Documents to which it is a party and delivered the same to the Company.

(ii) If such Buyer is an Affiliated Buyer, such Affiliated Buyer shall have duly executed and delivered to the Company a Joinder Agreement.

(iii) Such Buyer shall have delivered its applicable Purchase Price to the Company (less, in the case of the Lead Investor, the amounts withheld pursuant to Section 4(f)) for the Series B Preferred Shares being purchased by such Buyer at the applicable Closing by wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iv) The representations and warranties of such Buyer shall be true and correct (disregarding all qualifications or limitations as to "materiality," "Buyer Material Adverse

Effect" and words of similar import set forth therein) in all material respects as of the applicable Closing Date (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the applicable Closing Date.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE.

The obligation of each Buyer hereunder to purchase the applicable Series B Preferred Shares at the applicable Closing is subject to the satisfaction, at or before the applicable Closing Date of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived (in whole or in part) by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have (A) duly executed and delivered to such Buyer each of the Transaction Documents and (B) issued to such Buyer in book-entry form such number of applicable Series B Preferred Shares being purchased by such Buyer as the applicable Closing and delivered to such Buyer a copy from the Company's books and records evidencing such issuance.

(ii) Such Buyer shall have received the opinion of (i) Hogan Lovells US LLP and (ii) Richards, Layton & Finger, P.A., the Company's outside counsels, each dated as of the applicable Closing Date, in substantially the form of Exhibit F-1 and Exhibit F-2, respectively, attached hereto.

(iii) The Company shall have delivered to such Buyer the duly executed Amendment No. 1 to Rights Agreement, dated as of February 3, 2019, by and between the Company and Computershare Trust Company, N.A., as rights agent.

(iv) The Company shall have delivered to such Buyer a copy of the Irrevocable Transfer Agent Instructions, in the form of Exhibit D attached hereto, which instructions shall have been delivered to and acknowledged in writing by the Company's transfer agent.

(v) The Company shall have delivered to such Buyer a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State, as of a date within ten (10) days of the applicable Closing Date.

(vi) The Company shall have delivered to such Buyer a certificate, executed by the Secretary of the Company and dated as of the applicable Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Board in a form reasonably acceptable to such Buyer, (ii) the Certificate of Incorporation and (iii) the Bylaws, in the form attached hereto as Exhibit G.

(vii) The representations and warranties of the Company shall be true and correct (disregarding all qualifications or limitations as to "materiality," "Material Adverse Effect" and words of similar import set forth therein) in all material respects as of the applicable

Closing Date (except for representations and warranties that speak as of a specific date which shall be true and correct as of such specified date), except where the failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Company at or prior to the applicable Closing Date. Such Buyer shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the applicable Closing Date, to the foregoing effect in the form attached hereto as Exhibit H.

(viii) The Common Stock (I) shall be designated for quotation or listed on the Principal Market and (II) shall not be suspended, in each case, on the applicable Closing Date, by the SEC or the Principal Market from trading on the Principal Market nor shall suspension by the SEC or the Principal Market have been threatened, as of the applicable Closing Date, either (A) in writing by the SEC or the Principal Market or (B) by falling below the minimum listing maintenance requirements of the Principal Market.

(ix) The Certificate of Designation in the form attached hereto as Exhibit A shall have been filed with the Secretary of State of the State of Delaware and shall be in full force and effect, enforceable against the Company in accordance with its terms and shall not have been amended.

(x) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities.

(xi) Such Buyer shall have received the Company's wire instructions on Company's letterhead duly executed by an authorized executive officer of the Company.

(xii) If applicable, the Company shall have duly executed and delivered to such Affiliated Buyer the Joinder Agreement of such Affiliated Buyer.

8. TERMINATION. In the event that the Initial Closing shall not have occurred with respect to a Buyer on or before five (5) Business Days from the date hereof due to the Company's or such Buyer's failure to satisfy the conditions set forth in Sections 6 and 7 above (and the nonbreaching party's failure to waive such unsatisfied condition(s)), the nonbreaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on such date by delivering a written notice to that effect to each other party to this Agreement and without liability of any party to any other party; provided, however, that if this Agreement is terminated pursuant to this Section 8, the Company shall remain obligated to reimburse the Lead Investor or its designee(s), as applicable, for the expenses described in Section 4(f) above. None of the Parties may rely, as a basis for terminating this Agreement or not consummating the transactions contemplated hereby, on the failure of any condition set forth in Section 6 or 7, as the case may be, to be satisfied, if such failure was caused by such Party's failure to perform any of its obligations under this Agreement.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile or .pdf signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or .pdf signature.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) Entire Agreement; Amendments. This Agreement and the other Transaction Documents supersede all other prior oral or written agreements between the Buyers, the Company, their affiliates and Persons acting on their behalf with respect to the matters discussed herein, and this Agreement, the other Transaction Documents, the Expense Agreement and the instruments referenced herein and therein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. Nothing contained herein or any other Transaction Documents shall limit, expand or in any way modify the terms and conditions of that certain Non-Disclosure Agreement by and between the Company and Starboard Value LP, to be entered into in connection with the execution of the Governance Agreement, and which remains in full force and effect pursuant to the terms thereof. Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the holders of at least a majority of the aggregate number of Conversion Shares issued or issuable pursuant to the terms of the Series B Preferred Shares and shall include the Lead Investor so long as the Lead Investor or any of its affiliates holds any Registrable Securities (the "**Required Holders**"). Any amendment or waiver effected in accordance with this Section 9(e) shall be binding upon each Buyer and holder of Securities and the Company. No such amendment shall be effective to the extent that it applies to less than all of the Buyers or holders of Securities. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration (other than the reimbursement of legal fees) also is offered to all of the parties to the Transaction Documents and holders of Series B Preferred Shares.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement or any of the other Transaction Documents must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon delivery, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) upon delivery, when sent by electronic mail; or (iv) one Business Day after deposit with an overnight courier service, in each case properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such communications shall be:

If to the Company:

Papa John's International, Inc.
2002 Papa John's Boulevard
Louisville, Kentucky 40299-2367
Telephone: (502) 261-7272
Facsimile: (502) 261-4705
Attention: Caroline Oyler, Senior Vice President, Chief Legal and Risk Officer
E-mail: Caroline_Oyler@papajohns.com

with a copy (for informational purposes only) to both:
Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004
Telephone: (202) 637-5600
Facsimile: (202) 637-5910
Attention: John Beckman, Esq.
E-mail: john.beckman@hoganlovells.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
Bank of America Tower
New York, NY 10036-674
Telephone: (212) 872-1059
Facsimile: (212) 872-1002
Attention: Daniel Fisher, Esq.
Gerald Brant, Esq.
E-mail: dfisher@akingump.com
gbrant@akingump.com

If to a Buyer, to its address, facsimile number and e-mail address set forth on the Schedule of Buyers, with copies to such Buyer's representatives as set forth on the Schedule of Buyers,

with a copy (for informational purposes only) to:

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955
Attention: Eleazer N. Klein, Esq.
E-mail: eleazer.klein@srz.com

or to such other address, facsimile number and/or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or e-mail containing the time, date, recipient facsimile number or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any purchasers of the Series B Preferred Shares. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Required Holders. No Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the Company; provided, however, that an Original Buyer may assign its rights and obligations hereunder, in whole or in part, to any affiliate of such Buyer without the Company's prior written consent; provided, further, that (x) in the event of an assignment of the rights and obligations with respect to an Optional Closing, an Affiliated Buyer duly executes a Joinder Agreement and such duly executed Joinder Agreement is promptly delivered to the Company and (y) in the event of any other assignment, such Affiliated Buyer duly executes a written agreement agreeing to be bound by the terms and conditions of this Agreement applicable to a Buyer, as if an original party hereto.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except that each Indemnitee shall have the right to enforce the obligations of the Company with respect to Section 9(k).

(i) Survival. Unless this Agreement is terminated under Section 8, (A) the representations and warranties of the Company (other than Sections 3(a)-(e), 3(g)-(i), 3(o) or 3(w)-(hh) (collectively, the "**Fundamental Representations**")) contained in Section 3 shall survive each Closing until the twenty four (24) month anniversary of the Initial Closing, (B) the Fundamental Representations, the Buyers' representations and warranties set forth in Section 2 and the Lead Investor's representation and warranty set forth in Section 4(f) shall survive each Closing indefinitely, and (C) the agreements and covenants set forth in Sections 4, 5 and 9 shall survive each Closing and the delivery and exercise of Securities, as applicable, until fully performed in accordance with their terms. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Buyer, such Buyer's direct or indirect affiliates and investment advisors and managers (the "**Buyer Related Parties**"), and all of such Buyer Related Parties' respective direct or indirect officers, directors, employees, principals, partners, members, affiliates, advisors and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, and together with the Buyer Related Parties, the "**Indemnitees**"), as incurred and with such Indemnified Liabilities to be paid by the Company to the Indemnitees as soon as practicable but in any event no later than twenty-five (25) calendar days after written demand by Indemnitees therefor to the Company, from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, provided, that such claim for indemnification is made prior to the expiration of the survival period of such representation or warranty set forth in Section 9(k)(i), (b) any breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, or (c) any action, cause of action, suit, claim, proceeding, investigation, subpoena or similar event brought or made against or involving, or served upon, such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) and arising out of or resulting from or related to (i) the investment in the Securities, the transactions contemplated by the Transaction Documents or the execution, delivery, performance or enforcement of the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (iii) the public announcement by the Company of the Transaction Documents and/or the issuance of the Securities, including any accompanying release of the Company's financial results, or (iv) the status of (x) such Indemnitee or holder of the Securities as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or (y) an officer or director of the Company being a nominee, employee or principal of any Indemnitee, except in the event that such cause of action, suit or claim is determined by a court of competent jurisdiction in a full and final resolution to be the sole result of the gross negligence, willful misconduct or fraud by any Buyer. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law.

(ii) A claim for indemnification for any matter not involving a Third Party Claim (as defined below) may be asserted by written notice to the party from whom indemnification is sought; provided, however, that failure to so notify the indemnitor hereunder (the "**Indemnifying Party**") shall not preclude the Indemnitee from any indemnification that it

may claim in accordance with this Section 9(k) unless and to the extent the Indemnifying Party is materially prejudiced by such failure.

(iii) Promptly after the receipt by an Indemnitee of notice of any indemnifiable claim hereunder, or of any action, cause of action, suit, proceeding, claim, investigation, subpoena or similar event by a third party that an Indemnitee believes in good faith is an indemnifiable claim hereunder (each, a "**Third Party Claim**"), such Indemnitee shall deliver to the Indemnifying Party a written notice of such Third Party Claim (which notice shall include reasonable detail, to the extent then known, of the basis for the liability and the particular section of the Agreement breached and a copy of all papers served with respect to such Third Party Claim and any other reasonably necessary documents), and the Indemnifying Party shall have the right to request to participate in and, with the consent of the Indemnitee (such consent not to be unreasonably withheld, delayed, or conditioned), to assume control of the defense thereof with counsel selected by Indemnifying Party and reasonably satisfactory to the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for all such Indemnitees to be paid by the Indemnifying Party, if, in the reasonable opinion of counsel retained by the Indemnitee, the representation by such counsel of the Indemnitee and the Indemnifying Party would be inappropriate due to (i) actual conflicts of interests between such Indemnitee and the Indemnifying Party or (ii) the nature of such Third Party Claim. The Indemnitee shall reasonably cooperate with the Indemnifying Party in connection with any negotiation or defense of any such Third Party Claim by the Indemnifying Party and shall furnish to the Indemnifying Party all information reasonably requested by the Indemnifying Party which relates to such Third Party Claim. The Indemnifying Party shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No Indemnifying Party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Indemnifying Party shall not unreasonably withhold, delay or condition its consent. No Indemnifying Party shall, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Third Party Claim and such settlement shall not include any admission as to fault on the part of the Indemnitee. Following indemnification as provided for hereunder, the Indemnifying Party shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the Indemnifying Party within a reasonable time shall not relieve such Indemnifying Party of any liability to the Indemnitee under this Section 9(k), except to the extent that the Indemnifying Party is prejudiced in its ability to defend such action.

(iv) Notwithstanding any other provision of this Agreement, except in the case of fraud, no party shall be liable for any indirect (including lost profit), exemplary or punitive damages or any other damages to the extent not reasonably foreseeable arising out of or in connection with this Agreement or the transactions contemplated hereby (in each case, unless any such damages are awarded pursuant to a Third Party Claim).

(l) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(m) Remedies. Subject to Section 9(k)(iv), each Buyer and each holder of the Securities shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Subject to Section 9(k)(iv), any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company and each Buyer recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to the Buyers or the Company, as applicable. The Company and each Buyer therefore agrees that the non-breaching party shall be entitled to seek temporary and permanent injunctive relief in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Adjustments. All Series B Preferred Shares and Purchase Prices per Series B Preferred Share set forth in this Agreement shall be adjusted as appropriate for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Series B Preferred Shares occurring after the date hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

COMPANY:

PAPA JOHN'S INTERNATIONAL, INC.

By: /s/ Steve M. Ritchie
Name: Steve M. Ritchie
Title: President and Chief Executive Officer

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD.

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

[Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY MASTER FUND L LP

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

[Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY C LP

By: Starboard Value R LP, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

[Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY S LLC

By: Starboard Value LP, its manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

[Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Securities Purchase Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE LP, in its capacity as the investment manager of a certain managed account

By: Starboard Value GP LLC, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

SCHEDULE OF BUYERS

(1)	(2)	(3)	(4)	(5)
Buyer	**Address, Facsimile Number and Email**	**Number of Initial Series B Preferred Shares**	**Initial Purchase Price**	**Legal Representative's Address, Facsimile Number and Email**
Starboard Value and Opportunity Master Fund Ltd.	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	129,200	$ 129,200,000	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 E-mail: eleazer.klein@srz.com
Starboard Value and Opportunity Master Fund L LP	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	10,400	$ 10,400,000	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 E-mail: eleazer.klein@srz.com
Starboard Value and Opportunity S LLC	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	19,400	$ 19,400,000	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 E-mail: eleazer.klein@srz.com
Starboard Value and Opportunity C LP	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	11,200	$ 11,200,000	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 E-mail: eleazer.klein@srz.com
Account Managed by Starboard Value LP	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	29,800	$ 29,800,000	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 E-mail: eleazer.klein@srz.com
TOTAL		200,000	**$** 200,000,000	

Exhibit 10.2

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of February 4, 2019, by and among Papa John's International, Inc., a Delaware corporation, with headquarters located at 2002 Papa John's Boulevard, Louisville, Kentucky 40299-2367 (the "**Company**"), the investors listed on the Schedule of Buyers attached hereto (each, an "**Original Buyer**" and collectively, the "**Original Buyers**") and any Person (as defined below) affiliated with any Original Buyer who becomes a Buyer hereunder by virtue of delivering to the Company a duly executed Joinder Agreement in the form of Exhibit B attached to the Securities Purchase Agreement (together with the Original Buyers, individually, a "**Buyer**" and collectively, the "**Buyers**").

WHEREAS:

A. In connection with the Securities Purchase Agreement by and among the parties hereto dated as of February 3, 2019 (the "**Securities Purchase Agreement**"), the Company has agreed, upon the terms and subject to the conditions of the Securities Purchase Agreement, to issue and sell, at one or more closings, to each Buyer shares of the Company's Series B Convertible Preferred Stock, par value $0.01 per share (the "**Series B Preferred Shares**"), which will, among other things, be convertible into a certain number of shares of the Company's common stock, par value $0.01 per share (the "**Common Stock**") (the shares of Common Stock issuable pursuant to the terms of the Series B Preferred Shares, the "**Conversion Shares**") in accordance with the terms of the Certificate of Designation of Series B Convertible Preferred Stock (the "**Certificate of Designation**").

B. In accordance with the terms of the Securities Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Buyers hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Adverse Disclosure**" means public disclosure of material non-public information that, in the good faith judgment of the Company (after consultation with legal counsel): (i) would be required to be made in any registration statement filed with the SEC by the Company so that such registration statement would not be materially misleading; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such registration statement; and (iii) the Company has a bona fide business purpose for not disclosing publicly.

(b) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

(c) "**Initial Closing Date**" shall have the meaning set forth in the Securities Purchase Agreement.

(d) "**Conversion Shares Effectiveness Deadline**" means the date which is the one (1) year anniversary of the Initial Closing Date.

(e) "**Designee**" means Starboard Value and Opportunity Master Fund Ltd.

(f) "**effective**" and "**effectiveness**" refer to a Registration Statement that has been declared effective by the SEC or becomes effective in accordance with SEC rules and applicable law and is available for the resale of the Registrable Securities required to be covered thereby.

(g) **"Effective Date**" means the date that a Registration Statement has been declared effective by the SEC or becomes effective in accordance with SEC rules and applicable law.

(h) "**Eligible Market**" means the Principal Market, The Nasdaq Capital Market, The Nasdaq Global Market or The New York Stock Exchange, Inc.

(i) "**Filing Date**" means the date on which a Registration Statement is filed with the SEC.

(j) "**Investor**" means a Buyer or any transferee or assignee thereof to whom a Buyer assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 10 and any transferee or assignee thereof to whom a transferee or assignee assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 10.

(k) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(l) "**Preferred Shares Effectiveness Deadline**" means the date which is the two (2) year anniversary of the Initial Closing Date.

(m) "**Principal Market**" means The Nasdaq Global Select Market.

(n) "**register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more Registration Statements (as defined below) in compliance with the 1933 Act and pursuant to Rule 415, and the declaration or ordering of effectiveness of such Registration Statement(s) by the SEC or the automatic effectiveness of such Registration Statement(s) in accordance with SEC rules and applicable law.

(o) "**Registrable Securities**" means (i) the Series B Preferred Shares (ii) the Conversion Shares issued or issuable upon conversion of the Series B Preferred Shares and (iii) any capital stock of the Company issued or issuable, with respect to the Series B Preferred Shares or the Conversion Shares as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise, without regard to any limitations on the issuance of Common Stock pursuant to the terms of the Series B Preferred Shares, in each case, that are held by an Investor; provided, however, that neither the Series B Preferred Shares issued to franchisee(s) of the Company, if any, as contemplated in Section 4(i) of the Securities Purchase Agreement, nor any shares of Common Stock issuable upon conversion thereof, shall be deemed "Registrable Securities" hereunder; provided, further, that any such securities shall cease to be Registrable Securities when: (a) such securities have been sold, exchanged or otherwise transferred pursuant to an effective Registration Statement under the 1933 Act, (b) such Registrable Securities are sold in accordance with Rule 144 promulgated by the SEC pursuant to the 1933 Act, (c) such securities shall have been otherwise transferred, new certificates or book-entry interests for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of such securities shall not require registration under the 1933 Act, (d) other than in connection with Section 4 hereof, such securities become eligible for resale by an Investor under Rule 144 without volume restrictions and without the requirement to be in compliance with Rule 144(c)(1), or (e) such securities are no longer outstanding.

(p) "**Registration Statement**" means a registration statement or registration statements of the Company filed under the 1933 Act including the prospectus, amendments and supplements to such registration statement.

(q) "**Required Holders**" means the holders of at least a majority of the Registrable Securities and shall include the Designee so long as the Designee or any of its affiliates holds Registrable Securities.

(r) "**Rule 415**" means Rule 415 promulgated under the 1933 Act or any successor rule providing for offering securities on a continuous or delayed basis.

(s) "**Rule 416**" means Rule 416 promulgated under the 1933 Act or any successor rule providing for registration of securities to be issued as a result of stock splits, stock dividends and anti-dilution provisions.

(t) "**SEC**" means the United States Securities and Exchange Commission.

(u) "**Trading Day**" means any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock on such day, then on the principal securities exchange or securities market on which the Common Stock is then traded.

2. Registration.

(a) Mandatory Registration. The Company shall prepare and file with the SEC (i) a Registration Statement on Form S-3 covering the resale of all of the Conversion

Shares that are Registrable Securities and shall use its commercially reasonable efforts to have such Registration Statement declared effective by the SEC or to become effective in accordance with SEC rules and applicable law no later than the Conversion Shares Effectiveness Deadline and (ii) a Registration Statement on Form S-3 covering the resale of all of the Series B Preferred Shares that are Registrable Securities and shall use its commercially reasonable efforts to have such Registration Statement declared effective by the SEC or to become effective in accordance with SEC rules and applicable law no later than the Preferred Shares Effectiveness Deadline. In the event that Form S-3 is unavailable for such a registration, the Company shall use another appropriate form and shall provide for the registration of such Registrable Securities for resale by the Investors in accordance with any reasonable method of distribution elected by the Investors. The Registration Statement prepared pursuant to subclause (i) of this Section 2(a) shall register for resale at least 110% of the maximum number of Conversion Shares then issuable pursuant to the terms of the Series B Preferred Shares (without regard to any limitation on the issuance of Conversion Shares pursuant to the terms of the Series B Preferred Shares) determined as of the date the Registration Statement is initially filed with the SEC, plus such additional Conversion Shares issuable as a result of stock splits, stock dividends and anti-dilution provisions pursuant to Rule 416, subject to adjustment as provided in Section 2(d). The Registration Statement shall contain (except if not permitted under SEC regulations or not advisable under SEC rules or guidance) the "Plan of Distribution" and "Selling Stockholders" sections in a form reasonably acceptable to the Investors. By 9:30 a.m. New York time on the second Business Day following the Effective Date of such Registration Statement, the Company shall file with the SEC in accordance with Rule 424 under the 1933 Act ("**Rule 424**") the final prospectus to be used in connection with sales pursuant to such Registration Statement.

(b) Allocation of Registrable Securities. The initial number of Registrable Securities included in any Registration Statement and any increase or decrease in the number of Registrable Securities included therein shall be allocated pro rata among the Investors based on the number of Registrable Securities held by each Investor at the time the Registration Statement covering such initial number of Registrable Securities or increase or decrease thereof is declared effective by the SEC or becomes effective in accordance with SEC rules and applicable law. In the event that an Investor sells or otherwise transfers any of such Investor's Registrable Securities, each transferee shall be allocated a pro rata portion of the then remaining number of Registrable Securities included in such Registration Statement for such transferor. Any shares of Common Stock included in a Registration Statement and which remain allocated to any Person which ceases to hold any Registrable Securities covered by such Registration Statement shall be allocated to the remaining Investors, pro rata based on the number of Registrable Securities then held by such Investors which are covered by such Registration Statement. In the event (I) of an underwritten offering, if the Company shall reasonably determine (after consultation with the relevant underwriter) that the amount of Registrable Securities requested to be included in such underwritten offering exceeds the amount which can be sold in such offering without adversely affecting the distribution of the Registrable Securities being offered or (II) the staff of the SEC limits the number of Registrable Securities permitted to be registered pursuant to Rule 415, then the Company will include in such offering only (I) such number of securities that can be sold without adversely affecting the marketability of the offering or (II) the maximum number of securities permitted by the staff of the SEC to be included in such Registration Statement, as applicable, which

securities will be so included in the following order of priority: (i) first, the Registrable Securities of the Investors that have requested to participate in such underwritten offering, allocated pro rata among such Investors on the basis of the percentage of the Registrable Securities requested to be included in such offering by such Investors, and (ii) second, any other securities of the Company held by other investors in the Company's securities or that are newly issued by the Company and that the Company has determined to include in such underwritten offering.

(c) Legal Counsel. Subject to Section 6 hereof, the Required Holders shall have the right to select one legal counsel to review and oversee any registration pursuant to this Section 2 ("**Legal Counsel**"), which shall be Schulte Roth & Zabel LLP or such other counsel as thereafter designated by the Required Holders. The Company and Legal Counsel shall reasonably cooperate with each other in performing the Company's obligations under this Agreement.

(d) Sufficient Number of Shares Registered. In the event the number of shares available under a Registration Statement filed pursuant to Section 2(a) is insufficient to cover the amount of Registrable Securities required to be covered by such Registration Statement pursuant to Section 2(a) or an Investor's allocated portion of the Registrable Securities pursuant to Section 2(b), the Company shall supplement or amend the applicable Registration Statement, or file a new Registration Statement (on the short form available therefor, if applicable), or both, so as to cover at least the amount of Registrable Securities required to be covered by such Registration Statement as of the Trading Day immediately preceding the date of the filing of such amendment or new Registration Statement, in each case, as soon as practicable, but in any event not later than fifteen (15) Business Days after the necessity therefor arises. The Company shall use its commercially reasonable efforts to cause such amendment and/or new Registration Statement to become effective as soon as practicable following the filing thereof.

(e) Specific Performance. Without limiting the remedies available to the Investors, the Company acknowledges that any failure by the Company to comply with its obligations under this Section 2 will result in material irreparable injury to the Investors for which there is no adequate remedy at law, that it would not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Investors may obtain such relief as may be required to specifically enforce the Company's obligations under this Section 2.

3. Related Obligations.

At such time as the Company is obligated to file a Registration Statement with the SEC pursuant to Section 2(a), 2(d) or 2(e), the Company will use its commercially reasonable efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall use its commercially reasonable efforts to keep each Registration Statement effective pursuant to Rule 415 at all times until the date on which

the Investors no longer hold any Registrable Securities (the "**Registration Period**"). The Company shall ensure that each Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading.

(b) The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the prospectus used in connection with such Registration Statement, which prospectus is to be filed pursuant to Rule 424, as may be necessary to keep such Registration Statement effective at all times during the Registration Period, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 3(b)) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC on the same day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) provide Legal Counsel a reasonable opportunity to review and comment upon (i) a Registration Statement prior to its filing with the SEC and (ii) all amendments and supplements to all Registration Statements (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any similar or successor reports) prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects in writing. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto without the prior approval of Legal Counsel, which consent shall not be unreasonably withheld. The Company shall furnish to Legal Counsel, without charge, (i) copies of any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to any Registration Statement, (ii) promptly after the same is prepared and filed with the SEC, one copy of any Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference (to the extent not previously provided), if requested by an Investor, and all exhibits, and (iii) upon the effectiveness of any Registration Statement, one copy of the prospectus included in such Registration Statement and all amendments and supplements thereto, in each case, which copies may be furnished in electronic form. The Company and Legal Counsel shall reasonably cooperate in performing their respective obligations pursuant to this Section 3.

(d) The Company shall furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, (i) promptly after the

same is prepared and filed with the SEC, at least one copy of such Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference (to the extent not previously provided), if requested by an Investor, all exhibits and each preliminary prospectus, which copies may be furnished in electronic form, (ii) upon the effectiveness of any Registration Statement, a reasonable number of copies of the prospectus included in such Registration Statement and all amendments and supplements thereto as such Investor may reasonably request, and (iii) such other documents, including copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor, which copies may be furnished in electronic form.

(e) The Company shall use its commercially reasonable efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and, subject to Section 3(q), promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission, and deliver a reasonable number of copies of such supplement or amendment as Legal Counsel or such Investor may reasonably request. The Company shall also promptly as is reasonably practicable notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate. By 9:30 a.m. New York City time on the second Business Day following the date any post-effective

amendment has become effective, the Company shall file with the SEC in accordance with Rule 424 the final prospectus to be used in connection with sales pursuant to such Registration Statement.

(g) The Company shall use its commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify Legal Counsel and each Investor who holds Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) If any Investor is required under applicable securities laws to be described in the Registration Statement as an underwriter or an Investor believes that it could reasonably be deemed to be an underwriter of Registrable Securities, at the reasonable request of such Investor, the Company shall furnish to such Investor, on the date of the effectiveness of the Registration Statement and thereafter from time to time on such dates as an Investor may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Investors, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Investors.

(i) If any Investor is required under applicable securities laws to be described in the Registration Statement as an underwriter or an Investor believes that it could reasonably be deemed to be an underwriter of Registrable Securities, the Company shall make available for inspection by (i) such Investor, (ii) Legal Counsel and (iii) one firm of accountants or other agents retained by the Investors (collectively, the "**Inspectors**"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall be reasonably deemed necessary by each Inspector, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; provided, however, that each Inspector shall agree to hold in strict confidence and shall not make any disclosure (except to an Investor) or use of any Record or other information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (a) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required under the 1933 Act, (b) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (c) the information in such Records has been made generally available to the public other than by disclosure in violation of this Agreement. Each Investor agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and any Investor) shall

be deemed to limit the Investors' ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations.

(j) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at the Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) The Company shall use its commercially reasonable efforts to cause all Conversion Shares covered by an effective Registration Statement to be listed on any securities exchange on which the Common Stock is then listed. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(k).

(l) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the Investors may reasonably request and registered in such names as the Investors may request.

(m) If requested by an Investor, the Company shall as soon as practicable but subject to the timing requirements set out elsewhere in this Agreement with regard to the filing of any prospectus supplement or post-effective amendment, as applicable, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement if reasonably requested by an Investor holding any Registrable Securities.

(n) The Company shall use its commercially reasonable efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(o) The Company shall otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(p) Within two (2) Business Days after a Registration Statement which covers Registrable Securities is declared effective by the SEC or becomes effective in accordance with SEC rules and applicable law, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC or become effective in accordance with SEC rules and applicable law in the form attached hereto as Exhibit A.

(q) Notwithstanding anything to the contrary herein, at any time after the Effective Date of a Registration Statement pursuant to Section 2(a), the Company shall be entitled, on one occasion in any one-hundred eighty (180) day period, for a period of time not to exceed sixty (60) days in the aggregate in any twelve (12) month period (each, an "**Allowable Grace Period**"), to (i) defer any registration of Registrable Securities and have the right not to file and not to cause the effectiveness of any registration covering any Registrable Securities, (ii) suspend the use of any prospectus and Registration Statement covering any Registrable Securities and (iii) require the Investors holding Registrable Securities to suspend any offerings or sales of Registrable Securities pursuant to a Registration Statement, if the Company delivers to the Investors a certificate signed by an executive officer certifying that such registration and offering would (a) require the Company to make an Adverse Disclosure or (b) materially interfere with any *bona fide* material financing, acquisition, disposition or other similar transaction involving the Company or any of its subsidiaries then under consideration (collectively, a "**Grace Period**"). Such certificate shall contain a statement disclosing that there has been a suspension; provided that in each notice the Company will not disclose any material, nonpublic information to the Investors (except that, for the avoidance of doubt, the Company may disclose the fact of such suspension). The provisions of Section 3(g) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of the Grace Period, the Company shall again be bound by the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, nonpublic information is no longer applicable. Notwithstanding anything to the contrary, the Company shall use its commercially reasonable efforts to cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Securities Purchase Agreement in connection with any sale of Registrable Securities with respect to which an Investor has entered into a contract for sale, prior to the Investor's receipt of the notice of a Grace Period and for which the Investor has not yet settled.

(r) Except in the circumstances set forth in Sections 3(h) and 3(i) hereof, neither the Company nor any Subsidiary or affiliate thereof shall identify any Investor as an underwriter in any public disclosure or filing with the SEC, the Principal Market or any Eligible Market and any Investor being deemed an underwriter by the SEC shall not relieve the Company of any obligations it has under this Agreement or any other Transaction Document (as defined in the Securities Purchase Agreement); provided, however, that in the circumstances set forth in Sections 3(h) and 3(i) hereof, the Investor shall be given the option

to be excluded from such Registration Statement and not be identified as an underwriter therein, and in the event that the Investor does not exercise that option, the Investor shall provide prior written consent to be identified as an underwriter.

(s) Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Buyers in this Agreement or otherwise conflicts with the provisions hereof.

4. Listing of Series B Preferred Shares.

Upon the request of the Designee, at any time beginning on the two-year anniversary of the Initial Closing Date, the Company shall use its commercially reasonable efforts to cause the Series B Preferred Shares (or, at the election of the Designee, depositary receipts representing fractional interests in the Series B Preferred Shares) to be, as requested by the Designee, listed for trading on the Principal Market or any Eligible Market as selected by the Company. To the extent necessary to cause the Series B Preferred Shares to be so listed or quoted the Company's commercially reasonable efforts shall include, but not be limited to:

(a) providing a transfer agent and registrar for the Series B Preferred Shares and one or more CUSIP numbers, as may be required, for such Series B Preferred Shares and permitting the Series B Preferred Shares to be recorded in book-entry form;

(b) preparing and filing a registration statement to cause the Series B Preferred Shares to be registered under the 1934 Act, which shall be Form 8-A (or a successor form) if available;

(c) cooperating with the Investors in connection with an underwritten secondary public offering of the Series B Preferred Shares and entering into and performing its obligations under an underwriting agreement in customary form; and

(d) paying related expenses, fees and disbursements in accordance with Section 6 hereof and the limitations provided therein.

5. Obligations of the Investors.

(a) At least four (4) Business Days prior to the first anticipated Filing Date of a Registration Statement, the Company shall notify each Investor in writing of the information the Company requires from each such Investor if such Investor elects to have any of such Investor's Registrable Securities included in such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete any registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish in a timely manner to the Company such information regarding itself and its affiliates, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Investor, by such Investor's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless such Investor has notified the Company in writing of such Investor's election to exclude all of such Investor's Registrable Securities from such Registration Statement.

(c) During such time as any Investor may be engaged in a distribution of the Registrable Securities, such Investor will comply with all laws applicable to such distribution, including Regulation M promulgated under the 1934 Act, and, to the extent required by such laws, will, among other things (i) not engage in any stabilization activity in connection with the securities of the Company in contravention of such laws; (ii) distribute the Registrable Securities acquired by them solely in the manner described in the applicable Registration Statement and (iii) if required by applicable law, cause to be furnished to each agent or broker-dealer to or through whom such Registrable Securities may be offered, or to the offeree if an offer is made directly by such Investor, such copies of the applicable prospectus (as amended and supplemented to such date) and documents incorporated by reference therein as may be required by such agent, broker-dealer or offeree.

(d) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of copies of the supplemented or amended prospectus as contemplated by Section 3(g) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of an Investor in accordance with the terms of the Securities Purchase Agreement in connection with any sale of Registrable Securities with respect to which an Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f) and for which the Investor has not yet settled.

6. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions and any stock transfer taxes, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company, shall be paid by the Company. The Company shall also reimburse the Investors for the fees and disbursements of Legal Counsel in connection with registration, filing or qualification pursuant to Sections 2 and 3 of this Agreement which amount shall be limited to $20,000 for each such registration, filing or qualification or, in the case of an underwritten offering, $50,000.

7. Indemnification.

In the event any Registrable Securities are included in a Registration Statement under this Agreement:

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor, the directors, officers, partners, members, employees, agents, representatives of, and each Person, if any, who controls any Investor within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Person**"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement or expenses, joint or several (collectively, "**Claims**"), incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered, or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the Effective Date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading, (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement or (iv) any violation of this Agreement (the matters in the foregoing clauses (i) through (iv) being, collectively, "**Violations**"). Subject to Section 7(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 7(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto, if such prospectus was timely made available by the Company pursuant to Section 3(c); and (ii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Registrable Securities by the Investors pursuant to Section 10.

(b) In connection with any Registration Statement in which an Investor is participating, each such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 7(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 7(c), such Investor shall reimburse the Indemnified Party for any legal or other expenses reasonably incurred by an Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 7(b) and the agreement with respect to contribution contained in Section 8 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed; provided, further, however, that the Investor shall be liable under this Section 7(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Registrable Securities by the Investors pursuant to Section 10.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 7 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 7, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for all such Indemnified Person or Indemnified Party to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the Indemnified Person or Indemnified Party, as applicable, the representation by such counsel of the Indemnified Person or Indemnified Party, as the case may be, and the indemnifying party would be inappropriate due to actual differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. In the case of an Indemnified Person, legal counsel referred to in the immediately preceding sentence shall be selected by the Investors holding at least a majority in interest of the Registrable Securities included in the Registration Statement to which the Claim relates. The Indemnified Party or Indemnified Person shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or

Indemnified Person which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such Claim or litigation and such settlement shall not include any admission as to fault on the part of the Indemnified Party or Indemnified Person. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 7, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(e) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

8. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 7 to the fullest extent permitted by law; provided, however, that: (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the sale of such Registrable Securities pursuant to such Registration Statement.

9. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144 promulgated under the 1933 Act or any other similar rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration ("**Rule 144**"), the Company agrees to use its commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the date of this Agreement;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor so long as such Investor owns Registrable Securities, promptly upon request, a written statement by the Company as to its compliance with the reporting requirements of the 1934 Act.

10. Assignment of Registration Rights.

The rights under this Agreement shall be automatically assignable by the Investors to any transferee of all or any portion of such Investor's Registrable Securities if: (i) the Investor agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned; (iii) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the 1933 Act or applicable state securities laws; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein; and (v) such transfer shall have been made in accordance with the applicable requirements of the Securities Purchase Agreement.

11. Amendment of Registration Rights.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Required Holders; provided that any such amendment or waiver that complies with the foregoing but that disproportionately, materially and adversely affects the rights and/or obligations of any Investor relative to the comparable rights and/or obligations of the other Investors shall require the prior written consent of such adversely affected Investor. Any amendment or waiver effected in accordance with this Section 10 shall be binding upon each Investor and the Company. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Registrable Securities. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration (other than the reimbursement of legal fees) also is offered to all of the parties to this Agreement.

12. Miscellaneous.

(a) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with

respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon delivery, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party), (iii) upon delivery, when sent by electronic mail; or (iv) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such communications shall be:

If to the Company:

Papa John's International, Inc.
2002 Papa John's Boulevard
Louisville, Kentucky 40299-2367
Telephone: (502) 261-7272
Facsimile: (502) 261-4705
Attention: Caroline Oyler, Senior Vice President, Chief Legal and Risk Officer
E-mail: Caroline_Oyler@papajohns.com

With a copy (for informational purposes only) to both:

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004
Telephone: (202) 637-5600
Facsimile: (202) 637-5910
Attention: John Beckman, Esq.
E-mail: john.beckman@hoganlovells.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
Bank of America Tower
New York, NY 10036-674
Telephone: (202) 887-4121
(212) 872-1059
Facsimile: (202) 887-4288
(212) 872-1002
Attention: Daniel Fisher, Esq.
Gerald Brant, Esq.
E-mail: dfisher@akingump.com
gbrant@akingump.com

If to the Transfer Agent:

Computershare Trust Company, N.A.
462 South 4th Street, Suite 1600
Louisville, KY 40202
Telephone: (800) 622-6757

If to Legal Counsel:

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955
Attention: Eleazer Klein, Esq.
Email: eleazer.klein@srz.com

If to a Buyer, to its address, facsimile number or email address set forth on the Schedule of Buyers attached hereto, with copies to such Buyer's representatives as set forth on the Schedule of Buyers, or to such other address, facsimile number and/or email address to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or e-mail transmission containing the time, date, recipient facsimile number or e-mail address or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and

consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(e) If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(f) This Agreement, the other Transaction Documents (as defined in the Securities Purchase Agreement) and the instruments referenced herein and therein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents and the instruments referenced herein and therein supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof.

(g) Subject to the requirements of Section 10, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

(h) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) This Agreement may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile or email transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

(j) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders, determined as if all of the Series B Preferred Shares held by Investors then outstanding have been exercised for Registrable Securities without regard to any limitations on the issuance of Common Stock pursuant to the terms of the Series B Preferred Shares.

(l) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

(m) This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(n) The obligations of each Investor hereunder are several and not joint with the obligations of any other Investor, and no provision of this Agreement is intended to confer any obligations on any Investor vis-à-vis any other Investor. Nothing contained herein, and no action taken by any Investor pursuant hereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated herein.

* * * * * *

[Signature Page Follows]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

PAPA JOHN'S INTERNATIONAL, INC.

By: /s/ Steve M. Ritchie
Name: Steve M. Ritchie
Title: President and Chief Executive Officer

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD.

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY MASTER FUND L LP

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY C LP

By: Starboard Value R LP, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE AND OPPORTUNITY S LLC

By: Starboard Value LP, its manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

STARBOARD VALUE LP, in its capacity as the investment manager of a certain managed account

By: Starboard Value GP LLC, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

SCHEDULE OF BUYERS

Buyer	Buyer Address, Facsimile Number and Email	Buyer's Representative's Address, Facsimile Number and Email
Starboard Value and Opportunity Master Fund Ltd.	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 Email: eleazer.klein@srz.com
Starboard Value and Opportunity Master Fund L LP	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 Email: eleazer.klein@srz.com
Starboard Value and Opportunity S LLC	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 Email: eleazer.klein@srz.com
Starboard Value and Opportunity C LP	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 Email: eleazer.klein@srz.com
Account Managed by Starboard Value LP	c/o Starboard Value LP 777 Third Avenue, 18th Floor New York, New York 10017 Attention: Jeffrey C. Smith Facsimile: 212-320-0296 Telephone: 212-845-7977 E-mail: jsmith@starboardvalue.com operations@starboardvalue.com	Schulte Roth & Zabel LLP 919 Third Avenue New York, New York 10022 Attention: Eleazer Klein, Esq. Facsimile: (212) 593-5955 Telephone: (212) 756-2376 Email: eleazer.klein@srz.com

Exhibit 10.3

GOVERNANCE AGREEMENT

This Governance Agreement (this "Agreement") is made and entered into as of February 4, 2019 by and among Papa John's International, Inc. (the "Company") and the entities and natural persons set forth in the signature pages hereto (collectively, "Starboard") (each of the Company and Starboard, a "Party" to this Agreement, and collectively, the "Parties").

RECITALS

WHEREAS, the Company and Starboard are parties to that certain Securities Purchase Agreement, dated as of February 3, 2019 (the "Purchase Agreement"), and Registration Rights Agreement, dated as of February 4, 2019 (collectively with the Purchase Agreement, the "Investment Agreements"), pursuant to which Starboard (i) has become the holder of 200,000 shares of Series B Convertible Preferred Stock of the Company, par value $0.01 per share (the "Series B Preferred Shares") and (ii) has the option to acquire an additional 50,000 Series B Preferred Shares (subject to certain limitations) on or prior to March 30, 2019; and

WHEREAS, in connection with the investment contemplated by the Investment Agreements, the Company and Starboard have determined to come to an agreement with respect to certain governance matters, including the composition of the Board of Directors of the Company (the "Board"), the composition of certain committees of the Board, and the position of Chairman of the Board, as well as certain other matters, as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1. Board Appointments and Related Agreements.

(a) Board Appointments

(i) The Company agrees that the Board and all applicable committees of the Board shall take all necessary actions, effective immediately following the execution of this Agreement, to (A) increase the size of the Board from six (6) to nine (9) directors and (B) appoint the following individuals to the Board: (1) subject to their satisfaction of the Independent Director Criteria (other than clause (d) thereof in respect of the Starboard Appointee) and submission of the documentation to the Company required by Section 1(c)(iv) (solely in respect of the Starboard Appointee), Jeffrey C. Smith (the "Starboard Appointee") and Anthony M. Sanfilippo (the "Independent Appointee" and together with the Starboard Appointee, the "Appointed Directors") and (2) the Company's Chief Executive Officer, Steve M. Ritchie.

(ii) Promptly following the execution of this Agreement, so long as a Resignation Event (as defined below) has not occurred, the Company agrees that the Board and all applicable committees of the Board shall take all necessary actions to appoint Mr. Smith as Chairman of the Board.

(iii) The Company agrees that, so long as a Resignation Event has not occurred, promptly following the execution of this Agreement, the Nominating Committee (as defined below) shall, subject to such persons agreeing to serve as directors of the Company, together through consultation with the Chairman of the Board and the Chairman of the Corporate Governance and Nominating Committee of the Board (the "Nominating Committee"), identify and select at least one (1) and no more than two (2) additional director candidates (the "Additional Independent Appointees" and, together with the Appointed Directors, the "New Appointees"), who (a) have business, restaurant, marketing, technology, accounting, finance and/or other relevant experiences or expertise, (b) are reasonably acceptable to the Nominating Committee, the Board and Chairman of the Board, (c) qualify as "independent" pursuant to Nasdaq Stock Market listing standards, (d) are independent of Starboard (for the avoidance of doubt, the nomination by Starboard of a person to serve on the board of any other company shall not (in and of itself) cause such person to not be deemed independent of Starboard, but any employee, director, partner or affiliate of Starboard (whether past or present) would not be deemed independent of Starboard) ("Independent of Starboard"), (e) have provided the items that would be required of an Appointed Director pursuant to Section 1(c)(v) and (f) do not have a conflict of interest with the Company (clauses (a)-(f), the "Independent Director Criteria"), to recommend for appointment as directors of the Company. Upon the nomination of any Additional Independent Appointees by the Nominating Committee, the Board shall promptly determine whether such nominee is reasonably acceptable to the Board, and if such nomination is approved by the Board, the Board shall take all necessary actions to promptly appoint the Additional Independent Appointees as directors of the Company following the recommendation of the Nominating Committee.

(iv) The Company agrees that, so long as a Resignation Event has not occurred, subject to their continued satisfaction of the Independent Director Criteria (other than clause (d) thereof in respect of the Starboard Appointee (or a Replacement Director thereof)), (i) the Board shall nominate, along with its other nominees, the following individuals for election to the Board at the Company's 2019 Annual Meeting of Stockholders (the "2019 Annual Meeting") for terms expiring at the Company's 2020 Annual Meeting of Stockholders (the "2020 Annual Meeting"): the Starboard Appointee (or any Replacement Director thereof) and the Independent Appointee (or any Replacement Director thereof), and, if one or both of the Additional Independent Appointees have been appointed to the Board, then such Additional Independent Appointee(s), and (ii) the Company shall recommend, support and solicit proxies for the election of the Starboard Appointee (or any Replacement Director thereof) and the Independent Appointee (or any Replacement Director thereof), and, if applicable, each Additional Independent Appointee, at the 2019 Annual Meeting in the same manner as it recommends, supports, and solicits proxies for the election of any continuing director.

(v) If any Appointed Director (or any Replacement Director thereof) is unable or unwilling to serve as a director and ceases to be a director, resigns as a director, is removed as a director, or for any other reason fails to serve or is not serving as a director at any time prior to the expiration of the Standstill Period, and at such time Starboard beneficially owns (as determined under Rule 13d-3 promulgated under the Exchange Act (as defined below)) in the aggregate at least (i) 89,264 Series B Preferred Shares or (ii) the lesser of 5.0% of the Company's then-outstanding Common Stock (on an as-converted basis, if applicable) and 1,783,141 shares of Common Stock (subject to adjustment for stock splits, reclassifications,

combinations and similar adjustments) (the "Minimum Ownership Threshold"), so long as no Resignation Event has occurred, Starboard shall have the ability to recommend a person to be a Replacement Director in accordance with this Section 1(a)(v) (any such replacement nominee, when appointed to the Board, shall be referred to as a "Replacement Director"). Any Replacement Director must (A) satisfy the Independent Director Criteria (other than clause (d) thereof in respect of any Replacement Director of the Starboard Appointee (or a Replacement Director thereof)) and (B) submit the documentation to the Company required by Section 1(c)(iv) (solely in respect of any Replacement Director who is replacing the Starboard Appointee (or any Replacement Director thereof) and who is not Independent of Starboard). Any Replacement Director who is replacing the Starboard Appointee (or any Replacement Director thereof) and who is a partner or senior employee of Starboard that has relevant business and financial experience will be deemed reasonably acceptable to the Nominating Committee and the Board and, subject to meeting the other Independent Director Criteria (other than clause (d) thereof) and submission of the documentation to the Company required by Section 1(c)(iv) will be approved and appointed to the Board in accordance with the process specified in this Section 1(a)(v) so long as no Resignation Event has occurred. The Nominating Committee shall make its determination and recommendation regarding whether a Replacement Director meets the applicable Independent Director Criteria within five (5) business days after the later of the date that (1) such nominee has submitted to the Company the documentation required by Sections 1(c)(iv) (solely in respect of any Replacement Director who is replacing the Starboard Appointee (or any Replacement Director thereof) and who is not Independent of Starboard) and Section 1(c)(v) and (2) representatives of the Board have conducted customary interview(s) of such nominee, as the Board may, in its sole discretion, determine is necessary. The Board shall use its reasonable best efforts to conduct any interview(s) contemplated by this Section 1(a)(v) as promptly as practicable, but in any case, assuming reasonable availability of the nominee, within ten (10) business days following the submission by such nominee of all completed documentation required by this Section 1(a)(v) and any additional documentation required by Sections 1(c)(iv) (if applicable) and (v). In the event the Nominating Committee does not accept a person recommended by Starboard as the Replacement Director, Starboard shall have the right to recommend additional substitute person(s), so long as no Resignation Event has occurred, whose appointment shall be subject to the Nominating Committee recommending such person in accordance with the procedures described above and satisfaction of the Independent Director Criteria and submission of the relevant documentation. Upon the recommendation of a Replacement Director nominee by the Nominating Committee, the Board shall vote on the appointment of such Replacement Director to the Board no later than five (5) business days after the Nominating Committee's recommendation of such Replacement Director; provided, however, that if the Board does not appoint such Replacement Director to the Board pursuant to this Section 1(a)(v), the Parties shall continue to follow the procedures of this Section 1(a)(v) until a Replacement Director is elected to the Board, so long as no Resignation Event has occurred. Subject to Section 1(a)(iv), any Replacement Director designated pursuant to this Section 1(a)(v) replacing an Appointed Director prior to the mailing of the Company's definitive proxy statement for the 2019 Annual Meeting shall stand for election at such meeting together with the Company's other nominees. Subject to Nasdaq Stock Market rules and applicable law, upon a Replacement Director's appointment to the Board, the Board and all applicable committees of the Board shall take all necessary actions to appoint such Replacement Director to any applicable committee of the Board of which the replaced director was a member

immediately prior to such director's resignation. Subject to Nasdaq Stock Market rules and applicable law and so long as a Resignation Event has not occurred, until such time as any Replacement Director is appointed to any applicable committee, the other Appointed Director (as designated by Starboard) will be provided the opportunity to serve as an interim member of such applicable committee.

(vi) During the period commencing with the date of this Agreement through the date of the 2019 Annual Meeting, so long as no Resignation Event has occurred, the Board and all applicable committees of the Board shall take all necessary actions so that the size of the Board is no more than eleven (11) directors, unless Starboard consents in writing to any proposal to increase the size of the Board or stockholders of the Company take such actions to increase the size of the Board. During the period commencing with the conclusion of the 2019 Annual Meeting through the expiration of the Standstill Period, so long as no Resignation Event has occurred, the Board and all applicable committees of the Board shall take all necessary actions so that the size of the Board is no more than twelve (12) directors, unless Starboard consents in writing to any proposal to increase the size of the Board or stockholders of the Company take such actions to increase the size of the Board.

(b) Board Committees.

(i) Immediately following the execution of this Agreement, the Board and all applicable committees of the Board shall take all necessary actions (including any necessary appointments) such that Mr. Sanfilippo shall be a member of the Compensation Committee of the Board, the Nomination Committee and the Special Committee of the Board (the "Special Committee") and Mr. Smith shall be a member of the Special Committee of the Board. Mr. Sanfilippo shall be permitted to continue to serve on such committees, to the extent such committees remain in existence, for the duration of the Standstill Period, provided that he remains a member of the Board and qualified to serve on such committees. So long as no Resignation Event has occurred, Mr. Smith shall be permitted to continue to serve on the Special Committee, to the extent such committee remains in existence, for the duration of the Standstill Period, provided that he remains a member of the Board and qualified to serve on such committee.

(ii) So long as no Resignation Event has occurred, the Board shall give each New Appointee, as applicable, the same due consideration for membership to any committee of the Board as any other independent director. The remaining members of each Board committee shall be selected such that each committee includes directors whose skill sets and expertise are relevant to such committee.

(c) Additional Agreements.

(i) Starboard shall comply, and shall cause each of its controlled Affiliates and Associates and the Starboard Appointee (or any Replacement Director thereof who is not Independent of Starboard) to comply, with the terms of this Agreement and shall be responsible for any breach of this Agreement by any Affiliate or Associate or the Starboard Appointee (or any Replacement Director thereof who is not Independent of Starboard). As used in this Agreement, the terms "Affiliate" and "Associate" shall have the respective meanings set forth in

Rule 12b-2 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder (the "Exchange Act") and shall include all persons or entities that at any time during the term of this Agreement become Affiliates or Associates of any person or entity referred to in this Agreement.

(ii) During the Standstill Period, Starboard shall not, and shall cause each of its controlled Affiliates and Associates not to, directly or indirectly, (A) nominate or recommend for nomination any person for election at any annual or special meeting of the Company's stockholders, (B) submit any proposal for consideration at, or bring any other business before, any annual or special meeting of the Company's stockholders, or (C) initiate, encourage or participate in any "vote no," "withhold" or similar campaign with respect to any annual or special meeting of the Company's stockholders. Starboard shall not publicly or privately encourage or support any other stockholder, person or entity to take any of the actions described in this Section 1(c)(ii).

(iii) During the Standstill Period, Starboard shall appear in person or by proxy at each annual meeting of the Company's stockholders and vote all Series B Preferred Shares and shares of Common Stock beneficially owned by Starboard at such meeting (A) in favor of all of the Company's nominees, including any continuing director, (B) in favor of the ratification of the appointment of KPMG LLP as the Company's independent auditors for the fiscal year ended December 31, 2019 (and, with respect to any future year during the Standstill Period, any other independent auditor as the Board may recommend for the applicable fiscal year)), (C) in accordance with the Board's recommendation with respect to the Company's "say-on-pay" proposal and (D) in accordance with the Board's recommendation with respect to any other Company proposal or stockholder proposal or nomination presented at such annual meeting; provided, however, that in the event Institutional Shareholder Services Inc. ("ISS") or Glass Lewis & Co., LLC ("Glass Lewis") recommends otherwise with respect to the Company's "say-on-pay" or any other Company proposal or stockholder proposal presented at any annual meeting of the Company's stockholders held during the Standstill Period (other than proposals relating to the nomination or election of directors), Starboard shall be permitted to vote in accordance with the ISS or Glass Lewis recommendation. Starboard further agrees that it will appear in person or by proxy at any special meeting of the Company's stockholders during the Standstill Period and vote and consent in any consent solicitation all Series B Preferred Shares and shares of Common Stock beneficially owned by Starboard at such meeting or in such consent solicitation in accordance with the Board's recommendation on any Company proposal or stockholder proposal or nomination, including, without limitation, relating to the appointment, election or removal of director(s). Nothing in this Section 1(c)(iii) shall be deemed to prevent, or in any manner limit, Starboard's ability to vote all Series B Preferred Shares and shares of Common Stock beneficially owned by Starboard in any manner that it sees fit with respect to any Extraordinary Transaction (as defined below) that may be presented for stockholder approval during the Standstill Period.

(iv) As a condition to the Starboard Appointee's appointment to the Board, Starboard hereby represents that the Starboard Appointee has submitted, or shall no later than the date hereof submit, an irrevocable resignation letter pursuant to which the Starboard Appointee shall resign from the Board and all applicable committees thereof effective automatically and immediately if (A) Starboard fails to satisfy the Minimum Ownership Threshold at any time after

the date of this Agreement or (B) Starboard, its Affiliates or Associates or any Starboard Appointee who is not Independent of Starboard materially breaches the terms of this Agreement (including any breach of Section 2) (clauses (A)-(B), regardless of actual resignation, the "Resignation Events"). With respect to any Replacement Director who is not Independent of Starboard who replaces the Starboard Appointee (including successive Replacement Directors), as a condition to such Replacement Director's appointment to the Board, Starboard shall cause such Replacement Director to deliver to the Company an irrevocable resignation letter pursuant to which such Replacement Director shall resign from the Board and all applicable committees thereof effective automatically and immediately upon the occurrence of any Resignation Event at any time following the date of such person's appointment to the Board. Starboard shall promptly (and in any event within five (5) business days) inform the Company in writing if Starboard fails to satisfy the Minimum Ownership Threshold at any time. For the avoidance of doubt, Starboard shall have no rights under Sections 1 or 2 if any Resignation Event has occurred.

(v) Starboard acknowledges that, prior to the date of this Agreement, each Appointed Director and prior to any appointment, each Replacement Director, is required to (A) submit to the Company a fully completed copy of the Company's standard director & officer questionnaire and other reasonable and customary director onboarding documentation (including an authorization form to conduct a background check and certain other agreements required by the Company in connection with the appointment or election of new Board members), (B) upon request from the Nominating Committee, participate in customary interviews by representatives of the Board; (C) deliver to the Company an executed consent of the Appointed Director (or Replacement Director, as applicable) to serve as a director if appointed pursuant to the terms hereof and to be included in the proxy statement or other filings under applicable law or stock exchange rules or listing standards; and (D) submit to the Company any other information required (1) to be or customarily disclosed for all applicable directors, candidates for directors, and their Affiliates and representatives in a proxy statement or other filings under applicable law or stock exchange rules or listing standards and (2) in connection with assessing eligibility, independence and other criteria applicable to all directors or satisfying compliance and legal obligations applicable to all independent directors.

(vi) Starboard has not, directly or indirectly, compensated or agreed to compensate, and will not, directly or indirectly, compensate or agree to compensate any New Appointee (or Replacement Director, as applicable) who is Independent of Starboard for his or her respective service as a nominee or director of the Company with any cash, securities (including any rights or options convertible into or exercisable for or exchangeable into securities or any profit sharing agreement or arrangement), or other form of compensation directly or indirectly related to the Company or its Affiliates or its securities or any other consideration with respect to service on other governing bodies at the direction of Starboard.

(vii) Starboard and the Starboard Appointee agree that the Board or any committee or subcommittee thereof, in the exercise of its fiduciary duties, may recuse the Starboard Appointee (or any Replacement Director of the Starboard Appointee who is not Independent of Starboard) from any Board or committee or subcommittee meeting or portion thereof (A) at which the Board or any such committee or subcommittee is evaluating and/or taking action with respect to (1) the exercise of any of the Company's rights or enforcement of any of the obligations under this Agreement or any of the Investment Agreements or the

Certificate of Designation with respect to the Series B Preferred Shares (the "Certificate of Designation"), (2) any action or proposed transaction that would trigger any provision of the Certificate of Designation in which the holders of the Series B Preferred Shares have a right different from a right of the holders of Common Stock, (3) any action taken (i) in respect of or (ii) in response to actions taken or proposed by Starboard or its Affiliates, in each case, with respect to the Company or its Affiliates, or (4) any proposed transaction between the Company and Starboard or its Affiliates, and (B) to the extent necessary to avoid any potential or actual conflict of interest or when not doing so would otherwise be inconsistent with the Board's fiduciary duties. Notwithstanding anything to the contrary herein, Starboard agrees that the Board or any committee thereof may form a committee or subcommittee of the Board excluding the Starboard Appointee to address any situation involving clauses (A)(1) through (A)(4) and (B) above. If the Chairman of the Board or the chairman of any committee is recused from any Board or committee or subcommittee meeting or portion thereof, the other directors on the Board, committee or subcommittee, as applicable, shall designate another such member to fulfill the duties of chairman for that meeting.

(viii) If Mr. Smith is removed as Chairman of the Board during the Standstill Period for any reason other than due to the occurrence of a Resignation Event or his resignation as Chairman of the Board or as a director of the Company, Starboard shall have the right to terminate the Standstill Period.

2. Standstill Provisions.

(a) Starboard agrees that, from the date of this Agreement until the earlier of (x) the date that is fifteen (15) days prior to the deadline for the submission of stockholder nominations for the 2020 Annual Meeting pursuant to the Company's Amended & Restated Certificate of Incorporation or (y) the date that is one hundred (100) days prior to the first anniversary of the 2019 Annual Meeting (and as may be extended as a result of the exercise of the Continuation Option, the "Standstill Period"), Starboard shall not, and shall cause each of its controlled Affiliates and Associates and the Starboard Appointee (and any Replacement Director thereof who is not Independent of Starboard) not to, in each case directly or indirectly, in any manner:

(i) engage, directly or indirectly, in any solicitation of proxies or consents or become a "participant" in a "solicitation" (as such terms are defined in Regulation 14A under the Exchange Act) of proxies or consents (including, without limitation, any solicitation of consents that seeks to call a special meeting of stockholders), in each case, with respect to securities of the Company;

(ii) form, join, or in any way participate in any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to shares of the Company's common stock or any other class or series of stock of the Company (other than a "group" that includes all or some of the members of Starboard, but does not include any other entities or persons that are not members of Starboard as of the date hereof); provided, however, that nothing herein shall limit the ability of an Affiliate of Starboard to join the "group" following the execution of this Agreement, so long as any such Affiliate agrees to be bound by the terms and conditions of this Agreement;

(iii) deposit any shares of Common Stock, Series B Preferred Shares or any other securities of the Company in any voting trust or subject any shares of Common Stock or any other securities of the Company to any arrangement or agreement with respect to the voting of any shares of Common Stock, Series B Preferred Shares or any other securities of the Company (including by granting any proxy, consent or other authority to vote), other than any such voting trust, arrangement or agreement solely among the members of Starboard and otherwise in accordance with this Agreement;

(iv) seek or submit, or encourage any person or entity to seek or submit, nomination(s) in furtherance of a "contested solicitation" for the appointment, election or removal of directors with respect to the Company or seek, encourage or take any other action with respect to the appointment, election or removal of any directors, in each case in opposition to the recommendation of the Board; provided, however, that nothing in this Agreement shall prevent Starboard or its Affiliates or Associates from taking actions in furtherance of identifying director candidates in connection with the 2020 Annual Meeting, or any subsequent annual meeting of stockholders to the extent Starboard has exercised the Continuation Option, so long as such actions do not create a public disclosure obligation for Starboard or the Company and are undertaken on a basis reasonably designed to be confidential and in accordance in all material respects with Starboard's normal practices in the circumstances;

(v) (A) make any proposal for consideration by stockholders at any annual or special meeting of stockholders of the Company or through any action by written consent of stockholders or referendum of stockholders of the Company, (B) make any offer or proposal (with or without conditions) with respect to any merger, scheme of arrangement, takeover, tender or exchange offer, acquisition, recapitalization, restructuring, disposition or other business combination or extraordinary transaction (each, an "Extraordinary Transaction") involving the Company and/or its Affiliates, (C) affirmatively solicit a third party to make an offer or proposal (with or without conditions) with respect to any Extraordinary Transaction involving the Company, or publicly encourage, initiate or support any third party in making such an offer or proposal, (D) publicly comment on any Extraordinary Transaction with respect to the Company prior to such proposal becoming public or (E) call or seek to call a special meeting of stockholders or act by written consent;

(vi) seek, alone or in concert with others, representation on the Board or removal of any member of the Board, except as specifically permitted in Section 1;

(vii) advise, encourage, support or influence any person or entity with respect to the voting or disposition of any securities of the Company at any annual or special meeting of stockholders or in connection with any consent solicitation, except in accordance with Section 1; or

(viii) make any request or submit any proposal to amend the terms of this Agreement other than through non-public communications with the Company or the Board that would not be reasonably determined to trigger public disclosure obligations for any Party.

(b) Except as expressly provided in Section 1 or Section 2(a), Starboard shall be entitled to (i) vote the shares of the Company's common stock or any other class or series of

stock of the Company, including the Series B Preferred Shares, that it beneficially owns as Starboard determines in its sole discretion and (ii) disclose, publicly or otherwise, how it intends to vote or act with respect to any securities of the Company, any stockholder proposal or other matter to be voted on by the stockholders of the Company and the reasons therefor (in each case, subject to Section 1(c)(iii)).

(c) During the period beginning fifteen (15) days prior to the expiration of the Standstill Period and ending at 11:59 PM ET on the day that is three (3) business days prior to the expiration of the Standstill Period (the "Continuation Deadline"), Starboard may, at its sole discretion and so long as no Resignation Event has occurred (the "Continuation Option"), provide written notice (the "Continuation Notice") to the Company of Starboard's determination to continue the Standstill Period for all purposes of this Agreement until the earlier of (x) the date that is fifteen (15) business days prior to the deadline for the submission of stockholder nominations for the Second Proximate Annual Meeting of Stockholders pursuant to the Company's Amended and Restated Certificate of Incorporation or (y) the date that is one hundred (100) days prior to the first anniversary of the Next Proximate Annual Meeting; provided, however, the Continuation Option shall only be exercisable by Starboard twice (prior to the expiration of the Standstill Period prior to the 2020 Annual Meeting of Stockholders and, assuming the Continuation Option was exercised prior to the expiration of the Standstill Period prior to the 2020 Annual Meeting of Stockholders, prior to the expiration of the Standstill Period prior to the 2021 Annual Meeting of Stockholders) and such Continuation Option shall thereafter terminate. If Starboard provides a Continuation Notice, then the Standstill Period shall be automatically extended as set forth in the previous sentence of this Section 2(c), and, subject to their consent to serve and the other requirements set forth in Sections 1(a)(v), 1(c)(iv) and 1(c)(v) and so long as no Resignation Event has occurred, the Board and all applicable committees of the Board shall take all necessary actions to nominate the Appointed Directors (or any Replacement Director(s), as applicable) for election as directors at the Next Proximate Annual Meeting and recommend, support and solicit proxies for the election of the Appointed Directors (or any Replacement Director(s), as applicable) at the Next Proximate Annual Meeting in the same manner as it recommends, supports, and solicits proxies for the election of all other directors. For the avoidance of doubt, Starboard shall be permitted to exercise a Continuation Option prior to the applicable Continuation Deadline, as set forth under this Section 2(c), in connection with the Next Proximate Annual Meeting, so long as no Resignation Event has occurred. In the event that Starboard does not exercise the Continuation Option prior to the applicable Continuation Deadline, the Standstill Period shall expire pursuant to Section 2(a) and no further Continuation Option shall be available. For purposes of this Agreement, "Next Proximate Annual Meeting" shall mean the next upcoming annual meeting of stockholders (i.e. the 2020 Annual Meeting of Stockholders in respect of the initial Continuation Option and the 2021 Annual Meeting of Stockholders in respect of the second Continuation Option); and "Second Proximate Annual Meeting" shall mean the next upcoming annual meeting of stockholders after the Next Proximate Annual Meeting (i.e. the 2021 Annual Meeting of Stockholders in respect of the initial Continuation Option and the 2022 Annual Meeting of Stockholders in respect of the second Continuation Option).

(d) Nothing in Section 2(a) shall be deemed to limit the exercise in good faith by an Appointed Director of such person's fiduciary duties solely in such person's capacity as a

director of the Company in a manner consistent with such person's and Starboard's obligations under this Agreement.

3. Representations and Warranties of the Company.

The Company represents and warrants to Starboard that (a) the Company has the corporate power and authority to execute this Agreement and to bind it thereto, (b) this Agreement has been duly and validly authorized, executed and delivered by the Company, and assuming due execution by each counterparty hereto, constitutes a valid and binding obligation and agreement of the Company, and is enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, (c) prior to the Board appointing any New Appointees as directors pursuant to this Agreement, the Board is composed of six (6) directors and that there are no vacancies on the Board and (d) the execution, delivery and performance of this Agreement by the Company does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to the Company, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document or material agreement to which the Company is a party or by which it is bound. Notwithstanding anything to the contrary in this Agreement or any Investment Agreement, none of the Company, any of its affiliates or any other person on behalf of the Company or otherwise makes or has made any representation or warranty in respect of any member of the Founder Group (as defined in the Purchase Agreement) in any capacity. Notwithstanding anything to the contrary in this Agreement or any Investment Agreement, with respect to the Company and Starboard, the term "Affiliate" shall not include (i) any member of the Founder Group or (ii) any franchisee.

4. Representations and Warranties of Starboard.

Starboard represents and warrants to the Company that (a) the authorized signatory of Starboard set forth on the signature page hereto has the power and authority to execute this Agreement and any other documents or agreements to be entered into in connection with this Agreement and to bind Starboard thereto, (b) this Agreement has been duly authorized, executed and delivered by Starboard, and assuming due execution by each counterparty hereto, is a valid and binding obligation of Starboard, enforceable against Starboard in accordance with its terms except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, (c) the execution of this Agreement, the consummation of any of the transactions contemplated hereby, and the fulfillment of the terms hereof, in each case in accordance with the terms hereof, will not conflict with, or result in a breach or violation of the organizational documents of Starboard as currently in effect, (d) the execution, delivery and performance of this Agreement by Starboard does not and will not (i) violate or conflict with any law, rule, regulation, order, judgment or decree applicable to Starboard, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both would constitute such a breach, violation or default) under or

pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which such member is a party or by which it is bound, (e) as of the date of this Agreement, Starboard beneficially owns 1,000 shares of Common Stock before giving effect to the transactions contemplated by the Investment Agreements and the issuance of the Series B Preferred Shares to Starboard pursuant thereto, and (f) as of the date hereof, and except as set forth in clause (e) above or in the Investment Agreements, Starboard does not currently have, and does not currently have any right to acquire, any interest in any securities or assets of the Company or its Affiliates (or any rights, options or other securities convertible into or exercisable or exchangeable (whether or not convertible, exercisable or exchangeable immediately or only after the passage of time or the occurrence of a specified event) for such securities or assets or any obligations measured by the price or value of any securities of the Company or any of its controlled Affiliates, including any swaps or other derivative arrangements designed to produce economic benefits and risks that correspond to the ownership of shares of Common Stock or any other securities of the Company, whether or not any of the foregoing would give rise to beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), and whether or not to be settled by delivery of Common Stock or any other class or series of the Company's stock, payment of cash or by other consideration, and without regard to any short position under any such contract or arrangement).

5. Press Release.

Promptly following the execution of this Agreement, the Company and Starboard shall jointly issue a mutually agreeable press release (the "Press Release") announcing certain terms of this Agreement. Prior to the issuance of the Press Release and subject to the terms of this Agreement, neither the Company (including the Board and any committee thereof) nor Starboard shall issue any press release or make public announcement regarding this Agreement or the matters contemplated hereby without the prior written consent of the other Party. During the Standstill Period, neither the Company nor Starboard nor the Appointed Directors (or Replacement Directors, as applicable) shall make any public announcement or statement that is inconsistent with or contrary to the terms of this Agreement.

6. Specific Performance.

Each of Starboard, on the one hand, and the Company, on the other hand, acknowledges and agrees that irreparable injury to the other Party hereto would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that such injury would not be adequately compensable by the remedies available at law (including the payment of money damages). It is accordingly agreed that Starboard, on the one hand, and the Company, on the other hand (the "Moving Party"), shall each be entitled to specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof, and the other Party hereto will not take action, directly or indirectly, in opposition to the Moving Party seeking such relief on the grounds that any other remedy or relief is available at law or in equity. This Section 6 is not the exclusive remedy for any violation of this Agreement.

7. Expenses.

The Company shall reimburse Starboard for its reasonable, documented out-of-pocket fees and expenses (including legal expenses) in accordance with the terms of the Purchase Agreement.

8. Severability.

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the Parties that the Parties would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable. In addition, the Parties agree to use their best efforts to agree upon and substitute a valid and enforceable term, provision, covenant or restriction for any of such that is held invalid, void or enforceable by a court of competent jurisdiction.

9. Notices.

Any notices, consents, determinations, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (a) upon receipt, when delivered personally; (b) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending Party); (c) upon confirmation of receipt, when sent by email (provided such confirmation is not automatically generated); or (d) two (2) business days after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the Party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Papa John's International, Inc.
2002 Papa John's Boulevard
Louisville, Kentucky 40299-2367
Telephone: (502) 261-7272
Facsimile: (502) 261-4705
Attention: Caroline Oyler, Senior Vice President, Chief Legal and Risk Officer
E-mail: Caroline_Oyler@papajohns.com

with a copy (for informational purposes only) to both:

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004
Telephone: (202) 637-5600

Facsimile: (202) 637-5910
Attention: John Beckman, Esq.
E-mail: john.beckman@hoganlovells.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
Bank of America Tower
New York, NY 10036-674
Telephone: (212) 872-1059
Facsimile: (212) 872-1002
Attention: Daniel Fisher, Esq.
Gerald Brant, Esq.
E-mail: dfisher@akingump.com
gbrant@akingump.com

If to Starboard or any member thereof:

Starboard Value LP
777 Third Avenue, 18th Floor
New York, NY 10017
Attention: Jeffrey C. Smith
Facsimile: (212) 845-7989
Email: jsmith@starboardvalue.com

with a copy (which shall not constitute notice) to:

Olshan Frome Wolosky LLP
1325 Avenue of the Americas
New York, New York 10019
Attention: Steve Wolosky, Esq.
Andrew Freedman, Esq.
Facsimile: (212) 451-2222
Email: swolosky@olshanlaw.com
afreedman@olshanlaw.com

10. Applicable Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to the conflict of laws principles thereof that would result in the application of the law of another jurisdiction. Each of the Parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of

Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal court within the State of Delaware). Each of the Parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement in any court other than the aforesaid courts. Each of the Parties hereto hereby irrevocably waives, and agrees not to assert in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) to the fullest extent permitted by applicable legal requirements, any claim that (i) the suit, action or proceeding in such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each Party hereto agrees that notice to such Party provided in accordance with Section 9 hereof shall constitute effective service of process in any such action or proceeding.

11. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party (including by means of electronic delivery or facsimile).

12. Mutual Non-Disparagement.

Subject to applicable law, each of the Parties covenants and agrees that, during the Standstill Period, or if earlier, until such time as the other Party or any of its agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors shall have breached this Section 12 (it being understood that no member of the Founder Group shall be deemed an affiliate, officer or director of the Company for purposes of this Section 12), neither it nor any of its respective agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors shall in any way publicly criticize, disparage, call into disrepute or otherwise defame or slander the other Party or such other Party's subsidiaries, affiliates, successors, assigns, officers (including any future or current officer of a Party or a Party's subsidiaries who no longer serves in such capacity at any time following the execution of this Agreement), directors (including any future or current director of a Party or a Party's subsidiaries who no longer serves in such capacity at any time following the execution of this Agreement), franchisees, employees, stockholders, agents, attorneys or representatives, or any of their businesses, products or services, in any manner that would reasonably be expected to damage the business or reputation of such other Party, their businesses, products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, shareholders, agents, attorneys or representatives; provided, however, if the Starboard Appointee is not Independent of Starboard, any statements regarding the Company's operational or stock price performance or any strategy, plans, or proposals of the Company not supported by the Starboard Appointee that do not disparage, call into disrepute or otherwise defame or slander any

of the Company's officers, directors, franchisees, employees, stockholders, agents, attorneys or representatives ("Opposition Statements"), shall not be deemed to be a breach of this Section 12 (subject to, for the avoidance of doubt, any obligations of confidentiality as a director that may otherwise apply) except that any Opposition Statement will only speak to a matter that has been made public by the Company; provided, further, that if any Opposition Statement is made by Starboard, the Company shall be permitted to publicly respond with a statement similar in scope to any such Opposition Statement.

13. Confidentiality.

The parties shall enter into the confidentiality agreement in the form attached hereto as Exhibit A (the "Confidentiality Agreement").

14. Securities Laws.

Starboard acknowledges that it is aware, and will advise each of its representatives who are informed as to the matters that are the subject of this Agreement, that the United States securities laws may prohibit any person who directly or indirectly has received from an issuer material, non-public information from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

15. Entire Agreement; Amendment and Waiver; Successors and Assigns; Third Party Beneficiaries; Term.

This Agreement, together with the Investment Agreements, the Confidentiality Agreement, the Original NDA (as defined in the Confidentiality Agreement) and the other Transaction Documents (as defined in the Purchase Agreement) contains the entire understanding of the Parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings between the Parties other than those expressly set forth herein or as expressly set forth in any of the Investment Agreements, the Confidentiality Agreement, the Original NDA (as defined in the Confidentiality Agreement) or any of the other Transaction Documents (as defined in the Purchase Agreement). No modifications of this Agreement can be made except in writing signed by an authorized representative of each the Company and Starboard and the consent of the Special Committee. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective successors, heirs, executors, legal representatives, and permitted assigns. No Party shall assign this Agreement or any rights or obligations hereunder without, with respect to Starboard, the prior written consent of the Special Committee (or, if the Special Committee has been disbanded, the Board), and with respect to the Company, the prior written consent of Starboard. For the avoidance of doubt, Starboard's rights hereunder are not saleable, transferable or assignable in connection with any sale, transfer or assignment of the Series B Preferred Shares

or Conversion Shares (as defined in the Purchase Agreement). This Agreement is solely for the benefit of the Parties and is not enforceable by any other persons or entities. This Agreement shall terminate at the end of the Standstill Period (as extended hereunder), except provisions of Sections 6 through 10 and Sections 133 through 15, which shall survive such termination. Each party agrees that, if the Special Committee is dissolved or otherwise ceases to exist for any reason, all applicable references herein to the Special Committee (other than references to prior actions of the Special Committee or references to the Special Committee set forth in Section 1(b)) shall be deemed references to the Board, *mutatis mutandis,* and the provisions of this Agreement applicable to the Special Committee (other than references to prior actions of the Committee or references to the Special Committee set forth in Section 1(b)) shall apply to the same extent to the Board, *mutatis mutandis*.

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the Parties as of the date hereof.

PAPA JOHN'S INTERNATIONAL, INC.

By: /s/ Steve M. Ritchie
Name: Steve M. Ritchie
Title: President and Chief Executive Officer

[Signature Page to Governance Agreement]

STARBOARD VALUE LP

By: Starboard Value GP LLC, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD.

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD VALUE AND OPPORTUNITY MASTER FUND L LP

By: Starboard Value L LP, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD VALUE AND OPPORTUNITY C LP

By: Starboard Value R LP, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD VALUE AND OPPORTUNITY S LLC

By: Starboard Value LP, its manager

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD VALUE R LP

By: Starboard Value R GP LLC, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD VALUE GP LLC

By: Starboard Principal Co LP, its member

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

STARBOARD PRINCIPAL CO LP

By: Starboard Principal Co GP LLC, its general partner

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

[Signature Page to Governance Agreement]

STARBOARD PRINCIPAL CO GP LLC
STARBOARD VALUE L LP
STARBOARD VALUE R GP LLC

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

JEFFREY C. SMITH
PETER A. FELD

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Individually and as Attorney-in-Fact for Peter A. Feld