

**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):
August 25, 2006

Commission File Number: **0-21660**

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 Johns Boulevard
Louisville, Kentucky 40299-2334**
(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))

Section 1 — Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

Employment Agreement with Robb S. Chase

On August 25, 2006, Papa John's International, Inc. (the "Company"), entered into an employment agreement (the "Agreement") with Robb S. Chase for service in the position of President, International. The following summary of the material terms of the Agreement is qualified in its entirety by reference to the text of the Agreement, a copy of which is attached to this Current Report as Exhibit 10.1 and is incorporated herein by reference.

The Agreement provides for the employment of Mr. Chase for a term commencing September 5, 2006, and continuing for an indefinite term until the termination of his employment as provided in the Agreement. The Agreement provides for a base annual salary of \$475,000 for service as President, International, with primary responsibility for directing and leading all aspects of the Company's international business, together with other duties that may be assigned to him from time to time by the Company's Chief Executive Officer or the Board of Directors.

Mr. Chase will be eligible to receive annual bonus payments in the targeted amount of fifty percent (50%) of his base salary, provided that performance criteria established by the Compensation Committee of the Company's Board of Directors are met. He will also be entitled to participate in other executive incentive compensation programs as may be approved and implemented by the Board of Directors of the Company from time to time. Upon the commencement date of his employment, Mr. Chase will receive a stock option grant for 22,000 shares of the Company's common stock, with an option price equal to the closing market price on the grant date; the option will have a five-year term and vest in three equal annual installments commencing on the first anniversary date of his employment. Mr. Chase will be subject to a requirement that he hold the net proceeds received upon exercise of the stock option, less payment of the option price and applicable tax withholdings, in Company stock for at least three months.

The Agreement permits Mr. Chase to participate in the Company's deferred compensation plan, 401(k) plan, and medical, dental, life and disability insurance programs, as well as to receive other standard benefits offered by the Company to its employees from time to time. The Agreement also provides for reimbursement of expenses not to exceed \$175,000, plus a gross-up payment to cover income taxes on that amount, in connection with the relocation of Mr. Chase's primary residence to the Louisville, Kentucky area, under certain conditions, and for the Company's payment of certain costs, including legal fees, in connection with the application for and retention of visas for Mr. Chase and the immediate family members of his household, all of whom are Canadian citizens.

The Agreement requires Mr. Chase to achieve by December 31, 2011, the minimum level of ownership of Company stock established by the Board from time to time for his position, which currently is three times his base annual salary, and provides that he must meet certain minimum ownership requirements in the interim.

Mr. Chase will receive severance benefits under the Agreement if the Company terminates his employment for any reason other than for "cause," as defined in the Agreement. In that instance

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Mr. Chase would be entitled to receive \$712,500 if terminated without cause within the first 18 months of the term of the Agreement and \$475,000 during the term thereafter.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Employment Agreement with Robb S. Chase as of August 25, 2006.
99.1	Papa John's International, Inc. press release dated August 28, 2006.

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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 thereunto duly authorized.

PAPA JOHN'S INTERNATIONAL, INC.

(Registrant)

Date: August 31, 2006

/s/ J. David Flanery
J. David Flanery
Senior Vice President and
Chief Financial Officer

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EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** ("Agreement") is made by and between Robb S. Chase ("Employee") and PAPA JOHN'S INTERNATIONAL, INC., a corporation organized and existing under the laws of the State of Delaware ("Company"), as of the 25th day of August, 2006.

WITNESSETH:

WHEREAS, Company desires to hire and employ Employee, and Employee desires to be employed by Company, pursuant to the terms and conditions hereinafter provided.

WHEREAS, Employee's position with the Company requires that Employee be trusted with extensive responsibility and confidential information of the Company.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants and obligations herein contained, the Company and the Employee (individually, a "Party"; together, the "Parties"), intending to be legally bound, agree as follows:

Section 1: Employment and Term

1.1 **Employment.** Company agrees to and does hereby employ Employee, and Employee agrees to and does hereby accept employment by Company, on the terms and subject to the conditions set forth in this Agreement effective as of the Effective Date.

1.2 **Term of Employment.** Employee shall be and is hereby employed by Company commencing on September 5, 2006 (the "Effective Date") and continuing until termination of employment as provided for in Section 7 of this Agreement (the "Term"). The parties agree that discussions concerning the possible renewal of this Agreement will begin in the third year of the Term.

1.3 **Standard of Services Required.** Employee shall (a) devote his full business time and energy to the business and affairs of the Company and any additional gainful employment shall not be undertaken without first notifying and obtaining approval from the Board of Directors of Company; (b) perform his duties hereunder diligently and to the best of his ability; (c) use his best efforts, skills and abilities to promote the Company's interests; (d) reside in the Louisville, Kentucky area; and (e) perform such other duties and services for the Company as may be required of him by virtue of his position, or as directed by the CEO or the Board of Directors of the Company (the "Board"). Employee agrees to comply, and cause the Company to comply, with all applicable governmental regulations and guidelines which relate to Company products, services, methods and technologies with which Employee's duties and services are related. Employee also agrees to comply fully with all policies and practices of the Company. The Company recognizes Employee's position as a Director of Sleeman's Breweries and agrees that service on that Board or local charitable or philanthropic boards will not be construed as a violation of this provision, so long as such service is reasonable in scope and dedication of time. The Company agrees that during the Term, Employee will not be required to relocate his permanent residence from the Louisville, KY area without his prior consent.

1.4 **Position and Duties.** Employee shall serve in the position identified on *Schedule A* attached hereto and incorporated by reference herein (or such other position of similar responsibility as may be assigned by the CEO or the Board). Employee shall at all times report to, and his business activities shall at all times be subject to the direction and control of the CEO and the Board. Employee's duties and services include, but are not limited to, those matters identified on *Schedule A*.

Section 2: Compensation and Benefits

2.1 **Compensation.** During the term of Employee's employment by the Company pursuant to this Agreement, Company shall pay Employee compensation and provide Employee with benefits as follows:

2.1.1 **Base Salary.** In consideration of the duties and services to be rendered by Employee to Company, Company will pay to Employee a salary ("Base Salary") in the amount identified as such on *Schedule A* hereto. Base Salary shall be payable on a weekly basis or as the Company's pay practices shall be established or modified from time to time. Base Salary payments shall be subject to all applicable Federal, state and local withholding, payroll and other taxes.

2.1.2 **Bonus.** Employee will be eligible to receive annual bonus payments in an amount and under those terms and conditions described on *Schedule A*. Bonus payments shall be subject to all applicable Federal, state and local withholding, payroll and other taxes. Employee shall also be entitled to participate in the Company's Long Term Incentive Program ("LTIP") under the terms, conditions, contingencies and vesting criteria applicable to Employee on the date of execution of this Agreement and as amended from time to time by the Compensation Committee or the Board. A copy of the LTIP plan presently in place has been provided to Employee. Company represents that there are no material changes to that plan presently under consideration.

2.2 **Employee Benefit Plans.** During the term of his employment with Company, Employee shall be entitled to (a) four weeks vacation (b) such sick, holiday and other absences consistent with Company's policies as established and modified from time to time by the Board; (c) such hospitalization and major medical insurance benefits as are, from time to time, maintained and modified by Company for its employees. Employee's entitlement to, and participation in, such benefit plans shall be subject to the same eligibility requirements and cost assessment policies as shall apply to other employees who are eligible to participate therein. Vacation or other paid time off which is not used in any year may accrue in accordance with Company policy. Company shall not be liable for any such benefits not used by Employee prior to the termination of his employment with Company.

2.3 **Employee Expenses.** Company agrees that it will reimburse Employee for all reasonable business expenses incurred by him during the term of Employee's employment hereunder, provided that such expenses be incurred in connection with the performance by Employee of his duties hereunder and are incurred and accounted for by Employee in accordance with Company's policies as established for its employees.

Section 3: Confidentiality and Non-Disclosure

3.1 Non-Disclosure of Confidential Information. Employee acknowledges that during his employment by Company, Employee shall have access to and possession of information which (a) is proprietary and confidential; (b) belongs to and represents the sole and exclusive property of the Company and/or its affiliates; and (c) is a unique asset integral to the Business of the Company for which the Company has paid a substantial amount, and the use or disclosure of which contrary to the requirements of this Agreement would cause the Company irreparable harm and damage. Except as otherwise provided for in this Agreement, as may be required by law, or as authorized in writing by Company and for its benefit, or as required in the performance of his duties hereunder, (a) Employee will not at any time, whether during or after the termination or cessation of Employee's employment, disclose, distribute, or disseminate to any person, firm, partnership, joint venture, corporation, limited liability company, or other entity ("Person"), or make public, any Confidential Information (as defined below); and (b) Employee will keep strictly confidential all matters and information entrusted to the Employee

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and shall not use or attempt to use any such Confidential Information in any manner which may injure or cause loss, or may be calculated to injure or cause loss, whether directly or indirectly, to Company.

3.2 Nature and Definition of "Confidential Information." "Confidential Information" means and includes any and all of the following, whether or not patentable, registrable or otherwise susceptible to protection under federal, state or foreign patent, trademark, copyright and other laws:

3.2.1 intellectual property, inventions, concepts, discoveries, improvements, inventions, methods, information, processes, practices, specifications, techniques, products, devices, technologies, data, know-how, and other proprietary rights;

3.2.2 designs, drawings, photographs, graphs, samples, sketches, compositions, computer software and database technologies and applications, computer software and programs (including object code and source code), and related documentation to all of the above;

3.2.3 any trade secrets concerning the Business or affairs of the Company, financial, and operating information, service specifications and concepts, marketing plans, budgets, the names and terms of employment of key personnel, strategies, customer lists, pricing policies and lists, services, and procedures; and

3.2.4 notes, analyses, studies, summaries and other material prepared by or for Company containing or based on, in whole or in part, any information included in the foregoing.

3.2.5 "Confidential Information" shall not include (i) information which the Employee already had in his possession without confidential limitation at the time of disclosure by the Company; (ii) information known or that becomes known to the general public without breach of this Agreement by the Employee; or, (iii) information that is received rightfully and without confidential limitation by the Employee from a third party.

3.3 Permitted Disclosure. If Employee is required by deposition, interrogatories, requests for information or documents, subpoena, civil investigative domain or other legal process to disclose all or any part of any Confidential Information, Employee will first provide Company with prompt notice of such requirement, as well as notice of the terms and circumstances surrounding such requirements, so that Company may seek an appropriate protective order or waive compliance with the provisions of this Agreement in writing. In any event, Employee may only disclose that portion of such Confidential Information as he is advised in writing by his and the Company's legal counsel as being required to be disclosed.

3.4 Destruction or Return on Termination. Upon termination of Employee's employment hereunder, Employee shall, upon request of Company, return to Company all writings and materials comprising any part of the Confidential Information without retaining any copies, extracts or other reproductions thereof; and, to the extent not returned to Company, Employee will certify in writing to Company any such materials or writings which were destroyed by him.

Section 4: Ownership of Employee Inventions

4.1 Inventions and Related Matters. Employee agrees that Company shall have sole and exclusive ownership rights in any conception, ideas, invention, improvement, or know-how (whether or not patentable) arising out of, resulting from, or derivative of Employee's duties and services as an employee of Company or undertaken within the scope of Employee's duties hereunder. Any resulting or derivative rights, including patent, trademark, service mark or other rights, shall be and become the exclusive

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property of Company and Company shall be exclusively entitled to the entire right, title and interest existing with respect hereto. In furtherance thereof, at Company's request, Employee agrees to convey and assign to Company the entire right, title and interest of Employee, if any, in and to any conceptions, ideas, inventions, improvements, or know-how which arise out of, result from, or are derivative of, Employee's duties and services as an employee of Company or undertaken within the scope of his duties hereunder.

4.2 Original Works. Any work subject to protection under applicable copyright laws (including, but not limited to, software code and applications), whether published or unpublished, created by Employee in connection with or during the performance of his duties or services hereunder shall be considered a work made for hire to the fullest extent permitted by law, and all right, title and interest therein, including the worldwide copyrights, shall be the sole and exclusive property of Company as the employer and party specially commissioning such work. In the event that any such copyrightable work or portion thereof shall not be legally qualified as a work made for hire or shall subsequently be so held, Employee agrees to properly convey to Company the entire right, title and interest in and to such work or portion thereof, including but not limited to the worldwide copyrights, extensions of such copyrights, and renewal copyrights therein, and further including all rights to reproduce the copyrighted work, to prepare derivative works based on the copyrighted work, to distribute copies of the copyrighted work, to display the copyrighted work, and to register the claim of copyright therein and to execute any and all documents with respect hereto.

4.3 Employee Assistance. Employee agrees (a) to disclose to Company in writing any matters created or authored by him which are, or are intended to be, the property of Company pursuant to the provisions of this Section 4; (b) to assign to Company without additional compensation all of Employee's rights, if any, therein; and (c) to execute and deliver to Company such applications, assignments and other documents as Company may reasonably request in order to apply for and obtain patents, copyrights, or other registrations with respect thereto.

Section 5: Employee's Conduct; Non-Contravention

5.1 Employee's Conduct. In order to maintain and enhance Company's standing and integrity in the business community, the business and personal conduct of Employee shall be totally professional and above reproach; and Employee shall at all times observe the highest standards of professionalism and courtesy in Employee's behavior with the public, colleagues, employees, customers and competitors.

5.2 Non-Contravention. Employee represents and warrants that he is under no obligation to, and/or no conflict or non-compete agreements or understandings exist with, any person which are in any way inconsistent with, or which impose any restriction upon, Employee's acceptance of employment under this Agreement with the Company. Employee is not in default under, or in breach of, any agreement requiring Employee to preserve the confidentiality of any information, client lists, trade secrets or other confidential information; and neither the execution and delivery of this Agreement nor the performance by Employee of Employee's obligations under this Agreement will conflict with, result in a breach of, or constitute a default under, any employment or confidentiality agreement to which Employee is a party or to which Employee may be subject.

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Section 6: Non-Competition and Non-Solicitation

6.1 Acknowledgments by Employee. Employee acknowledges that: (a) the services to be performed by him under this Agreement are of a special, unique, unusual and intellectual character; (b) Company's Business is, or is expected to be, international in scope, Company's processes and technologies having wide application throughout the world; (c) Company competes with persons having access to markets and capital similar or superior to that possessed by the Company; (d) the restrictive covenants applicable to Employee will not prevent Employee from obtaining other gainful employment after separating from Company; (e) the provisions of this Section are reasonable and necessary in order to protect Company's Business; and (f) Employee has consulted with, or been advised by the Company that he should consult with, an independent legal counsel concerning the undertakings of the Employee set forth in, and the provisions of, this Agreement.

6.2 Covenants of Employee. In consideration of the foregoing acknowledgments by Employee, and in consideration of the compensation and benefits to be paid or provided to Employee by Company, Employee covenants and agrees that he will not, directly or indirectly:

6.2.1 during the period of, and except in the course of, his employment hereunder, and for three (3) years after termination of employment hereunder, on behalf of himself or any person, engage or invest in, solicit investment in, own, manage, operate, finance, control, be employed by or associated with, provide services or advice to, be a director of, or participate in the ownership, management, operation, or development of, or otherwise be associated or connected with, [a] any pizza restaurant chain with 200 or more restaurants which directly or indirectly operates restaurants serving pizza which are competitive with the Company or its affiliates, [b] any food service manufacturing and/or distribution business which serves any pizza restaurant chains with 200 or more restaurants and which are competitive with the Company at any time during Employee's tenure with the Company, or [c] any other food or restaurant business which the Company may develop or acquire during Employee's tenure with the Company and with which the Employee has had direct involvement; provided, however, that nothing herein will preclude Employee from owning and holding not more than one percent (1%) of any class of securities of any enterprise if such securities are listed on any national or regional exchange or have been registered under Section 12(g) of the Securities Act of 1934; or

6.2.2 without the prior written consent of Company, during the period of, and except in the course of, his employment hereunder, and for three (3) years after termination of employment hereunder solicit any of Company's contractors, employees or other related parties or any of the Company's suppliers if the intent or result of such solicitation will have a negative impact upon the Company.

6.2.3 except on behalf of the Company, whether for the Employee's account or for the account of any other person, at any time during the period of his employment hereunder, and for three (3) years after termination of employment hereunder, solicit for the benefit of any business which directly or indirectly operates pizza restaurants the patronage of any person if such person is a customer or prospective customer of the Company, or was a customer of the Company during any time within 12 months prior to termination of employment, whether or not Employee had personal contact with such person during the term of his employment by the Company.

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Section 7: Termination

7.1 Termination by the Company. Employee's employment with Company under this Agreement, and Employee's rights to compensation and benefits under this Agreement or otherwise, shall terminate (except as otherwise herein provided) as follows:

7.1.1 Death or Disability. This Agreement and Employee's engagement hereunder shall terminate upon the death of Employee. If Employee becomes substantially unable to perform the essential duties and functions of his position under this Agreement with or without reasonable accommodation for a period of one hundred and eighty (180) consecutive days or more during the Term because of a disability or any medically determinable physical or mental impairment, Company may, at its election, terminate Employee's employment hereunder and all of Company's obligations relating thereto, including any obligations it may have under this Agreement, by giving Employee ten (10) days prior written notice. Upon termination pursuant to this Section, Employee shall not be entitled to any Base Salary, Bonus, LTIP, severance salary, or any other benefits, except for amounts accrued and earned prior to the effective date of termination and except for those, if any, required to be extended by applicable law.

7.1.2 **Termination By Company For "Cause"**. Company may, in its sole and exclusive discretion, immediately and unilaterally, terminate Employee's employment hereunder for "cause" at any time. Termination shall be for "cause" if it is based on any of the following: (i) indictment or conviction of Employee of any felony, or of any misdemeanor reasonably determined by the Company to involve moral turpitude; (ii) Employee's acts or omissions involving willful or intentional malfeasance or misconduct that is, or may reasonably be expected to be, injurious to the Company, its business, reputation, prospects, or otherwise; (iii) commission of any act of fraud or embezzlement against Company; (iv) after having obtained the appropriate work visa, inability to legally perform his duties in the United States, including but not limited to, failure to retain appropriate work visas, so long as such failure was not due to malfeasance or non-feasance by the Company in its assistance to Employee in retaining the same; (v) after having obtained the appropriate visas permitting he and his immediate family to do so, failure to relocate to the Louisville, Kentucky area within the time allowed by this Agreement; (vi) failure to operate substantially within the budget of the Company as adopted by the Board, so long as such failure was within the reasonable control of Employee; and (vii) any act or omission by Employee constituting a material breach of Employee's obligations under this Agreement which act or omission is either not capable of being remedied, or, is not remedied within ten (10) days of notice from the Company of the material breach. In the event of a termination for "cause" pursuant to the provisions of this Section, Employee shall not be entitled to any Base Salary, Bonus, LTIP, severance salary, or any other benefits, except for amounts accrued prior to the effective date of termination and except for those, if any, required to be extended by applicable law.

7.1.3 **Termination By Company Without "Cause"**. The Company may, in its sole and exclusive discretion, immediately and unilaterally, terminate the Employee's employment hereunder at any time without cause by giving Employee ten (10) days' advance written notice of Company's election to terminate. Employee shall not thereafter be entitled to any Base Salary, Bonus, Vacation pay or any other benefits, except for the following:

- 7.1.3.1 those benefits, if any, required to be extended by applicable law;
- 7.1.3.2 during the first 18 months of this Agreement, an amount equal to \$712,500;
- 7.1.3.3 during the balance of this Agreement, an amount equal to \$475,000;

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7.1.3.4 during the Term, in the event Employee is required to report to a CEO other than Nigel Travis on a permanent basis, Employee may terminate his employment with Company and, in such event, receive the amounts contemplated by Sections 7.1.3.1 thru 7.1.3.3, as appropriate; and

7.1.3.5 during the Term, reimbursement for reasonable one-way travel expenses for Employee and his direct family, as well as reasonable expenses incurred in the sale of the Employee's house and moving of the Employee's household goods from the United States to Canada.

7.2 **Termination By Employee**. Employee may, immediately and unilaterally, terminate his employment hereunder at any time by giving the Company ten (10) days' advance written notice of Employee's election to terminate. Upon termination by Employee, Employee shall not be entitled to any further Base Salary, Bonus, LTIP, severance salary or any other benefits, except for amounts accrued prior to the effective date of termination and except for those, if any, required to be extended by applicable law.

7.3 **Effect of Termination**. Upon termination of Employee's employment hereunder, the obligations and commitments of Employee set forth in Sections 3 and 6, and the provisions of Sections 4, 8 and 9, shall continue in effect and survive termination.

Section 8: Notice

Any notice or other communication under this Agreement shall be in writing and shall be deemed to have been given when delivered personally against receipt therefor; two days after being sent by Federal Express or similar overnight delivery; or three days after being mailed registered or certified mail, postage prepaid, to a Party hereto at the address set forth beneath such Party's signature below, or to such address as such Party shall give by notice hereunder to the other Party to this Agreement.

Section 9: Miscellaneous

9.1 **Governing Law**. This Agreement shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Kentucky and the laws of the United States. No conflicts of law or similar rule or law that might refer the governance and construction of this Agreement to the laws of another state, republic or country shall be considered.

9.2 **Dispute Resolution**. Pursuant to the Federal Arbitration Act, any claim or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement, or statutory or common law disputes arising out of the employment relationship and/or its termination, including, without limitation, all Title VII, FMLA, FLSA, ADEA, ADA and ERISA claims, must be brought as a claim in arbitration under the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect ("AAA Rules"). Any such arbitration proceeding must be heard in Louisville, Kentucky, and will be governed by the AAA Rules. The arbitrator shall be governed by the laws as would apply in any federal court within the Commonwealth of Kentucky. The decision of the arbitrator would be final and binding and all expenses of the arbitrator and arbitration would be borne equally by the Company and the Employee. Each of the Parties hereto consents to the application of AAA Rules and waives any objection as to venue or jurisdiction. Process in any action or proceeding referred to in the preceding sentence may be served on any Party anywhere in the world. Notwithstanding anything in the foregoing to the contrary, the Company and Employee agree that before instituting formal proceedings under the AAA Rules, the aggrieved party must submit the claim or dispute to non-binding

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mediation. The selection of the mediator would be the prerogative of the aggrieved party and the costs of such mediation would be shared equally by the Company and the Employee.

9.3 **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, such provision shall be deemed to be severable, and this Agreement shall otherwise continue in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9.4 **Assignments; Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, including any entity which acquires all or substantially all of the Company's assets to which the Company's rights and obligations hereunder are assigned. This Agreement shall be binding upon and inure to the benefit of the Employee and his personal representatives, but the obligations undertaken herein by Employee shall not and may not be transferred or assigned and any purported transfer or assignment thereof shall be null and void *ab initio*.

9.5 **Entire Agreement; Modifications.** This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter hereof, supersedes any prior agreements and understandings with respect thereto, and cannot be modified, amended or waived, in whole or in part, except in writing signed by the Party or Parties to be charged. Any such purported modification, amendment or waiver shall be null and void absent such writing.

9.6 **Waivers.** A discharge of the terms of this Agreement shall not be deemed valid unless by full performance by the Parties or unless corroborated by a writing signed by the Parties. A waiver by Company of any breach by Employee of any provision or condition provided for in this Agreement to be performed or observed by Employee shall not be deemed a waiver of any similar or dissimilar provisions or conditions at the same or any prior or subsequent time. The Parties covenant and agree that if a Party fails or neglects for any reason to take advantage of any of the terms, remedies or rights provided for in this Agreement or under applicable law, such failure or neglect shall not be deemed a waiver of any such terms, remedies or rights subsequently arising, or as a waiver of any of the terms, covenants or conditions of this Agreement or the requirement for performance or observance thereof. None of the terms, covenants and conditions of this Agreement may be waived by a Party except in a writing signed by such Party.

9.7 **Expense of Enforcement.** If, as a consequence of any dispute arising under or with regard to this Agreement or its performance, any Party shall be required to retain the services of legal counsel or to initiate any proceeding, it is understood that each Party shall be required to bear their own costs, including attorney fees, filing fees, or any other costs associated with the proceeding.

9.8 **Remedies and Enforcement.** If there should occur any breach or threatened breach by Employee of any of the covenants, restrictions or requirements set forth in Sections 3, 4 or 6 of this Agreement, Employee acknowledges and agrees that Company's remedies at law are or may be inadequate to redress the same and Company shall be entitled to seek an injunction, restraining order, specific performance or enforcement or other equitable relief in regard thereto, notwithstanding the provisions of Section 9.2 above.

9.9 **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE A JURY TRIAL IN ANY PROCEEDING OR LITIGATION WITH RESPECT TO THIS AGREEMENT.

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9.10 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be considered an original but all of which together shall constitute one and the same agreement.

9.11 This Agreement supplements and supercedes any earlier agreement entered into or agreed to either verbally or in writing concerning Employee's employment with the Company.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement at Louisville, Kentucky on the respective dates shown beneath their signatures below, but effective as of the Effective Date.

EMPLOYEE:

/s/ Robb S. Chase
ROBB S. CHASE
Date: August 25, 2006
Employee Notice Address:
130 Baby Point Road
Toronto, Ontario
M6S 2G3

COMPANY:

PAPA JOHN'S INTERNATIONAL, INC.

By: /s/ Nigel Travis
Name: NIGEL TRAVIS
Title: President & CEO
Date: August 25, 2006
Company Notice Address:
ATTN: General Counsel
2002 Papa Johns Boulevard
Louisville, Kentucky 40299-2334

Schedule A*[Attached to and to be made a part of the Employment Agreement]*Name of Employee: Robb S. ChasePosition/Title: President, International Division

Duties: Employee shall report to, and be subject to the supervision of, the CEO or the Board, and shall be responsible for directing and leading all aspects of company's international business, including strategic direction, profit and loss, operations, marketing, training, development, procurement and technical services in order to grow the business in units, royalty fees and profits. Without limiting the generality of the foregoing, Employee's responsibilities shall include those assigned to him from time to time by the Company's Chairman or Board, and, further, shall include the following:

- Provide day-to-day leadership and management to company and international team to aggressively grow restaurant units and royalties in an amount deemed appropriate by the CEO and the Board. Spearhead the development, communication and implementation of effective growth strategies.
- Collaborate with international management team to develop and implement effective infrastructure of systems, processes, and team members to appropriately support business growth.
- Ensure U.S.-based programs are appropriately adapted for international markets.
- Serve as senior-level point person to resolve strategic issues and problems with international franchisees, vendors, products, and customers, which hinder growth and profits.
- Serve as international expert for Papa John's and collaboratively work with all to drive the Papa John's brand, mission and business objectives.
- Recruit, hire, lead, manage, motivate and develop high performing management team; communicate expectations, address performance issues, if needed, and take appropriate corrective action up to and including separation.

Relocation Benefits: Employee shall also be entitled to a one-time reimbursement of relocation-related expenses in connection with relocation to the Louisville, Kentucky area in an amount not to exceed \$175,000, plus a gross-up for income taxes, so long as the relocation is substantially underway within twelve (12) months from the date that the visas referred to below are obtained. "Substantially underway" is defined, as a minimum, of having executed a contract for the purchase of a primary residence in the Louisville, Kentucky area. In the event Employee voluntarily terminates his employment with the Company during the first twelve (12) months of the Term, he will be required to reimburse the Company for two-thirds (2/3's) of the relocation-related sum paid to Employee by the Company under this provision. Employee will not be required to make any reimbursement of relocation-related expenses to the Company under any other circumstance.

Term of Agreement ("Term"): Commencing on the Effective Date until terminated in accordance with Section 7.

Base Salary: \$475,000.

Bonus: Employee shall be eligible to receive annual bonus payments in the targeted amount of fifty percent (50%) of his annual base salary, so long as certain performance criteria are met. Such criteria shall be determined by the CEO and approved by the Compensation Committee of the Board of Directors for each year of the Term. It is presently contemplated that seventy percent (70%) of Employee's potential bonus opportunity shall be based on meeting or exceeding criteria related to international performance, and thirty percent (30%) of Employee's potential bonus opportunity shall be based on company-wide performance.

Sign-On Bonus: 22,000 option shares vesting 1/3 upon his first anniversary, 1/3 upon his second anniversary, and 1/3 on his third anniversary. All options will have a five-year term and the proceeds of the exercise of all shares will be subject to a three-month hold.

Stock Ownership: Papa John's also has minimum stock ownership guidelines for its executives. As President, International Division, Employee will be required to own shares whose aggregate value equals or exceeds three times Employee's annual salary. This ownership requirement must be accomplished in annual steps of the value amount Employee is required to own under the annual ownership benchmarks required of him by the Company in 2006. Those benchmarks amount to 10%, 25%, 45%, 70% and 100% of the three times salary requirement. The determination as to whether Employee has met the benchmark amount shall be measured on January 1 of each year with full ownership attained by December 31, 2011. If annual benchmarks are not met, the Compensation Committee may, in its sole and exclusive discretion, undertake those steps it deems appropriate to correct Employee's ownership deficiency, including, without limitation, directing any bonus amounts Employee may earn toward the purchase or acquisition of equity in the Company. In the case of Employee, failure to meet the annual benchmarks shall not be deemed to be cause for termination.

Visas & Visa Costs: Company agrees to cover the costs (including legal expenses) associated with obtaining and retaining 0-1 work visas for Employee and his spouse, as appropriate, as well as visas for Employee's direct family members who will live with Employee in the Louisville, Kentucky area.

In the event that Employee's visa referred to above is not obtained prior to the Effective Date, the Company and Employee shall work together to implement a temporary workaround that will enable the Employee to perform his duties from Toronto, Canada, making such trips to Louisville, Kentucky as may be requested by the Company and permitted by law. The temporary workaround will remain in place unless and until: (a) the date upon which the visa is obtained; (b) the date upon which the workaround is terminated or modified by mutual written agreement of the parties; or (c) if the visa cannot be obtained within twelve months from the Effective Date, the date upon which this Agreement is terminated by the Company in accordance with Section 7.1.3 **provided**, however, that the amount due to the Employee pursuant to Section 7.1.3 shall be that amount specified in Section 7.1.3.3 irrespective of the timing of the Company's decision to terminate this Agreement.



For More Information Contact:
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502-261-4934

FOR IMMEDIATE RELEASE

**PAPA JOHN'S HIRES ROBB CHASE
AS PRESIDENT, INTERNATIONAL**

LOUISVILLE, Ky. (August 28, 2006) — Papa John's International, Inc. (NASDAQ: PZZA) today announced the hiring of Robb Chase as President, International. Reporting to Nigel Travis, Papa John's president and chief executive officer, Chase will be responsible for overseeing all aspects of the company's international operations, including the United Kingdom. A native of Canada, Chase will be based out of the company's headquarters in Louisville, Kentucky subject to his pending visa processing.

Chase has more than 25 years experience in the restaurant, foodservice, and entertainment industries, including several years in the Pizza Hut system. From 2003 to 2005, Chase served as president and chief executive officer of Famous Players, Inc., Canada's leading theatrical exhibition company and an operating division of Viacom, Inc. From 2000 to 2003, he served as Famous Players' president and chief operating officer.

Chase held various senior management positions with Tricon Restaurants International (formerly part of PepsiCo), including serving as senior vice president, international franchising from 1998 to 2000, and regional vice president, Canada/Latin America franchise and business development from 1997-1998. Chase's experience also includes serving as president, Pizza Hut Canada (1995-1997); vice president, marketing, Pizza Hut International (1993-1995); general manager, western region, KFC Canada (1992-1993); and director, business development, KFC Canada (1990-1992).

Prior to PepsiCo, Chase held several marketing positions with Phillip Morris, Inc., Cara Operations, Inc., and Johnson & Johnson.

"Robb's vast experience in the foodservice industry and his knowledge of international markets will be a tremendous asset to Papa John's as we ramp up the development of our international operations," said Travis. "I'm confident in Robb's ability to help us spread our 'Better Ingredients. Better Pizza.' message around the world."

Headquartered in Louisville, Kentucky, Papa John's is the world's third largest pizza company. Papa John's has been rated no. 1 in customer satisfaction among all QSR chains in the American Customer Satisfaction Index (ACSI) for seven years running (1999 - 2006). For more information about the company or to order pizza online, visit Papa John's at www.papajohns.com.
