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**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):  
May 11, 2021

Commission File Number: 000-21660

**PAPA JOHN'S INTERNATIONAL, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization )

**61-1203323**  
(I.R.S. Employer Identification  
Number)

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

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

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:

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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class:</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered:</u>
Common stock, \$0.01 par value	PZZA	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

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 ☐

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. ☐

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#### Item 1.01. Entry into a Material Definitive Agreement..

On May 11, 2021, Papa John's International, Inc. (the "**Company**") entered into a Share Repurchase Agreement (the "**Repurchase Agreement**") with certain funds affiliated with, or managed by, Starboard Value LP (each, a "**Seller**" and collectively the "**Sellers**"), pursuant to which (i) the Company is repurchasing from the Sellers 78,387 shares of the Series B Convertible Preferred Stock, par value \$0.01 per share, of the Company ("**Series B Preferred Stock**") and (ii) the Sellers have agreed to convert the remaining 171,613 shares of Series B Preferred Stock that they own into 3,458,360 shares of the Company's common stock, par value \$0.01 per share ("**Common Stock**"), pursuant to the terms of the Certificate of Designation of the Series B Preferred Stock. As consideration for the transactions contemplated by the Repurchase Agreement, the Company will pay the Sellers aggregate cash consideration of approximately \$183.9 million. The Repurchase Agreement contains customary representations, warranties, and conditions to closing. The transactions contemplated by the Repurchase Agreement are expected to close on or about May 13, 2021. The Company intends to use cash on hand and borrowings under the Company's existing revolving credit facility to fund the transactions contemplated by the Repurchase Agreement.

Upon the consummation of the transactions contemplated by the Repurchase Agreement, the Sellers will collectively own approximately 9.5% of the outstanding shares of the Company's Common Stock.

The repurchase of the Series B Preferred Stock from the Sellers is separate from and does not utilize any part of the Company's existing \$75 million share repurchase authorization for Common Stock.

The transaction was negotiated by an independent committee of the Company's Board of Directors formed for the purpose of evaluating a possible transaction involving the Series B Preferred Stock, and was approved by the full Board of Directors upon such independent committee's recommendation. The terms of the Governance Agreement, dated February 4, 2019, among the Company and Sellers will not be affected by the repurchase and conversion.

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

#### Item 7.01 Regulation FD Disclosure.

On May 12, 2021, the Company issued a press release to announce the transactions contemplated by the Repurchase Agreement. A copy of the press release is furnished herewith as Exhibit 99.1.

#### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
<a href="#"><u>10.1</u></a>	<a href="#"><u>Share Repurchase Agreement, dated May 11, 2021, by and among the Company and the sellers listed on the schedule of sellers attached thereto</u></a>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press Release of Papa John's International, Inc. issued on May 12, 2021</u></a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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.**

Date: May 12, 2021

/s/ Ann B. Gugino

Ann B. Gugino

Chief Financial Officer

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## SHARE REPURCHASE AGREEMENT

THIS SHARE REPURCHASE AGREEMENT (this “Agreement”) is made and entered into as of this 11th day of May, 2021, by and among the entities listed on the Schedule of Sellers attached hereto (each a “Seller” and together, the “Sellers”) and Papa John’s International, Inc., a Delaware corporation (the “Company”).

### RECITALS

WHEREAS, the Sellers currently hold an aggregate of 250,000 shares of Series B Convertible Preferred Stock, par value \$0.01 per share, of the Company (the “Preferred Stock”);

WHEREAS, the Sellers desire to sell to the Company, and the Company desires to purchase from the Sellers, an aggregate of 78,387 shares of Preferred Stock, on the terms and conditions set forth in this Agreement (the “Repurchase Transaction”);

WHEREAS, concurrently with the execution and delivery of this Agreement, the Sellers have delivered to the Company duly completed and executed conversion notices (the “Conversion Notices”) in the form set forth in the Certificate of Designation of the Preferred Stock, pursuant to which, in connection with the closing of the Repurchase Transaction, the Sellers will convert the remaining 171,613 shares of Preferred Stock that they own into 3,458,360 shares of common stock of the Company, par value \$0.01 per share (the “Conversion”);

WHEREAS, in consideration of the Repurchase Transaction and the Conversion, Sellers will receive a cash payment from the Company, on the terms and conditions set forth in this Agreement; and

WHEREAS, the Board of Directors of the Company, upon the recommendation of the Committee of Independent Directors of the Board of Directors of the Company, comprised entirely of disinterested directors independent from each of the Company and the Sellers, has approved the Repurchase Transaction and Conversion and related matters set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### ARTICLE 1

#### PURCHASE AND CONVERSION OF PREFERRED STOCK

**SECTION 1.1    Purchase.** Subject to the terms and conditions of this Agreement, at the Closing (as defined below), the Sellers shall sell, assign, transfer, convey and deliver to the Company, and the Company shall purchase, acquire and accept from the Sellers an aggregate of 78,387 shares of Preferred Stock, allocated as set forth next to each Seller’s name in the Schedule of Sellers attached hereto (the “Purchased Shares”). Upon the Closing, no further amounts shall be payable in respect of the Purchased Shares, it being agreed and understood that the Participating Dividends (as defined in the Certificate of Designation of the Preferred Stock) with respect to the quarterly dividend of \$0.225 per share of common stock of the Company, par value \$0.01 per share (the “Common Stock”) underlying the Purchased Shares (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the date hereof) declared by the Company’s Board of Directors to stockholders of record as of May 11, 2021 that otherwise would have been payable on or about May 21, 2021 will be payable instead at Closing (the “Purchased Shares Participating Dividend Payment”).

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**SECTION 1.2    Conversion.** Subject to the terms and conditions of this Agreement, at the Closing, the remaining 171,613 shares of Preferred Stock collectively owned by the Sellers (the “Conversion Shares” and, together with the Purchased Shares, the “Preferred Shares”) will be irrevocably converted into an aggregate amount of 3,458,360 shares (the “Underlying Shares”) of Common Stock, with each Seller to receive the amount of Underlying Shares set forth next to the Seller’s name in the Schedule of Sellers (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the date hereof). In accordance with the Certificate of Designation of the Preferred Stock, no fractional shares of Common Stock will be issued upon the Conversion, and the Company will instead deliver cash payments to the Sellers representing fractional shares in the amounts set forth next to each Seller’s name in the Schedule of Sellers. The parties acknowledge and agree that (i) the Sellers’ obligations pursuant to Section 6(c) of the Certificate of Designation of the Preferred Stock have been satisfied, (ii) the Conversion Date for purposes of the Certificate of Designation of the Preferred Stock is the date of this Agreement, (iii) pursuant to the Certificate of Designation of the Preferred Stock, upon the Conversion, no further amounts shall be payable in respect of the Conversion Shares except for the right to receive the cash payments in lieu of fractional shares otherwise issuable upon the Conversion as described above, and (iv) for the avoidance of doubt, in accordance with the Certificate of Designation of the Preferred Stock, all accrued and unpaid Dividends (as defined in the Certificate of Designation of the Preferred Stock) on the Conversion Shares through the Closing Date (as defined below) shall be included in the calculation of the Conversion Amount (as defined in the Certificate of Designation of the Preferred Stock), including, without limitation, the Participating Dividends (as defined in the Certificate of Designation of the Preferred Stock) with respect to the quarterly dividend of \$0.225 per Underlying Share (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the date hereof) declared by the Company’s Board of Directors to stockholders of record as of May 11, 2021 and that otherwise would have been payable on or about May 21, 2021.

**SECTION 1.3    Consideration.** Subject to the terms and conditions of this Agreement, at the Closing, the Company shall pay the Sellers an aggregate cash payment of \$183,946,775.16 (inclusive of the Purchased Shares Participating Dividend Payment referred to in Section 1.1 and the cash representing fractional shares referred to in Section 1.2) (the “Total Consideration”), allocated as set forth next to each Seller’s name on the Schedule of Sellers, in each case, by wire transfer of immediately available funds in accordance with the wire instructions set forth opposite such Seller’s name in the Schedule of Sellers.

**SECTION 1.4    Closing.** The closing of the Repurchase Transaction and the Conversion (the “Closing”) will take place remotely by electronic transfer of Closing deliverables, on the second business day following the date of this Agreement (or such other date as is mutually agreed in writing by the Company and the Sellers subject to appropriate adjustments as set forth in the immediately following sentence) (the “Closing Date”), subject to the receipt of deliverables and satisfaction or waiver of the conditions for Closing set forth in Article 4 hereof. If the Closing Date occurs after May 13, 2021 by mutual written agreement of the Company and the Sellers, the parties agree that the Total Consideration, the Conversion Amount (as defined in the Certificate of Designation for the Preferred Stock) of the Conversion Shares and the number of Underlying Shares issuable to the Sellers at Closing shall be adjusted to take into effect the additional accrued and unpaid Dividends (as defined in the Certificate of Designation of the Preferred Stock) due to the passage of time. Immediately after the Closing, the Preferred Shares will be automatically retired and cancelled in accordance with the Certificate of Designation of the Preferred Stock.

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**SECTION 1.5    Other Payments.** For the avoidance of doubt, the Sellers agree to pay all stamp, stock transfer and similar duties, if any, in connection with the Repurchase Transaction and the Conversion.

## ARTICLE 2

### REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each Seller makes the following representations and warranties to the Company:

#### **SECTION 2.1    Existence and Power.**

(a)            Each Seller has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby.

(b)            Each Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation.

(c)            The execution and delivery of this Agreement by each Seller and the consummation by such Seller of the transactions contemplated hereby (i) do not require the consent, approval, authorization, order, registration or qualification of, or (except for filings pursuant to Section 16 or Section 13 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) filing with, any governmental authority or court, or body or arbitrator having jurisdiction over such Seller; and (ii) do not and will not constitute or result in a breach, violation or default under (x) any note, bond, mortgage, deed, indenture, lien, instrument, contract, agreement, lease or license, to which such Seller is a party or (y) such Seller’s organizational documents, or (z) any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority or similar body applicable to such Seller, except in each case of clauses (i), (ii)(x) and (ii)(z) as would not materially adversely affect the ability of such Seller to consummate the transactions contemplated by this Agreement.

**SECTION 2.2    Valid and Enforceable Agreement; Authorization.** This Agreement has been duly executed and delivered by each Seller and constitutes a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws of general application affecting enforcement of creditors’ rights generally or general principles of equity.

**SECTION 2.3    Ownership of Preferred Shares.** The Sellers, collectively, are the sole record owners of the Preferred Shares and have good, valid and marketable title to the Preferred Shares, free and clear of all liens, encumbrances, equities or adverse claims (other than those arising by operation of applicable securities laws), and no Seller has, in whole or in part, (i) other than as set forth in this Agreement or in clause (y) above, assigned, transferred, hypothecated, pledged or otherwise disposed of the Preferred Shares or its ownership or other rights in such Preferred Shares or (ii) given any person or entity (other than to Starboard Value LP) any transfer order, power of attorney or other authority of any nature whatsoever with respect to such Preferred Shares. Upon payment of the Total Consideration in accordance with this Agreement, good and valid title to the Purchased Shares, free and clear of all liens, encumbrances, equities or adverse claims, will pass to the Company.

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**SECTION 2.4    Access to Information; Sophistication; Lack of Reliance.** The Sellers (i) are familiar with the business and financial condition, properties, operations and prospects of the Company, (ii) have been provided with such information, documents and other materials concerning the Company, including its financial condition, results of operations, prospects, properties or business, to enable the Sellers to form an independent judgment regarding the advisability of Repurchase Transaction and the Conversion on the terms and conditions contained herein, (iii) have had such time as the Sellers deem necessary and appropriate to review and analyze such information, documents and other materials to enable it to form such independent judgment, and (iv) have been granted the opportunity to obtain any additional information that the Sellers deem necessary to verify the accuracy of such information, documents and other materials and to ask questions of, and have received satisfactory answers from, representatives of the Company concerning the Company. The Sellers have also had the opportunity to review the periodic and current reports filed with the United States Securities and Exchange Commission by the Company. The Sellers' knowledge and experience in financial and business matters is such that the Sellers are capable of evaluating the merits and risks of the Repurchase Transaction and the Conversion. The Sellers have carefully reviewed the terms and provisions of this Agreement and have evaluated their rights and obligations contained herein and are hereby voluntarily assuming the risks relating to the transactions contemplated hereby. The Sellers hereby acknowledge and agree that, except for the representations and warranties of the Company expressly set forth in this Agreement, none of the Company, its affiliates, its representatives or any other person has made, and none of the Sellers, any of their respective affiliates or any of their respective representatives relied on, any representation or warranty regarding the Company, its business, the sufficiency of the representations and warranties set forth herein or any other matter in connection with this Agreement, the Repurchase Transaction, the Conversion and the other transactions contemplated hereby and the Sellers' respective agreement to consummate the transactions contemplated hereby.

### **ARTICLE 3**

#### **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby makes the following representations and warranties and covenants to Sellers:

##### **SECTION 3.1    Existence and Power.**

(a)            The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby.

(b)            The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (i) does not require the consent, approval, authorization, order, registration or qualification of, or (except for filings pursuant to the Exchange Act) filing with, any governmental authority or court, or body or arbitrator having jurisdiction over the Company; and (ii) does not and will not constitute or result in a breach, violation or default under, any note, bond, mortgage, deed, indenture, lien, instrument, contract, agreement, lease or license, whether written or oral, express or implied, to which the Company is a party, with the Company's certificate of incorporation, or any statute, law, ordinance, decree, order, injunction, rule, directive, judgment or regulation of any court, administrative or regulatory body, governmental authority, arbitrator, mediator or similar body on the part of the Company or cause the acceleration or termination of any obligation or right of the Company or any other party thereto, except in each case in this clause (ii) as would not materially adversely affect the ability of the Company to consummate the transactions contemplated by this Agreement.

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**SECTION 3.2    Equity Capitalization.** As of May 10, 2021, 33,079,610 shares of Common Stock were issued and outstanding.

**SECTION 3.3    Valid and Enforceable Agreement; Authorization.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and general principles of equity.

**SECTION 3.4    Sufficient Funds.** The Company has as of the date hereof, or will have as of the Closing Date, access to funds sufficient to consummate the transactions contemplated by this Agreement.

**SECTION 3.5    Exemption from Liability under Section 16(b).** The terms of the transactions contemplated by this Agreement were approved prior to the execution and delivery of this Agreement by the adoption of resolutions of the Committee of Independent Directors of the Board of Directors of the Company in accordance with Rule 16b-3 under the Exchange Act for the purpose of exempting Jeffrey Smith, the Managing Member of Starboard Value LP who is also a director of the Company, and persons and entities who may be deemed to have a pecuniary interest in the securities held by the Sellers, from the liability provisions of Section 16(b) of the Exchange Act.

**SECTION 3.6    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 Closing Date, and the Company shall provide certification as of the Closing Date satisfying section 1445(b) (3) of the Code and the Treasury Regulations issued thereunder upon any Seller's request. 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 Sellers 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.

## ARTICLE 4

### CONDITIONS TO CLOSING

**SECTION 4.1    Mutual Conditions to Closing.** The obligation of either party to proceed with the Closing is subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

(a)            The representations and warranties of the other party shall be true and correct in all respects as of the Closing;

(b)            The other party shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by such party on or before the Closing; and

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(c) No government, court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction, order or other legal restraint (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the Repurchase Transaction or the Conversion illegal or otherwise prohibiting or preventing consummation of the Repurchase Transaction or the Conversion.

**SECTION 4.2    The Company's Conditions to Closing.** The obligation of the Company to proceed with the Closing is subject to the satisfaction, on or before the Closing, of each of the following conditions, unless otherwise waived:

(a) The Sellers shall have delivered to the Company, in form reasonably acceptable to the Company, such documents, and shall have taken such actions as may be reasonably required, in order to effect a transfer of the Purchased Shares on the books of Computershare Trust Company, N.A. (the "Transfer Agent") from the Sellers to the Company;

(b) The Sellers shall have duly executed and delivered to the Company the Conversion Notices in order to effect the Conversion; and

(c) The Sellers shall have delivered an executed cross-receipt certifying that the Sellers have received the Total Consideration in cash by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth opposite the Sellers' name in the Schedule of Sellers and the Underlying Shares issuable upon the Conversion at the Closing via DWAC in accordance with the DWAC instructions for each Seller set forth in the applicable Conversion Notice.

**SECTION 4.3    The Sellers' Conditions to Closing.** The obligation of the Sellers to proceed with the Closing is subject to the satisfaction, on or before the Closing, of each of the following conditions, unless otherwise waived:

(a) The Company shall have paid to the Sellers the Total Consideration in cash by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth opposite the Sellers' name in the Schedule of Sellers;

(b) The Company shall have caused the Transfer Agent to credit the amount of Underlying Shares issuable upon the Conversion as set forth in the Schedule of Sellers attached hereto (as adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction relating to the Common Stock occurring after the date hereof), to the account of each Seller via DWAC in accordance with the DWAC instructions for each Seller set forth in the applicable Conversion Notice; and

(c) The Company shall have delivered an executed a cross-receipt certifying that the Company has received the Purchased Shares at the Closing.

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## ARTICLE 5

### MISCELLANEOUS PROVISIONS

**SECTION 5.1 Notice.** Any notice provided for in 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 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 delivered to the Company:

Papa John's International, Inc.  
2002 Papa John's Boulevard  
Louisville, Kentucky 40299-2367  
Telephone No: (502) 261-7272  
Facsimile No: (502) 261-4705  
Attention: Caroline Oyler, Chief Legal and Risk Officer  
Email: Caroline\_Oyler@papajohns.com

with a copy to:

Hogan Lovells US LLP  
555 Thirteenth Street, NW  
Washington, DC 20004  
Telephone No: (202) 637-5600  
Facsimile No: (202) 637-5910  
Attention: John Beckman  
Email: john.beckman@hoganlovells.com

if to any Seller or the Sellers, to:

c/o Starboard Value LP  
777 Third Avenue, 18th Floor  
New York, New York 10017  
Attention: Jeffrey C. Smith  
Facsimile No: 212-320-0296  
Telephone No: 212-845-7977  
E-mail: jsmith@starboardvalue.com  
operations@starboardvalue.com

with a copy to:

Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
Telephone No: (212) 756-2000  
Facsimile No: (212) 593-5955  
Attention: Eleazer N. Klein  
Email: eleazer.klein@srz.com

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**SECTION 5.2 Entire Agreement.** This Agreement and the other documents and agreements executed in connection with the Repurchase Transaction and the Conversion embody the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous oral or written agreements, representations, warranties, contracts, correspondence, conversations, memoranda and understandings between or among the parties or any of their agents, representatives or affiliates relative to such subject matter, including, without limitation, any term sheets, emails or draft documents.

**SECTION 5.3 Assignment; Binding Agreement.** This Agreement and the various rights and obligations arising hereunder shall inure to the benefit of and be binding upon the parties hereto and may not be assigned to any other party without the written consent of the other parties hereto.

**SECTION 5.4 Counterparts.** This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. This Agreement, and any and all agreements and instruments executed and delivered in accordance herewith, to the extent signed and delivered by means of facsimile or other electronic format or signature (including email, "pdf," "tif," "jpg," DocuSign and Adobe Sign), shall be treated in all manner and respects and for all purposes as an original signature and an original agreement or instrument and shall be considered to have the same legal effect, validity and enforceability as if it were the original signed version thereof delivered in person.

**SECTION 5.5 Governing Law.** This Agreement shall in all respects be construed in accordance with and governed by the substantive laws of the State of New York, without giving effect to principles of conflicts of laws.

**SECTION 5.6 Waiver of Trial by Jury.** EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

**SECTION 5.7 No Third Party Beneficiaries or Other Rights.** Nothing herein shall grant to or create in any person not a party hereto, or any such person's dependents or heirs, any right to any benefits hereunder, and no such party shall be entitled to sue any party to this Agreement with respect thereto.

**SECTION 5.8 Waiver; Consent.** This Agreement and its terms may not be changed, amended, waived, terminated, augmented, rescinded or discharged (other than in accordance with its terms), in whole or in part, except by a writing executed by the parties hereto.

**SECTION 5.9 Further Assurances.** Each party hereto hereby agrees to execute and deliver, or cause to be executed and delivered, such other documents, instruments and agreements, and take such other actions consistent with the terms of this Agreement as may be reasonably necessary in order to accomplish the transactions contemplated by this Agreement.

**SECTION 5.10 Costs and Expenses.** Each party hereto shall each pay their own respective costs and expenses, including, without limitation, any commission or finder's fee to any broker or finder, incurred in connection with the negotiation, preparation, execution and performance of this Agreement.

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**SECTION 5.11 Severability.** If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby 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).

**SECTION 5.12 Public Announcements.** The Sellers, on the one hand, and the Company, on the other hand, shall, to the extent feasible, consult with each other before issuing, and provide each other reasonable opportunity to review and comment upon, any press release or other public statements with respect to the Repurchase Transaction and Conversion and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with any national securities exchange or automated inter-dealer quotation system. Notwithstanding anything to the contrary herein, the Company and the Sellers shall be permitted to make the disclosures required in its filings pursuant to the Exchange Act, in each case without such review and consultation.

**SECTION 5.13 Remedies.** The parties agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance or other injunctive relief in order to enforce, or prevent any violations of, the provisions of this Agreement.

*(Signatures appear on the next page.)*

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

**COMPANY:**

**PAPA JOHN'S INTERNATIONAL, INC.**

By: /s/ Robert M. Lynch

Name: Robert M. Lynch

Title: President and Chief Executive Officer

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**SELLERS:**

**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 LP, its investment manager

By: /s/ Jeffrey C. Smith

Name: Jeffrey C. Smith

Title: Authorized Signatory

**STARBOARD VALUE AND OPPORTUNITY C LP**

By: Starboard Value R LP, 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

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**STARBOARD P FUND LP**

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith

Name: Jeffrey C. Smith

Title: Authorized Signatory

**STARBOARD X MASTER FUND LTD.**

By: Starboard Value LP, its investment manager

By: /s/ Jeffrey C. Smith

Name: Jeffrey C. Smith

Title: Authorized Signatory

**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

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**PAPA JOHN'S ANNOUNCES REPURCHASE AND CONVERSION OF  
ALL CONVERTIBLE PREFERRED STOCK OWNED BY STARBOARD VALUE LP**

***Following Transaction, Starboard Will Own Approximately 9.5% of Papa John's Common Stock and Jeff Smith Will Remain Chair of Papa John's Board***

LOUISVILLE, Ky. — May 12, 2021 — Papa John's International, Inc. (NASDAQ: PZZA) today announced that it has entered into an agreement with Starboard Value LP and certain of its affiliates (collectively, "Starboard") relating to the repurchase and conversion of all of the shares of Papa John's Series B Convertible Preferred Stock (the "Preferred Shares") owned by Starboard. The repurchase and conversion is expected to close on May 13, 2021.

The Preferred Shares, which were acquired by Starboard in the first quarter of 2019 as part of a \$250 million strategic investment in the Company, carried a preferential cumulative dividend payable in cash at a rate of 3.6% per annum, as well as pass-through common dividends, for a total yield of approximately 5.4%. As of the date of the agreement, the Preferred Shares represented approximately 13.2% of Papa John's outstanding common stock on an as-converted basis, and were convertible at Starboard's option at any time into shares of common stock based on a conversion price of \$50.06.

Pursuant to the agreement, the Company will repurchase 31% of the outstanding Preferred Shares, representing approximately 1.6 million shares of common stock on an as-converted basis, and Starboard will convert its remaining Preferred Shares into approximately 3.5 million shares of the Company's common stock. Both of these actions will be taken in return for a one-time payment of \$183.9 million, with the payment based on a negotiated discount to the estimated fair value of the Preferred Shares owned by Starboard. Following the transaction, Starboard will beneficially own approximately 9.5% of the Company's outstanding shares of common stock, and Starboard CEO Jeff Smith will remain Chair of Papa John's Board.

President & CEO Rob Lynch said, "Since Starboard's investment in early 2019, Papa John's has returned to growth, reflecting the strength of our culture, innovation and operations. Starboard and Jeff's support and leadership have been instrumental to this progress and I am thrilled to continue our partnership. Looking ahead, with the foundations of our business stronger than ever, we are now able to use our strong financial position to simplify and optimize our capital structure, supporting our long-term earnings growth and continued value creation for our shareholders."

Jeff Smith added, "Two years ago, Starboard invested in Papa John's and I joined the Board because of the tremendous potential of our pizza, our brand and our team members and franchisees. I could not be happier with the progress that the team has made thus far, and I am truly excited for the future. I look forward to continuing to work with this world-class team and fantastic board."

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As a result of the repurchase and conversion, the Company's fully diluted common stock share count will increase by approximately 3.5 million shares and Starboard's 3.6% preferential dividend on the Preferred Shares, which amounted to \$9.0 million in fiscal 2020, will be eliminated. Elimination of Starboard's Preferred Share dividend and the Preferred Share income allocation would have increased the Company's earnings per diluted share by approximately \$0.09 or 11%, on a pro forma basis, for the first fiscal quarter of 2021, assuming that the transaction had occurred at the end of 2020.<sup>1</sup> Also, in the second quarter of fiscal 2021, the Company will record a reduction to net income attributable to common shareholders of approximately \$110 million as a one-time charge to equity. This charge reflects the excess of the one-time cash payment over the carrying value of the Preferred Shares. Assuming no further common shares are issued or repurchased, this would result in a reduction of approximately \$3.00 per diluted share in the second fiscal quarter of 2021.

The transaction will be financed using cash on hand with the balance coming from the Company's existing revolving credit facility. The repurchase of the Preferred Shares from Starboard is separate from and does not utilize any part of the Company's existing \$75 million share repurchase authorization for common stock.

The transaction was negotiated by an independent committee of the Papa John's Board of Directors formed for the purpose of evaluating a possible transaction involving the Preferred Shares. Lazard acted as financial advisor and Hogan Lovells and Richards, Layton & Finger acted as legal advisors to the independent committee of the Board in connection with the transaction.

### **About Papa John's**

Papa John's International, Inc. (NASDAQ: PZZA) opened its doors in 1984 with one goal in mind: BETTER INGREDIENTS. BETTER PIZZA. Papa John's believes that using high quality ingredients leads to superior quality pizzas. Its original dough is made of only six ingredients and is fresh, never frozen. Papa John's tops its pizzas with real cheese made from mozzarella, pizza sauce made with vine-ripened tomatoes that go from vine to can in the same day and meat free of fillers. It was the first national pizza delivery chain to announce the removal of artificial flavors and synthetic colors from its entire food menu. Papa John's is headquartered in Louisville, Ky. and is the world's third-largest pizza delivery company with more than 5,400 restaurants in 50 countries and territories. For more information about the Company or to order pizza online, visit [www.PapaJohns.com](http://www.PapaJohns.com) or download the Papa John's mobile app for iOS or Android.

### **Forward-Looking Statements**

Certain matters discussed in this press release and other company communications that are not statements of historical fact 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 include or may relate to projections or guidance concerning business performance, earnings, earnings per share, cash flow, the impact and benefits of the Series B Preferred Shares repurchase and conversion, corporate governance, financing, liquidity, compliance with debt covenants, strategic decisions and actions, dividends, regulatory changes and impacts, and other financial and operational measures. 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 and uncertainties related to the ability to realize the anticipated benefits of the Series B Preferred Shares repurchase and conversion, risks related to the debt financing for the transaction, risks and uncertainties related to the capital markets, and those other 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 27, 2020. 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.

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<sup>1</sup> See the accompanying exhibit for details on the pro forma presentation.

## Exhibit – As Reported Versus Pro Forma Diluted Earnings Per Common Share

<i>(in thousands, except per share amounts)</i>	Three Months Ended March 28, 2021		
	As Reported	Adjustments	Pro Forma
<b>Net income attributable to the company</b>	<b>\$ 33,883</b>	<b>\$ (135)</b>	<b>\$ 33,748</b>
Dividends paid to participating securities and accretion	(3,527)	3,415	(112)
Net income attributable to participating securities	(3,243)	2,953	(290)
<b>Net income attributable to common shareholders</b>	<b>\$ 27,113</b>	<b>\$ 6,233</b>	<b>\$ 33,346</b>
Diluted weighted average common shares outstanding	33,090	3,458	36,548
 Diluted earnings per common share	 \$ 0.82	 \$ 0.09	 \$ 0.91

Pro forma diluted earnings per common share were calculated to reflect the impact of the repurchase and conversion of the Preferred Shares, assuming that the transaction had occurred at the end of 2020. The only items considered are those that directly resulted from the repurchase and conversion of the Preferred Shares.

The Company calculates diluted earnings per common share using the two-class method, and the Company will continue to have participating securities outstanding following this transaction. The \$0.09 pro forma benefit to GAAP diluted earnings per common share reflects the following adjustments, net of tax:

- GAAP net income attributable to common shareholders of \$27.1 million would have increased to \$33.3 million due to a net reduction in dividends paid and elimination of undistributed earnings being allocated to Starboard's participating securities, partially offset by incremental interest expense as a result of the assumed draw down on the revolving credit facility.
- Diluted weighted average common shares outstanding (GAAP) of 33.1 million shares would have increased to 36.5 million shares due to the Preferred Shares converted to approximately 3.5 million common shares; as a result of the repurchase, the remaining Preferred Shares, representing approximately 1.6 million common shares on an as-converted basis, did not impact the diluted weighted average common shares outstanding.

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