UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2017

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

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 No.)
2002 Papa John's Boulevard Louisville, Kentucky (Address of principal executive offices)	**40299-2367** (Zip Code)

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

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

(Title of Each Class)	**(Name of each exchange on which registered)**
Common Stock, $0.01 par value	The NASDAQ Stock Market LLC

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the Registrant, computed by reference to the closing sale price on The NASDAQ Stock Market as of the last business day of the Registrant's most recently completed second fiscal quarter, June 25, 2017, was $1,979,090,627.

As of February 20, 2018, there were 33,538,310 shares of the Registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Part III of this annual report are incorporated by reference to the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held May 2, 2018.

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PART I

Item 1. Business

General

Papa John's International, Inc., a Delaware corporation (referred to as the "Company", "Papa John's" or in the first person notations of "we", "us" and "our") operates and franchises pizza delivery and carryout restaurants and, in certain international markets, dine-in and delivery restaurants under the trademark "Papa John's". Papa John's began operations in 1984. At December 31, 2017, there were 5,199 Papa John's restaurants in operation, consisting of 743 Company-owned and 4,456 franchised restaurants operating domestically in all 50 states and in 44 countries and territories. Our Company-owned restaurants include 246 restaurants operated under five joint venture arrangements and 35 units in Beijing and North China.

Papa John's has defined five reportable segments: domestic Company-owned restaurants, North America commissaries (Quality Control Centers), North America franchising, international operations, and "all other" business units. North America is defined as the United States and Canada. Domestic is defined as the contiguous United States. International franchisees are defined as all franchise operations outside of the United States and Canada. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Note 20" of "Notes to Consolidated Financial Statements" for financial information about our segments.

All of our periodic and current reports filed with the Securities and Exchange Commission (the "SEC") pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), are available, free of charge, through our website located at www.papajohns.com, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports. Those documents are available through our website as soon as reasonably practicable after we electronically file them with the SEC. We also make available free of charge on our website our Corporate Governance Guidelines, Board Committee Charters, and our Code of Ethics, which applies to Papa John's directors, officers and employees. Printed copies of such documents are also available free of charge upon written request to Investor Relations, Papa John's International, Inc., P.O. Box 99900, Louisville, KY 40269-0900. You may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. This information is also available at www.sec.gov. The references to these website addresses do not constitute incorporation by reference of the information contained on the websites, which should not be considered part of this document.

Strategy

Our goal is to build the strongest brand loyalty in the pizza industry by delivering on our "BETTER INGREDIENTS. BETTER PIZZA." promise. Recognized as a trusted brand and quality leader in the domestic pizza category, our objective is to build our brand on a global basis by executing the key elements of our strategy.

High-Quality Menu Offerings. Our menu strategy focuses on the quality of our ingredients. Domestic Papa John's restaurants offer high-quality pizza along with side items, including breadsticks, cheesesticks, chicken poppers and wings, dessert items and canned or bottled beverages. Papa John's original crust pizza is prepared using fresh dough (never frozen). In addition, during 2016 we introduced a fresh pan dough crust to the domestic system. Papa John's pizzas are made from a proprietary blend of wheat flour, real cheese made from mozzarella, fresh-packed pizza sauce made from vine-ripened tomatoes (not from concentrate) and a proprietary mix of savory spices, and a choice of high-quality meat and vegetable toppings. Our original and pan dough crust pizza is delivered with a container of our special garlic sauce and a pepperoncini pepper. In addition to our fresh dough pizzas, we offer a par-baked thin crust. Each is served with a pepperoncini pepper. We have a continuing "clean label" initiative to remove unwanted ingredients from our product offerings, such as synthetic colors, artificial flavors and preservatives, announcing in 2016 and 2017 that we had removed an additional fifteen unwanted ingredients across our entire food menu during the two years.

We also offer limited-time pizzas on a regular basis and expect to continue to test new product offerings both domestically and internationally. The new products can become a part of the permanent menu if they meet certain internally established guidelines.

All ingredients and toppings can be purchased by our Company-owned and franchised restaurants from our North American Quality Control Center ("QC Center") system, which delivers to individual restaurants twice weekly. To ensure consistent food quality, each domestic franchisee is required to purchase dough and pizza sauce from our QC Centers and to purchase all other supplies from our QC Centers or other approved suppliers. Internationally, the menu may be more diverse than in our domestic operations to meet local tastes and customs. Most QC Centers outside the U.S. are operated by franchisees pursuant to license agreements or by other third parties. The Company operates three international QC Centers in Mexico, the United Kingdom ("UK"), and China. We provide significant assistance to licensed QC Centers in sourcing approved quality suppliers. All of the QC Centers are required to meet food safety and quality standards and to be in compliance with all applicable laws.

Efficient Operating System. We believe our operating and distribution systems, restaurant layout and designated delivery areas result in lower restaurant operating costs and improved food quality, and promote superior customer service. Our QC Center system takes advantage of volume purchasing of food and supplies and provides consistency and efficiencies of scale in fresh dough production. This eliminates the need for each restaurant to order food from multiple vendors and commit substantial labor and other resources to dough preparation.

Commitment to Team Member Training and Development. We are committed to the development and motivation of our team members through training programs, including our leadership development program, incentive and recognition programs and opportunities for advancement. Team member training programs are conducted for Company-owned restaurant team members, and operational training is offered to our franchisees. We offer performance-based financial incentives to corporate team members and restaurant managers.

Marketing. Our domestic marketing strategy consists of both national and local components. Our national strategy includes national advertising via television, print, direct mail, digital, mobile marketing and social media channels. Our digital marketing activities have increased significantly over the past several years in response to increasing consumer use of online and mobile web technology. Local advertising programs include television, radio, print, direct mail, store-to-door flyers, digital, mobile marketing and local social media channels. See "Marketing Programs" below, which describes more local marketing programs.

In international markets, our marketing focuses on reaching customers who live or work within a small radius of a Papa John's restaurant. Our international markets use a combination of advertising strategies, including television, radio, print, digital, mobile marketing and local social media depending on the size of the local market.

Technology. We use technology to deliver a better customer experience, focusing on key strategies that offer benefits to the customer as well as advancing our objectives of higher customer lifetime value, deeper brand affinity and greater sustained advantage over traditional and emerging competitors.

Our latest technology initiatives, such as launching a restaurant ordering app on Apple TV in 2016, build on our past milestones, which include the introduction of digital ordering across all our U.S. delivery restaurants in 2001 and the launch of a domestic digital rewards program in 2010. In 2017, over 60% of domestic sales were placed through digital channels. During 2017, we also became the first national pizza brand to integrate with Facebook Instant Ordering, expanded mobile app promotions, launched Papa Track with delivery status, enhanced social sharing and special digital discounts, strengthened alternative payments with the addition of PayPal, and targeted new "Perks" incentives for PAPA REWARDS® loyalty members.

Strong Franchise System. We are committed to developing and maintaining a strong franchise system by attracting experienced operators, supporting them to expand and grow their business and monitoring their compliance with our high standards. We seek to attract franchisees with experience in restaurant or retail operations and with the financial resources and management capability to open single or multiple locations. While each Papa John's franchisee manages and operates

its own restaurants and business, we devote significant resources to providing franchisees with assistance in restaurant operations, training, marketing, site selection and restaurant design.

Our strategy for global franchise unit growth focuses on our sound unit economics model. We strive to eliminate barriers to expansion in existing international markets, and identify new market opportunities. Our growth strategy varies based on the maturity and penetration of the market and other factors in specific domestic and international markets, with overall unit growth expected to come increasingly from international markets.

Restaurant Sales and Investment Costs

We are committed to maintaining sound restaurant unit economics. In 2017, the 676 domestic Company-owned restaurants included in the full year's comparable restaurant base generated average annual unit sales of $1.19 million ($1.17 million on a 52-week basis). Our North American franchise restaurants, which included 2,403 restaurants in the full year's comparable base for 2017, generated average annual unit sales of $908,000 ($891,000 on a 52-week basis). Average annual unit sales for North American franchise restaurants are lower than those of Company-owned restaurants as a higher percentage of our Company-owned restaurants are located in more heavily penetrated markets.

With only a few exceptions, domestic restaurants do not offer dine-in, which reduces our restaurant capital investment. The average cash investment for the seven domestic traditional Company-owned restaurants opened during 2017, exclusive of land, was approximately $354,000 per unit, compared to the $339,000 investment for the 12 domestic traditional units opened in 2016, excluding tenant allowances that we received. Over the past few years, we have experienced an increase in the cost of our new restaurants primarily as a result of building larger units to accommodate increased sales, an increase in the cost of certain equipment as a result of technology enhancements, and increased costs to comply with applicable regulations.

We define a "traditional" domestic Papa John's restaurant as a delivery and carryout unit that services a defined trade area. We consider the location of a traditional restaurant to be important and therefore devote significant resources to the investigation and evaluation of potential sites. The site selection process includes a review of trade area demographics, target population density and competitive factors. A member of our development team inspects each potential domestic Company-owned restaurant location and substantially all franchised restaurant locations before a site is approved. Papa John's restaurants are typically located in strip shopping centers or freestanding buildings that provide visibility, curb appeal and accessibility. Our restaurant design can be configured to fit a wide variety of building shapes and sizes, which increases the number of suitable locations for our Company-owned and franchised restaurants. A typical traditional domestic Papa John's restaurant averages 1,100 to 1,500 square feet with visible exterior signage.

"Non-traditional" Papa John's restaurants generally do not provide delivery service but rather provide walk-up or carryout service to a captive customer group within a designated facility, such as a food court at an airport, university or military base or an event-driven service at facilities such as sports stadiums or entertainment venues. Non-traditional units are designed to fit the unique requirements of the venue and may not offer the full range of menu items available in our traditional restaurants.

All of our international restaurants are franchised, except for 35 Company-owned restaurants in Beijing and North China. Generally, our international Papa John's restaurants are slightly smaller than our domestic restaurants and average between 900 and 1,400 square feet; however, in order to meet certain local customer preferences, some international restaurants have been opened in larger spaces to accommodate both dine-in and restaurant-based delivery service, ranging from 35 to 140 seats.

Development

At December 31, 2017, there were 5,199 Papa John's restaurants operating in all 50 states and in 44 international countries and territories, as follows:

	Domestic Company-owned	Franchised North America	Total North America	International	System-wide
Beginning - December 25, 2016	702	2,739	3,441	1,656	5,097
Opened	9	110	119	257	376
Closed	(3)	(116)	(119)	(155)	(274)
Acquired	1	1	2	-	2
Sold	(1)	(1)	(2)	-	(2)
Ending - December 31, 2017	708	2,733	3,441	1,758	5,199

Although most of our domestic Company-owned markets are well-penetrated, our Company-owned growth strategy is to continue to open domestic restaurants in existing markets as appropriate, thereby increasing consumer awareness and enabling us to take advantage of operational and marketing efficiencies. Our experience in developing markets indicates that market penetration through the opening of multiple restaurants in a particular market results in increased average restaurant sales in that market over time. We have co-developed domestic markets with some franchisees or divided markets among franchisees and will continue to utilize market co-development in the future, where appropriate.

Of the total 3,441 North American restaurants open as of December 31, 2017, 708 units, or approximately 20%, were Company-owned (including 246 restaurants owned in joint venture arrangements with franchisees in which the Company has a majority ownership position and control). Operating Company-owned restaurants allows us to improve operations, training, marketing and quality standards for the benefit of the entire system. From time to time, we evaluate the purchase or sale of units or markets, which could change the percentage of Company-owned units. Subsequent to December 31, 2017, we entered into an Asset Purchase Agreement to refranchise 31 jointly owned stores in the Denver, Colorado market to an existing franchisee.

Of the 1,758 international restaurants open as of December 31, 2017, 35 units or 2.0% were Company-owned (all of which are located in Beijing and North China). We plan to sell the Company-owned China restaurants and the China QC Center in 2018. Accordingly, as of December 31, 2017, the Company's China operations, including these restaurants and the QC Center, are classified as held for sale in the accompanying consolidated financial statements.

QC Center System and Supply Chain Management

Our North American QC Center system currently comprises 11 full-service regional production and distribution centers in the U.S., including a full-service QC Center in Georgia, which opened during 2017, that supply pizza sauce, dough, food products, paper products, smallwares and cleaning supplies twice weekly to each traditional restaurant it serves. Additionally, we have one QC Center in Canada, which produces and distributes fresh dough. This system enables us to monitor and control product quality and consistency, while lowering food and other costs. We evaluate the QC Center system capacity in relation to existing restaurants' volumes and planned restaurant growth, and facilities are developed or upgraded as operational or economic conditions warrant.

We currently own full-service international QC Centers in Milton Keynes, United Kingdom; Mexico City, Mexico; and Beijing, China. Other international QC Centers are licensed to franchisees or non-franchisee third parties and are generally located in the markets where our franchisees have restaurants.

We set quality standards for all products used in Papa John's restaurants and designate approved outside suppliers of food and paper products that meet our quality standards. To ensure product quality and consistency, all domestic Papa John's restaurants are required to purchase pizza sauce and dough from QC Centers. Franchisees may purchase other goods directly from our QC Centers or other approved suppliers. National purchasing agreements with most of our suppliers generally result in volume discounts to us, allowing us to sell products to our restaurants at prices we believe are below

those generally available to restaurants in the marketplace. Within our North American QC Center system, products are primarily distributed to restaurants by leased refrigerated trucks operated by us.

Marketing Programs

Our local restaurant-level marketing programs target consumers within the delivery area of each restaurant through the use of local television, radio, print materials, targeted direct mail, store-to-door flyers, digital display advertising, email marketing, text messages and local social media. Local marketing efforts also include a variety of community-oriented activities within schools, sports venues and other organizations supported with some of the same advertising vehicles mentioned above.

Domestic Company-owned and franchised Papa John's restaurants within a defined market may be required to join an area advertising cooperative ("Co-op"). Each member restaurant contributes a percentage of sales to the Co-op for market-wide programs, such as television, radio, digital and print advertising, and sports sponsorships. The rate of contribution and uses of the monies collected are determined by a majority vote of the Co-op's members. The contribution rate for Co-ops generally may not be below 2% of sales without approval from Papa John's.

The restaurant-level and Co-op marketing efforts are supported by media, print, digital and electronic advertising materials that are produced by Papa John's Marketing Fund, Inc. ("PJMF"). PJMF is an unconsolidated nonstock corporation designed to operate at break-even for the purpose of designing and administering advertising and promotional programs for all participating domestic restaurants. PJMF produces and buys air time for Papa John's national television commercials, buys digital media such as banner advertising, paid search-engine advertising, mobile marketing, social media advertising and marketing, text messaging, and email. It also engages in other brand-building activities, such as consumer research and public relations activities. Domestic Company-owned and franchised Papa John's restaurants are required to contribute a certain minimum percentage of sales to PJMF. The contribution rate to PJMF can be set at up to 3% of sales, if approved by the governing board of PJMF, and beyond that level if approved by a supermajority of domestic restaurants. The domestic franchise system approved a new contribution rate of 4.25% effective in the fourth quarter of 2016. The rate will increase an additional 0.25% in annual increments until the rate reaches 5.0% of sales in 2019 and is currently 4.50%.

Our proprietary domestic digital ordering platform allows customers to order online, including "plan ahead ordering," Apple TV ordering and Spanish-language ordering capability. Digital payment platforms include VISA Checkout, PayPal, and Venmo PayShare. We provide enhanced mobile ordering for our customers, including Papa John's iPhone® and Android® applications. Our PAPA REWARDS® program is a customer loyalty program designed to increase loyalty and frequency; we offer this program domestically, in the UK, and in several international markets. We receive a percentage-based fee from North American franchisees for online sales, in addition to royalties, to defray development and operating costs associated with our digital ordering platform. We believe continued innovation and investment in the design and functionality of our online and mobile platforms is critical to the success of our brand.

Our domestic restaurants offer customers the opportunity to purchase reloadable gift cards, sold as either a plastic gift card purchased in our restaurants, or an online digital card. Gift cards are sold to consumers on our website, through third-party retailers, and in bulk to business entities and organizations. We continue to explore other gift card distribution opportunities. Gift cards may be redeemed for delivery, carryout, and digital orders and are accepted at all Papa John's traditional domestic restaurants.

We provide both Company-owned and franchised restaurants with pre-approved marketing materials and catalogs for the purchase of promotional items. We also provide direct marketing services to Company-owned and domestic franchised restaurants using customer information gathered by our proprietary point-of-sale technology (see "Company Operations —*North America Point-of-Sale Technology*"). In addition, we provide database tools, templates and training for operators to facilitate local email marketing and text messaging through our approved tools.

In international markets, our marketing focuses on customers who live or work within a small radius of a Papa John's restaurant. Certain markets can effectively use television and radio as part of their marketing strategies. The majority of the marketing efforts include using print materials such as flyers, newspaper inserts, in-store marketing materials, and to a growing extent, digital marketing such as display, search engine marketing, social media, mobile marketing, email, and

text messaging. Local marketing efforts, such as sponsoring or participating in community events, sporting events and school programs, are also used to build customer awareness.

Company Operations

Domestic Restaurant Personnel. A typical Papa John's Company-owned domestic restaurant employs a restaurant manager and approximately 20 to 25 hourly team members, many of whom work part-time. The manager is responsible for the day-to-day operation of the restaurant and maintaining Company-established operating standards. We seek to hire experienced restaurant managers and staff and provide comprehensive training programs in areas such as operations and managerial skills. We also employ directors of operations who are responsible for overseeing an average of seven Company-owned restaurants. Senior management and corporate staff also support the field teams in many areas, including, but not limited to, quality assurance, food safety, training, marketing and technology. We seek to motivate and retain personnel by providing opportunities for advancement and performance-based financial incentives.

Training and Education. The Global Operations Support and Training department is responsible for creating tools and materials for the operational training and development of both corporate and franchise team members. We believe training is very important to delivering consistent operational execution. Operations personnel complete our management training program and ongoing development programs, including multi-unit training, in which instruction is given on all aspects of our systems and operations.

North America Point-of-Sale Technology. Our proprietary point-of-sale technology, "FOCUS", is in place in all North America traditional Papa John's restaurants. We believe this technology facilitates fast and accurate order-taking and pricing, and allows the restaurant manager to better monitor and control food and labor costs, including food inventory management and order placement from QC Centers. The system allows us to obtain restaurant operating information, providing us with timely access to sales and customer information. The FOCUS system is also integrated with our digital ordering solutions in all North American traditional Papa John's restaurants.

Domestic Hours of Operation. Our domestic restaurants are open seven days a week, typically from 11:00 a.m. to 12:30 a.m. Monday through Thursday, 11:00 a.m. to 1:30 a.m. on Friday and Saturday and 12:00 noon to 11:30 p.m. on Sunday. Carryout hours are generally more limited for late night, for security purposes.

Franchise Program

General. We continue to attract qualified and experienced franchisees, whom we consider to be a vital part of our system's continued growth. We believe our relationship with our franchisees is good. As of December 31, 2017, there were 4,456 franchised Papa John's restaurants operating in all 50 states and 44 countries and territories. During 2017, our franchisees opened an additional 367 (110 North America and 257 internationally) restaurants, which includes the opening of Papa John's restaurants in two new countries. As of December 31, 2017, we have development agreements with our franchisees for approximately 200 additional North America restaurants, the majority of which are committed to open over the next two to three years, and agreements for approximately 990 additional international franchised restaurants, the majority of which are scheduled to open over the next six years. There can be no assurance that all of these restaurants will be opened or that the development schedules set forth in the development agreements will be achieved.

Approval. Franchisees are approved on the basis of the applicant's business background, restaurant operating experience and financial resources. We seek franchisees to enter into development agreements for single or multiple restaurants. We require each franchisee to complete our training program or to hire a full-time operator who completes the training and has either an equity interest or the right to acquire an equity interest in the franchise operation. For most non-traditional operations and for operations outside the United States, we will allow an approved operator bonus plan to substitute for the equity interest.

North America Development and Franchise Agreements. We enter into development agreements with our franchisees in North America for the opening of a specified number of restaurants within a defined period of time and specified geographic area. Our standard domestic development agreement includes a fee of $25,000 before consideration of any incentives. The franchise agreement is generally executed once a franchisee secures a location. Our current standard

franchise agreement requires the franchisee to pay a royalty fee of 5% of sales, and the majority of our existing franchised restaurants have a 5% royalty rate in effect.

Over the past several years, we have offered various development incentive programs for domestic franchisees to accelerate unit openings. Such incentives included the following for 2017 traditional openings: (1) waiver of the standard one-time $25,000 franchise fee if the unit opens on time in accordance with the agreed-upon development schedule, or a reduced fee of $5,000 if the unit opens late; (2) the waiver of some or all of the 5% royalty fee for a period of time; (3) a credit for a portion of the purchase of certain leased equipment; and (4) a credit to be applied toward a future food purchase, under certain circumstances. We believe development incentive programs have accelerated unit openings.

Substantially all existing franchise agreements have an initial 10-year term with a 10-year renewal option. We have the right to terminate a franchise agreement for a variety of reasons, including a franchisee's failure to make payments when due or failure to adhere to our operational policies and standards. Many state franchise laws limit our ability as a franchisor to terminate or refuse to renew a franchise.

We provide assistance to Papa John's franchisees in selecting sites, developing restaurants and evaluating the physical specifications for typical restaurants. We provide layout and design services and recommendations for subcontractors, signage installers and telephone systems to Papa John's franchisees. Our franchisees can purchase complete new store equipment packages through an approved third-party supplier. We sell replacement smallwares and related items to our franchisees. Each franchisee is responsible for selecting the location for its restaurants, but must obtain our approval of the restaurant design and location based on traffic accessibility and visibility of the site and targeted demographic factors, including population density, income, age and traffic.

Domestic Franchise Support Initiatives. From time to time, we offer discretionary support initiatives to our domestic franchisees, including:

- Performance-based incentives;
- Targeted royalty relief and local marketing support to assist certain identified franchisees or markets;
- Restaurant opening incentives; and
- Reduced-cost direct mail campaigns from Preferred Marketing Solutions ("Preferred," our wholly owned print and promotions subsidiary).

In 2018, we plan to offer some or all of these domestic franchise support initiatives, with a particular focus of providing assistance to franchisees in emerging and/or high cost markets.

International Development and Franchise Agreements. We opened our first franchised restaurant outside the United States in 1998. We define "international" as all markets outside the United States and Canada. In international markets, we have either a development agreement or a master franchise agreement with a franchisee for the opening of a specified number of restaurants within a defined period of time and specified geographic area. Under a master franchise agreement, the franchisee has the right to sub-franchise a portion of the development to one or more sub-franchisees approved by us. Under our current standard international development or master franchise agreement, the franchisee is required to pay total fees of $25,000 per restaurant: $5,000 at the time of signing the agreement and $20,000 when the restaurant opens or on the agreed-upon development date, whichever comes first. Additionally, under our current standard master franchise agreement, the master franchisee is required to pay $15,000 for each sub-franchised restaurant — $5,000 at the time of signing the agreement and $10,000 when the restaurant opens or on the agreed-upon development date, whichever comes first.

Our current standard international master franchise and development agreements provide for payment to us of a royalty fee of 5% of sales. For international markets with sub-franchise agreements, the effective sub-franchise royalty received by the Company is generally 3% of sales and the master franchisee generally receives a royalty of 2% of sales. The remaining terms applicable to the operation of individual restaurants are substantially equivalent to the terms of our domestic franchise agreement. From time to time, development agreements will be negotiated at other-than-standard terms for fees and royalties, and we may offer various development and royalty incentives to help drive net unit growth and results.

Non-traditional Restaurant Development. We had 256 non-traditional domestic restaurants at December 31, 2017. Non-traditional restaurants generally cover venues or areas not originally targeted for traditional unit development, and our franchised non-traditional restaurants have terms differing from the standard agreements.

Franchisee Loans. Selected domestic and international franchisees have borrowed funds from us, principally for the purchase of restaurants from us or other franchisees or for construction and development of new restaurants. Loans made to franchisees can bear interest at fixed or floating rates and in most cases are secured by the fixtures, equipment and signage of the restaurant and/or are guaranteed by the franchise owners. At December 31, 2017, net loans outstanding totaled $19.9 million. See “Note 11” of “Notes to Consolidated Financial Statements” for additional information.

Domestic Franchise Training and Support. Our domestic field support structure consists of franchise business directors, each of whom is responsible for serving an average of 165 franchised units. Our franchise business directors maintain open communication with the franchise community, relaying operating and marketing information and new initiatives between franchisees and us.

Every franchisee is required to have a principal operator approved by us who satisfactorily completes our required training program. Principal operators for traditional restaurants are required to devote their full business time and efforts to the operation of the franchisee’s traditional restaurants. Each franchised restaurant manager is also required to complete our Company-certified management operations training program. Ongoing compliance with training is monitored by the Global Operations Support and Training team. Multi-unit franchisees are encouraged to appoint training store general managers or hire a full-time training coordinator certified to deliver Company-approved operational training programs.

International Franchise Operations Support. We employ or contract with international business directors who are responsible for supporting one or more franchisees. The international business directors usually report to regional vice presidents. Senior management and corporate staff also support the international field teams in many areas, including, but not limited to, food safety, quality assurance, marketing, technology, operations training and financial analysis.

Franchise Operations. All franchisees are required to operate their Papa John’s restaurants in compliance with our policies, standards and specifications, including matters such as menu items, ingredients, and restaurant design. Franchisees have full discretion in human resource practices, and generally have full discretion to determine the prices to be charged to customers, but we have the authority to set maximum price points for nationally advertised promotions.

Franchise Advisory Council. We have a franchise advisory council that consists of Company and franchisee representatives of domestic restaurants. We also have a franchise advisory council in the United Kingdom and a newly formed Brand Advisory Council consisting of franchisees throughout the world. The various councils and subcommittees hold regular meetings to discuss new product and marketing ideas, operations, growth and other business issues. From time to time, certain domestic franchisees have also formed a separate franchise association for the purpose of communicating and addressing issues, needs and opportunities among its members.

We currently communicate with, and receive input from, our franchisees in several forms, including through the various councils, annual operations conferences, system communications, national conference calls, various regional meetings conducted with franchisees throughout the year and ongoing communications from franchise business directors and international business directors in the field. Monthly webcasts are also conducted by the Company to discuss current operational, marketing and other issues affecting the domestic franchisees’ business. We are committed to communicating with our franchisees and receiving input from them.

Industry and Competition

The United States Quick Service Restaurant pizza (“QSR Pizza”) industry is mature and highly competitive with respect to price, service, location, food quality and product innovation. There are well-established competitors with substantially greater financial and other resources than Papa John’s. The category is largely fragmented and competitors include international, national and regional chains, as well as a large number of local independent pizza operators, any of which can utilize a growing number of food delivery services. Some of our competitors have been in existence for substantially

longer periods than Papa John's and can have higher levels of restaurant penetration and stronger, more developed brand awareness in markets where we compete. According to industry sources, domestic QSR Pizza category sales, which includes dine-in, carry out and delivery, totaled approximately $36 billion in 2017, or an increase of 1% from the prior year. Competition from delivery aggregators and other food delivery concepts continues to increase.

With respect to the sale of franchises, we compete with many franchisors of restaurants and other business concepts. There is also active competition for management personnel, drivers and hourly team members, and attractive commercial real estate sites suitable for Papa John's restaurants.

Government Regulation

We, along with our franchisees, are subject to various federal, state, local and international laws affecting the operation of our respective businesses, including laws and regulations related to the preparation and sale of food, including food safety and menu labeling. Each Papa John's restaurant is subject to licensing and regulation by a number of governmental authorities, which include zoning, health, safety, sanitation, building and fire agencies in the state or municipality in which the restaurant is located. Difficulties in obtaining, or the failure to obtain, required licenses or approvals could delay or prevent the opening of a new restaurant in a particular area. Our QC Centers are licensed and subject to regulation by state and local health and fire codes, and the operation of our trucks is subject to federal and state transportation regulations. We are also subject to federal and state environmental regulations. In addition, our domestic operations are subject to various federal and state laws governing such matters as minimum wage requirements, benefits, working conditions, citizenship requirements, and overtime.

We are subject to Federal Trade Commission ("FTC") regulation and various state laws regulating the offer and sale of franchises. The laws of several states also regulate substantive aspects of the franchisor-franchisee relationship. The FTC requires us to furnish to prospective franchisees a franchise disclosure document containing prescribed information. State laws that regulate the franchisor-franchisee relationship presently exist in a significant number of states, and bills have been introduced in Congress from time to time that would provide for federal regulation of the U.S. franchisor-franchisee relationship in certain respects if such bills were enacted. State laws often limit, among other things, the duration and scope of non-competition provisions and the ability of a franchisor to terminate or refuse to renew a franchise. Some foreign countries also have disclosure requirements and other laws regulating franchising and the franchisor-franchisee relationship. National, state and local government regulations or initiatives, including health care legislation, "living wage," or other current or proposed regulations, and increases in minimum wage rates affect Papa John's as well as others within the restaurant industry. As we expand internationally, we are also subject to applicable laws in each jurisdiction.

We are increasingly subject to laws and regulations that require us to disclose calorie content and other specific content of our food, including fat, trans fat, and salt content. A provision of the Patient Protection and Affordable Care Act of 2010 (ACA) requires us and many restaurant companies to disclose calorie information on restaurant menus. The Food and Drug Administration issued final rules to implement this provision, which require restaurants to post the number of calories for most items on menus or menu boards and to make available certain other nutritional information. The implementation of these regulations was delayed until May 2018. A number of states, counties and cities in which we do business have also enacted menu labeling laws, but these local laws will be superseded by the federal laws once the federal laws go into effect. Government regulation of nutrition disclosure could result in increased costs of compliance and could also impact consumer habits in a way that adversely impacts sales at our restaurants. For further information regarding governmental regulation, see Item 1A. Risk Factors.

Trademarks, Copyrights and Domain Names

Our intellectual property rights are a significant part of our business. We have registered and continue to maintain federal registrations through the United States Patent and Trademark Office (the "USPTO") for the marks PAPA JOHN'S, PIZZA PAPA JOHN'S & Design (our logo), BETTER INGREDIENTS. BETTER PIZZA., PIZZA PAPA JOHN'S BETTER INGREDIENTS. BETTER PIZZA., PIZZA PAPA JOHN'S BETTER INGREDIENTS. BETTER PIZZA. & Design, and PAPA REWARDS. We also own federal registrations through the USPTO for several ancillary marks, principally advertising slogans. Moreover, we have registrations for and/or have applied for PIZZA PAPA JOHN'S & Design in more than 100 foreign countries and the European Community, in addition to international registrations for PAPA JOHN'S and

PIZZA PAPA JOHN'S BETTER INGREDIENTS. BETTER PIZZA. & Design in various foreign countries. From time to time, we are made aware of the use by other persons in certain geographical areas of names and marks that are the same as or substantially similar to our marks. It is our policy to pursue registration of our marks whenever possible and to vigorously oppose any infringement of our marks.

We hold copyrights in authored works used in our business, including advertisements, packaging, training, website, and promotional materials. In addition, we have registered and maintain Internet domain names, including "papajohns.com," and approximately 83 country code domains patterned as papajohns.cc, or a close variation thereof, with ".cc" representing a specific country code.

Employees

As of December 31, 2017, we employed approximately 22,400 persons, of whom approximately 19,400 were restaurant team members, approximately 900 were restaurant management personnel, approximately 900 were corporate personnel and approximately 1,200 were QC Center and Preferred personnel. Most restaurant team members work part-time and are paid on an hourly basis. None of our team members are covered by a collective bargaining agreement. We consider our team member relations to be good.

Item 1A. Risk Factors

We are subject to risks that could have a negative effect on our business, financial condition and results of operations. These risks could cause actual operating results to differ from those expressed in certain "forward looking statements" contained in this Form 10-K as well as in other Company communications. Before you invest in our securities, you should carefully consider the following risk factors together with all other information included in this Form 10-K and our other publicly filed documents.

Our profitability may suffer as a result of intense competition in our industry.

The QSR Pizza industry is mature and highly competitive. Competition is based on price, service, location, food quality, brand recognition and loyalty, product innovation, effectiveness of marketing and promotional activity, use of technology, and the ability to identify and satisfy consumer preferences. We may need to reduce the prices for some of our products to respond to competitive and customer pressures, which may adversely affect our profitability. When commodity and other costs increase, we may be limited in our ability to increase prices. With the significant level of competition and the pace of innovation, we may be required to increase investment spending in several areas, particularly marketing and technology, which can decrease profitability.

In addition to competition with our larger and more established competitors, we face competition from new competitors and concepts such as fast casual pizza concepts. We also face competitive pressures from food delivery concepts using new delivery technologies, some of which may have more effective marketing. The emergence or growth of new competitors, in the pizza category or in the food service industry generally, may make it difficult for us to maintain or increase our market share and could negatively impact our sales and our system-wide restaurant operations. We face increasing competition from delivery aggregators, delivering food from quick-service or dine-in restaurants, as well as other home delivery services and grocery stores that offer an increasing variety of prepped or prepared meals in response to consumer demand. As a result, our sales can be directly and negatively impacted by actions of our competitors, the emergence or growth of new competitors, consumer sentiment or other factors outside our control.

One of our competitive strengths is our "BETTER INGREDIENTS. BETTER PIZZA." brand promise. This means we may use ingredients that cost more than the ingredients some of our competitors may use. Because of our investment in higher-quality ingredients and our focus on a "clean label", we could have lower profit margins than some of our competitors if we are not able to establish or maintain premium pricing for our products.

Changes in consumer preferences or discretionary consumer spending could adversely impact our results.

Changes in consumer preferences and trends (for example, changes in consumer perceptions of certain ingredients that could cause consumers to avoid pizza or some of its ingredients in favor of foods that are or are perceived as more healthy, lower-calorie or otherwise based on their ingredients or nutritional content) or preferences for a dining experience such as fast casual pizza concepts, could adversely affect our restaurant business and reduce the effectiveness of our marketing and technology initiatives. Also, our success depends to a significant extent on numerous factors affecting consumer confidence and discretionary consumer income and spending, such as general economic conditions, customer sentiment and the level of employment. Any factors that could cause consumers to spend less on food or shift to lower-priced products could reduce sales or inhibit our ability to maintain or increase pricing, which could materially adversely affect our operating results.

Food safety and quality concerns may negatively impact our business and profitability.

Incidents or reports of food- or water-borne illness or other food safety issues, investigations or other actions by food safety regulators, food contamination or tampering, employee hygiene and cleanliness failures, improper franchisee or employee conduct, or presence of communicable disease at our restaurants (Company-owned and franchised), QC Centers, or suppliers could lead to product liability or other claims. If we were to experience any such incidents or reports, our brand and reputation could be negatively impacted. This could result in a significant decrease in customer traffic and could negatively impact our revenues and profits. Similar incidents or reports occurring at quick service restaurants unrelated to us could likewise create negative publicity, which could negatively impact consumer behavior towards us.

We rely on our domestic and international suppliers, as do our franchisees, to provide quality ingredients and to comply with applicable laws and industry standards. A failure of one of our domestic or international suppliers to meet our quality standards, or meet domestic or international food industry standards, could result in a disruption in our supply chain and negatively impact our brand and our results.

Failure to preserve the value and relevance of our brand could have a negative impact on our financial results.

Our results depend upon our ability to differentiate our brand and our reputation for quality. Damage to our brand or reputation could negatively impact our business and financial results. Our brand has been highly rated in U.S. surveys, and we strive to build the value of our brand as we develop international markets. The value of our brand and demand for our products could be damaged by any incidents that harm consumer perceptions of the Company.

To be successful in the future, we believe we must preserve, enhance and leverage the value of our brand. Consumer perceptions of our brand are affected by a variety of factors, such as the nutritional content and preparation of our food, the quality of the ingredients we use, our business practices and the manner in which we source the commodities we use. Consumer acceptance of our offerings is subject to change for a variety of reasons, and some changes can occur rapidly. Consumer perceptions may also be affected by third parties presenting or promoting adverse commentary or portrayals of our industry, our brand, our suppliers or our franchisees. If we are unsuccessful in managing incidents that erode consumer trust or confidence, particularly if such incidents receive considerable publicity or result in litigation, our brand value and financial results could be negatively impacted.

Our inability or failure to recognize, respond to and effectively manage the accelerated impact of social media could adversely impact our business.

In recent years, there has been a marked increase in the use of social media platforms, including blogs, chat platforms, social media websites, and other forms of Internet-based communications that allow individuals access to a broad audience of consumers and other persons. The rising popularity of social media and other consumer-oriented technologies has increased the speed and accessibility of information dissemination. The dissemination of information via social media could harm our business, brand, reputation, marketing partners, financial condition, and results of operations, regardless of the information’s accuracy.

In addition, we frequently use social media to communicate with consumers and the public in general. Failure to use social media effectively could lead to a decline in brand value and revenue. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our brand, exposure of personally identifiable information, fraud, hoaxes or malicious dissemination of false information.

We may not be able to effectively market our products or maintain key marketing partnerships.

The success of our business depends on the effectiveness of our marketing and promotional plans. We may not be able to effectively execute our national or local marketing plans, particularly if lower sales result in reduced levels of marketing funds. Our marketing strategy utilizes relationships with well-known sporting events, athletes, celebrity personalities and our brand spokesman to market our products. Our business could suffer if we are not able to maintain key marketing relationships and sponsorships, or if we are unable to do so at a reasonable cost, and could require additional investments in alternative marketing strategies. Actions taken by persons or marketing partners who endorse our products, could harm their reputations and could also cause harm to our brand. From time to time, in response to changes in the business environment and the audience share of marketing channels, we expect to reallocate marketing resources across social media and other channels. That reallocation may not be effective or as successful as the marketing and advertising allocations of our competitors, which could negatively impact the amount and timing of our revenues.

Our franchise business model presents a number of risks.

Our success increasingly relies on the financial success and cooperation of our franchisees, yet we have limited influence over their operations. Our franchisees manage their businesses independently, and therefore are responsible for the day-to-day operation of their restaurants. The revenues we realize from franchised restaurants are largely dependent on the ability of our franchisees to grow their sales. If our franchisees do not experience sales growth, our revenues and margins could be negatively affected as a result. Also, if sales trends worsen for franchisees, especially in emerging markets and/or high cost markets, their financial results may deteriorate, which could result in, among other things, restaurant closures, reduced number of restaurant openings or delayed or reduced payments to us.

Our success also increasingly depends on the willingness and ability of our franchisees to remain aligned with us on operating and promotional plans. Franchisees' ability to contribute to the achievement of our plans is dependent in large part on the availability to them of funding at reasonable interest rates and may be negatively impacted by the financial markets in general or by the creditworthiness of our franchisees. Our operating performance could also be negatively affected if our franchisees experience food safety or other operational problems or project an image inconsistent with our brand and values, particularly if our contractual and other rights and remedies are limited, costly to exercise or subjected to litigation. If franchisees do not successfully operate restaurants in a manner consistent with our required standards, the brand's image and reputation could be harmed, which in turn could hurt our business and operating results.

Changes in privacy laws could adversely affect our ability to market our products effectively.

We rely on a variety of direct marketing techniques, including email, text messages and postal mailings. Any future restrictions in federal, state or foreign laws regarding marketing and solicitation or international data protection laws that govern these activities could adversely affect the continuing effectiveness of email, text messages and postal mailing techniques and could force changes in our marketing strategies. If this occurs, we may need to develop alternative marketing strategies, which may not be as effective and could impact the amount and timing of our revenues.

We may not be able to execute our strategy or achieve our planned growth targets, which could negatively impact our business and our financial results.

Our growth strategy depends on our and our franchisees' ability to open new restaurants and to operate them on a profitable basis. We expect substantially all of our international unit growth and much of our domestic unit growth to be franchised units. Accordingly, our profitability increasingly depends upon royalty revenues from franchisees. If our franchisees are not able to operate their businesses successfully under our franchised business model, our results could suffer. Additionally, we may fail to attract new qualified franchisees or existing franchisees may close underperforming locations. Planned growth targets and the ability to operate new and existing restaurants profitably are affected by economic,

regulatory and competitive conditions and consumer buying habits. A decrease in sales, or increased commodity or operating costs, including, but not limited to, employee compensation and benefits or insurance costs, could slow the rate of new store openings or increase the number of store closings. Our business is susceptible to adverse changes in local, national and global economic conditions, which could make it difficult for us to meet our growth targets. Additionally, we or our franchisees may face challenges securing financing, finding suitable store locations at acceptable terms or securing required domestic or foreign government permits and approvals. If we do not meet our growth targets or the expectations of the market for net restaurant openings or our other strategic objectives, our stock price could decline.

Our franchisees remain dependent on the availability of financing to remodel or renovate existing locations, upgrade systems and enhance technology, or construct and open new restaurants. From time to time, the Company may provide financing to certain franchisees and prospective franchisees in order to mitigate store closings, allow new units to open, or complete required upgrades. If we are unable or unwilling to provide such financing, which is a function of, among other things, a franchisee's credit worthiness, the number of new restaurant openings may be slower or the rate of closures may be higher than expected and our results of operations may be adversely impacted. To the extent we provide financing to franchisees, our results could be negatively impacted by negative performance of these franchisee loans.

We may be adversely impacted by increases in the cost of food ingredients and other costs.

We are exposed to fluctuations in commodities. An increase in the cost or sustained high levels of the cost of cheese or other commodities could adversely affect the profitability of our system-wide restaurant operations, particularly if we are unable to increase the selling price of our products to offset increased costs. Cheese, representing our largest food cost, and other commodities can be subject to significant cost fluctuations due to weather, availability, global demand and other factors that are beyond our control. Additionally, increases in labor, mileage, insurance, fuel, and other costs could adversely affect the profitability of our restaurant and QC Center businesses. Most of the factors affecting costs in our system-wide restaurant operations are beyond our control, and we may not be able to adequately mitigate these costs or pass along these costs to our customers or franchisees, given the significant competitive pricing pressures.

Our dependence on a sole supplier or a limited number of suppliers for some ingredients could result in disruptions to our business.

Domestic restaurants purchase substantially all food and related products from our QC Centers. We are dependent on Leprino Foods Dairy Products Company ("Leprino") as our sole supplier for cheese, one of our key ingredients. Leprino, one of the major pizza category suppliers of cheese in the United States, currently supplies all of our cheese domestically and substantially all of our cheese internationally. We also depend on a sole source for our supply of certain desserts, which constitutes less than 10% of our domestic Company-owned restaurant sales. While we have no other sole sources of supply for key ingredients or menu items, we do source other key ingredients from a limited number of suppliers. Alternative sources of cheese, desserts, other key ingredients or menu items may not be available on a timely basis or may not be available on terms as favorable to us as under our current arrangements.

Our Company-owned and franchised restaurants could also be harmed by a prolonged disruption in the supply of products from or to our QC Centers due to weather, climate change, natural disasters, crop disease, food safety incidents, regulatory compliance, labor dispute or interruption of service by carriers. In particular, adverse weather or crop disease affecting the California tomato crop could disrupt the supply of pizza sauce to our and our franchisees' restaurants. Insolvency of key suppliers could also cause similar business interruptions and negatively impact our business.

Natural disasters, hostilities, social unrest and other catastrophic events may disrupt our operations or supply chain.

The occurrence of a natural disaster, hostilities, epidemic, cyber-attack, social unrest, terrorist activity or other catastrophic events may result in the closure of our restaurants (Company-owned or franchised), our corporate office, any of our QC Centers or the facilities of our suppliers, and can adversely affect consumer spending, consumer confidence levels and supply availability and costs, any of which could materially adversely affect our results of operations.

Changes in purchasing practices by our domestic franchisees could harm our commissary business.

Although our domestic franchisees currently purchase substantially all food products from our QC Centers, the only required QC Center purchases by franchisees are pizza sauce, dough and other items we may designate as proprietary or integral to our system. Any changes in purchasing practices by domestic franchisees, such as seeking alternative approved suppliers of ingredients or other food products, could adversely affect the financial results of our QC Centers and the Company

Our current insurance may not be adequate and we may experience claims in excess of our reserves.

Our insurance programs for workers' compensation, owned and non-owned vehicles, general liability, property and team member health insurance coverage are funded by the Company up to certain retention levels, generally ranging from $100,000 to $1 million. These insurance programs may not be adequate to protect us, and it may be difficult or impossible to obtain additional coverage or maintain current coverage at a reasonable cost. We also have experienced increasing claims volatility and higher related costs for workers' compensation, owned and non-owned vehicles and health claims. We estimate loss reserves based on historical trends, actuarial assumptions and other data available to us, but we may not be able to accurately estimate reserves. If we experience claims in excess of our projections, our business could be negatively impacted. Our franchisees could be similarly impacted by higher claims experience, hurting both their operating results and/or limiting their ability to maintain adequate insurance coverage at a reasonable cost.

Our international operations are subject to increased risks and other factors that may make it more difficult to achieve or maintain profitability or meet planned growth rates.

Our international operations could be negatively impacted by volatility and instability in international economic, political, security or health conditions in the countries in which the Company or our franchisees operate, especially in emerging markets. In addition, there are risks associated with differing business and social cultures and consumer preferences. We may face limited availability for restaurant locations, higher location costs and difficulties in franchisee selection and financing. We may be subject to difficulties in sourcing and importing high-quality ingredients (and ensuring food safety) in a cost-effective manner, hiring and retaining qualified team members, marketing effectively and adequately investing in information technology, especially in emerging markets.

Our international operations are also subject to additional risk factors, including import and export controls, compliance with anti-corruption and other foreign laws, difficulties enforcing intellectual property and contract rights in foreign jurisdictions, and the imposition of increased or new tariffs or trade barriers. We intend to continue to expand internationally, which would make the risks related to our international operations more significant over time.

Our international results, which are substantially franchised, depend heavily on the operating capabilities and financial strength of our franchisees. Any changes in the ability of our franchisees to run their stores profitably in accordance with our operating procedures, or to effectively sub franchise stores, could result in brand damage, a higher number of restaurant closures and a reduction in the number of new restaurant openings. Our international Company-owned store presence is currently limited to our stores in China, which are classified as held for sale, as we intend to divest those operations in 2018.

Sales made by our franchisees in international markets and certain loans we provide to such franchisees are denominated in their local currencies, and fluctuations in the U.S. dollar occur relative to the local currencies. Accordingly, changes in currency exchange rates will cause our revenues, investment income and operating results to fluctuate. We have not historically hedged our exposure to foreign currency fluctuations. Our international revenues and earnings may be adversely impacted as the U.S. dollar rises against foreign currencies because the local currency will translate into fewer U.S. dollars. Additionally, the value of certain assets or loans denominated in local currencies may deteriorate. Other items denominated in U.S. dollars including product imports or loans may also become more expensive, putting pressure on franchisees' cash flows.

With increased indebtedness, we may have reduced availability of cash flow for other purposes. Increases in interest rates would also increase our debt service costs and could materially impact our profitability as well as the profitability of our franchisees.

We currently have total indebtedness of $470 million outstanding under our existing credit facility, which accrues interest at variable interest rates. With this higher debt level and anticipated future borrowings, we may have reduced available cash flow to plan for or react to business changes, changes in the industry or any general adverse economic conditions.

Under our credit facility, we are exposed to variable interest rates. We have entered into interest rate swaps that fix a portion of our interest rates, but an increase in interest expense, whether because of an increase in market interest rates or an increase in borrowings, would increase the cost of servicing our debt and could materially reduce our profitability. By using a derivative instrument to hedge exposures to changes in interest rates, we also expose ourselves to credit risk. Credit risk is due to the possible failure of the counterparty to perform under the terms of the derivative contract.

Higher inflation, and a related increase in costs, including rising interest rates, could also impact our franchisees and their ability to open new restaurants or operate existing restaurants profitably.

Increasingly complex laws and regulations could adversely affect our business.

We operate in an increasingly complex regulatory environment, and the cost of regulatory compliance is increasing. Our failure, or the failure of any of our franchisees, to comply with applicable U.S. and international labor, health care, food, health and safety, consumer protection, anti-bribery and corruption, competition, environmental and other laws may result in civil and criminal liability, damages, fines and penalties. Enforcement of existing laws and regulations, changes in legal requirements, and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial condition or operating results. Increased regulatory scrutiny of food matters and product marketing claims, and increased litigation and enforcement actions may increase compliance and legal costs and create other obligations that could adversely affect our business, financial condition or operating results. Governments may also impose requirements and restrictions that impact our business. For example, some local government agencies have implemented ordinances that restrict the sale of certain food or drink products.

Compliance with new or additional domestic and international government laws or regulations, including the European Union General Data Protection Regulation (“GDPR”), which will take effect in May 2018, could increase costs for compliance. These laws and regulations are increasing in complexity and number, change frequently and increasingly conflict among the various countries in which we operate, which has resulted in greater compliance risk and costs. If we fail to comply with these laws or regulations, we could be subject to reputational damage and significant litigation, monetary damages, regulatory enforcement actions or fines in various jurisdictions. For example, a failure to comply with the GDPR could result in fines up to the greater of €20 million or 4% of annual global revenues.

Higher labor costs and increased competition for qualified team members increases the cost of doing business and ensuring adequate staffing in our restaurants. Additionally, changes in employment and labor laws, including health care legislation and minimum wage increases, could increase costs for our system-wide operations.

Our success depends in part on our and our franchisees’ ability to recruit, motivate and retain a qualified workforce to work in our restaurants in an intensely competitive environment. Increased costs associated with recruiting, motivating and retaining qualified employees to work in Company-owned and franchised restaurants have had a negative impact on our Company-owned restaurant margins and the margins of franchised restaurants. Competition for qualified drivers also continues to increase as more companies enter the delivery space, including third party aggregators. Additionally, economic action, such as boycotts, protests, work stoppages or campaigns by labor organizations, could adversely affect us (including our ability to recruit and retain talent) or our franchisees and suppliers whose performance may have a material impact on our results. Social media may be used to foster negative perceptions of employment in our industry and promote strikes or boycotts.

We are also subject to federal, state and foreign laws governing such matters as minimum wage requirements, overtime compensation, benefits, working conditions, citizenship requirements and discrimination and family and medical leave. Labor costs and labor-related benefits are primary components in the cost of operation of our restaurants and QC Centers. Labor shortages, increased employee turnover and health care mandates could increase our system-wide labor costs.

A significant number of hourly personnel are paid at rates close to the federal and state minimum wage requirements. Accordingly, the enactment of additional state or local minimum wage increases above federal wage rates or regulations related to exempt employees has increased and could continue to increase labor costs for our domestic system-wide operations.

The Affordable Care Act, enacted in 2010, requires employers such as us to provide health insurance for all qualifying employees in the United States or pay penalties for not providing coverage. We, like other industry competitors, are complying with the law and are providing more extensive health benefits to employees than we had previously provided, and are subsidizing a larger portion of their insurance premiums. These additional costs, or costs related to future healthcare regulation, could negatively impact our operational results. In addition, our franchisees subject to the ACA or future healthcare legislation could face additional cost pressures from compliance with the legislation, which could reduce their future expansion of units.

Failure to retain the services of our Founder, John Schnatter, as Chairman and brand spokesman, or to successfully execute succession planning and attract talented team members, could harm our Company and brand.

John H. Schnatter, is our Founder and Chairman. We do not maintain key man life insurance on Mr. Schnatter, although we depend on the continued availability of his image and his services as spokesman in our advertising and promotion materials. While we have entered into a license agreement with Mr. Schnatter related to the use of certain intellectual property related to his name, likeness and image, our business and brand may be harmed if Mr. Schnatter's services were not available to the Company or the reputation of Mr. Schnatter were negatively impacted, including by social media or otherwise. The Company recently appointed Steve Richie to serve as Chief Executive Officer, succeeding Mr. Schnatter in that role. If we are not able to effectively execute this Chief Executive Officer succession and future succession planning, or manage any related organizational change, it could harm our Company and brand. Failure to effectively identify, develop and retain other key personnel, recruit high-quality candidates and ensure smooth management and personnel transitions could also disrupt our business and adversely affect our results.

The concentration of stock ownership with Mr. Schnatter may influence the outcome of certain matters requiring stockholder approval.

The concentration of stock ownership by our Founder and Chairman allows him to substantially influence the outcome of certain matters requiring stockholder approval. As of December 31, 2017, Mr. Schnatter beneficially owned approximately 29% of our outstanding common stock. As a result, he may be able to substantially influence the strategic direction of the Company and the outcome of matters requiring approval by our stockholders.

We rely on information technology to operate our businesses and maintain our competitiveness, and any failure to invest in or adapt to technological developments or industry trends could harm our business.

We rely heavily on information systems, including digital ordering solutions, through which over half of our domestic sales originate. We also rely heavily on point-of-sale processing in our Company-owned and franchised restaurants for data collection and payment systems for the collection of cash, credit and debit card transactions, and other processes and procedures. Our ability to efficiently and effectively manage our business depends on the reliability and capacity of these technology systems. In addition, we anticipate that consumers will continue to have more options to place orders digitally, both domestically and internationally. Our failure to adequately invest in new technology, adapt to technological developments and industry trends, particularly our digital ordering capabilities, could result in a loss of customers and related market share. Notwithstanding adequate investment in new technology, our marketing and technology initiatives may not be successful in improving our comparable sales results. Additionally, we are in an environment where the technology life cycle is short and consumer technology demands are high, which requires continued reinvestment in technology which will increase the cost of doing business and will increase the risk that our technology may not be customer centric or could become obsolete, inefficient or otherwise incompatible with other systems.

We rely on our international franchisees to maintain their own point-of-sale and online ordering systems, which are often purchased from third-party vendors, potentially exposing international franchisees to more operational risk, including cyber and data privacy risks and governmental regulation compliance risks.

Disruptions of our critical business or information technology systems could harm our ability to compete and conduct our business.

Our critical business and information technology systems could be damaged or interrupted by power loss, various technological failures, user errors, cyber-attacks sabotage or acts of God. In particular, the Company and our franchisees may experience occasional interruptions of our digital ordering solutions, which make online ordering unavailable or slow to respond, negatively impacting sales and the experience of our customers. If our digital ordering solutions do not perform with adequate speed and security, our customers may be less inclined to return to our digital ordering solutions.

Part of our technology infrastructure, such as our domestic FOCUS point-of-sale system, is specifically designed for us and our operational systems, which could cause unexpected costs, delays or inefficiencies when infrastructure upgrades are needed or prolonged and widespread technological difficulties occur. Significant portions of our technology infrastructure, particularly in our digital ordering solutions, are provided by third parties, and the performance of these systems is largely beyond our control. Failure of our third-party systems and backup systems to adequately perform, particularly as our online sales grow, could harm our business and the satisfaction of our customers. Such third-party systems could be disrupted either through system failure or if third party vendor patents and contractual agreements do not afford us protection against similar technology. In addition, we may not have or be able to obtain adequate protection or insurance to mitigate the risks of these events or compensate for losses related to these events, which could damage our business and reputation and be expensive and difficult to remedy or repair.

Failure to maintain the integrity of internal or customer data could result in damage to our reputation, loss of sales, and/or subject us to litigation, penalties or significant costs.

We are subject to a number of privacy and data protection laws and regulations. Our business requires the collection and retention of large volumes of internal and customer data, including credit card data and other personally identifiable information of our employees and customers housed in the various information systems we use. Constantly changing information security threats, particularly persistent cyber security threats, pose risks to the security of our systems and networks, and the confidentiality, availability and integrity of our data and the availability and integrity of our critical business functions. As techniques used in cyber-attacks evolve, we may not be able to timely detect threats or anticipate and implement adequate security measures. The integrity and protection of the customer, employee, franchisee and Company data are critical to us. Our information technology systems and databases, and those provided by our third-party vendors, including international vendors, have been and will continue to be subject to computer viruses, malware attacks, unauthorized user attempts, phishing and denial of service and other malicious cyber-attacks. The failure to prevent fraud or security breaches or to adequately invest in data security could harm our business and revenues due to the reputational damage to our brand. Such a breach could also result in litigation, regulatory actions, penalties, and other significant costs to us and have a material adverse effect on our financial results. These costs could be significant and well in excess of our cyber insurance coverage.

We have been and will continue to be subject to various types of investigations and litigation, including collective and class action litigation, which could subject us to significant damages or other remedies.

We are subject to the risk of investigations and litigation from various parties, including vendors, customers, franchisees, state and federal agencies, stockholders and employees. From time to time, we are involved in a number of lawsuits, claims, investigations, and proceedings consisting of intellectual property, employment, consumer, personal injury, commercial and other matters arising in the ordinary course of business.
We have been subject to claims in cases containing collective and class action allegations. Plaintiffs in these types of lawsuits often seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss and defense costs relating to such lawsuits may not be accurately estimated. Litigation trends involving the relationship between franchisors and franchisees, personal injury claims, employment law and intellectual property may increase our cost of doing business. We evaluate all of the claims and proceedings involving us to assess the expected outcome, and where possible, we estimate the amount of potential losses to us. In many cases, particularly collective and class action cases, we may not be able to estimate the amount of potential losses and/or our estimates may prove to be insufficient. These assessments are made by management based on the information available at the time made and require the use of a

significant amount of judgment, and actual outcomes or losses may materially differ. Regardless of whether any claims against us are valid, or whether we are ultimately held liable, such litigation may be expensive to defend and may divert resources away from our operations and negatively impact earnings. Further, we may not be able to obtain adequate insurance to protect us from these types of litigation matters or extraordinary business losses.

We may be subject to harassment or discrimination claims and legal proceedings. Although our Code of Ethics and Business Conduct policies prohibit harassment and discrimination in the workplace, in sexual or in any other form, we have ongoing programs for workplace training and compliance, and we investigate and take disciplinary action with respect to alleged violations, actions by our team members could violate those policies. Franchisees and suppliers are also required to comply with all applicable laws and govern themselves with integrity. Any violations (or perceptions thereof) by our franchisees or suppliers could have a negative impact on consumer perceptions of us and our business and create reputational or other harm to the company.

We may not be able to adequately protect our intellectual property rights, which could negatively affect our results of operations.

We depend on the Papa John's brand name and rely on a combination of trademarks, service marks, copyrights, and similar intellectual property rights to protect and promote our brand. We believe the success of our business depends on our continued ability to exclusively use our existing marks to increase brand awareness and further develop our brand, both domestically and abroad. We may not be able to adequately protect our intellectual property rights, and we may be required to pursue litigation to prevent consumer confusion and preserve our brand's high-quality reputation. Litigation could result in high costs and diversion of resources, which could negatively affect our results of operations, regardless of the outcome.

We may be subject to impairment charges.

Impairment charges are possible due to the nature and timing of decisions we make about underperforming assets or markets, or if previously opened or acquired restaurants perform below our expectations. This could result in a decrease in our reported asset value and reduction in our net income.

The United Kingdom's departure from the European Union could have a negative impact on our business and financial results.

The outcome of the June 2016 referendum in the United Kingdom was a vote for the United Kingdom to cease to be a member of the European Union (known as "Brexit"). This has resulted in a lower historical valuation of the British Pound in comparison to the U.S. Dollar and resulted in significant currency exchange rate fluctuations. While the future impact and other implications of Brexit on our operations in the European Union remain unclear, it has the potential to increase currency volatility, disrupt trade with changes in tariffs and regulations, impede the free movement of goods needed in our operations, and otherwise create global economic uncertainty and negatively impact consumer sentiment.

As of December 31, 2017, 29.6% of our total international restaurants are located in countries within the European Union.

We operate globally and changes in tax laws could adversely affect our results.

We operate globally and changes in tax laws could adversely affect our results. We have international operations and generate substantial revenues and profits in foreign jurisdictions. The domestic and international tax environments continue to evolve as a result of tax changes in various jurisdictions in which we operate. On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into law. The Tax Act changes existing United States tax law and includes numerous provisions that will affect businesses, including reducing the corporate tax rate to 21 percent from 35 percent effective January 1, 2018. The Tax Act also introduces changes that will impact business-related exclusions, and deductions and credits. As a result of the Tax Act, 2017 deferred tax assets and liabilities were remeasured. This remeasurement yielded a one-time benefit of approximately $7 million in the fourth quarter of 2017. We are continuing to evaluate the impact of the Tax Act on our business and results of operations. Many of the income tax effects of the Tax Act that we have accounted for in 2017 are based on reasonable estimates and are provisional. See "Note 15" of "Notes to Consolidated Financial Statements" for additional information. The U.S. Treasury is expected to issue rules, regulations and guidance

in connection with the Tax Act, which may alter interpretations of its provisions and change our preliminary analysis and conclusions. Any Treasury rules, regulations and guidance may materially impact the Company's operating results, including our effective tax rate, related provision for income taxes or amount of deferred tax assets and liabilities, and related valuation allowances. We cannot currently predict the overall impact of the Tax Act on our business and results of operations. There could be unforeseen adverse tax consequences that arise as a result of the Tax Act. In addition, further changes in the tax laws of foreign jurisdictions could arise. These contemplated changes could increase tax uncertainty and may adversely affect our provision for income taxes.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2017, there were 5,199 Papa John’s restaurants system-wide. The following tables provide the locations of our restaurants. We define “North America” as the United States and Canada and “domestic” as the contiguous United States.

North America Restaurants:

	Company	Franchised	Total
Alabama	3	81	84
Alaska	—	11	11
Arizona	—	79	79
Arkansas	—	25	25
California	—	205	205
Colorado	31	23	54
Connecticut	—	8	8
Delaware	—	17	17
District of Columbia	—	10	10
Florida	64	230	294
Georgia	100	67	167
Hawaii	—	14	14
Idaho	—	14	14
Illinois	8	94	102
Indiana	42	91	133
Iowa	—	23	23
Kansas	16	18	34
Kentucky	46	67	113
Louisiana	—	60	60
Maine	—	5	5
Maryland	60	42	102
Massachusetts	—	21	21
Michigan	—	53	53
Minnesota	32	16	48
Mississippi	—	30	30
Missouri	43	33	76
Montana	—	9	9
Nebraska	—	15	15
Nevada	—	21	21
New Hampshire	—	3	3
New Jersey	—	63	63
New Mexico	—	18	18
New York	—	91	91
North Carolina	102	85	187
North Dakota	—	8	8
Ohio	—	165	165
Oklahoma	—	38	38
Oregon	—	16	16
Pennsylvania	—	94	94
Rhode Island	—	4	4
South Carolina	9	66	75
South Dakota	—	13	13
Tennessee	32	80	112
Texas	94	208	302
Utah	—	35	35
Vermont	—	1	1
Virginia	26	122	148
Washington	—	51	51
West Virginia	—	22	22
Wisconsin	—	31	31
Wyoming	—	10	10
Total U.S. Papa John’s Restaurants	708	2,606	3,314
Canada	—	127	127
Total North America Papa John’s Restaurants	708	2,733	3,441

International Restaurants:

	Company	Franchised	Total
Azerbaijan	—	4	4
Bahrain	—	22	22
Belarus	—	10	10
Bolivia	—	4	4
Cayman Islands	—	2	2
Chile	—	68	68
China	35	164	199
Colombia	—	43	43
Costa Rica	—	23	23
Cyprus	—	8	8
Dominican Republic	—	17	17
Ecuador	—	17	17
Egypt	—	45	45
El Salvador	—	23	23
France	—	3	3
Guam	—	3	3
Guatemala	—	12	12
Iraq	—	1	1
Ireland	—	72	72
Israel	—	2	2
Jordan	—	9	9
Korea	—	130	130
Kuwait	—	37	37
Mexico	—	107	107
Morocco	—	3	3
Netherlands	—	11	11
Nicaragua	—	4	4
Oman	—	10	10
Panama	—	13	13
Peru	—	38	38
Philippines	—	18	18
Poland	—	1	1
Puerto Rico	—	27	27
Qatar	—	21	21
Russia	—	134	134
Saudi Arabia	—	50	50
Spain	—	41	41
Trinidad	—	7	7
Tunisia	—	4	4
Turkey	—	47	47
United Arab Emirates	—	45	45
United Kingdom	—	384	384
Venezuela	—	39	39
Total International Papa John’s Restaurants	35	1,723	1,758

Note: Company-owned Papa John’s restaurants include restaurants owned by majority-owned subsidiaries. There were 246 such restaurants at December 31, 2017 (31 in Colorado, 60 in Maryland, 32 in Minnesota, 94 in Texas, 26 in Virginia, and 3 in Georgia).

Most Papa John’s Company-owned restaurants are located in leased space. The initial term of most domestic restaurant leases is generally five years with most leases providing for one or more options to renew for at least one additional term. Generally, the leases are triple net leases, which require us to pay all or a portion of the cost of insurance, taxes and utilities.

In connection with the 2016 sale of our Phoenix market, we also remain contingently liable for payment under 42 lease arrangements.

Nine of our 12 North America QC Centers are located in leased space. Our remaining three locations are in buildings we own. Additionally, our corporate headquarters and our printing operations located in Louisville, KY are in buildings owned by us.

Our international leases include our Company-owned restaurant sites in Beijing and North China. At December 31, 2017, we also leased and subleased to franchisees in the United Kingdom 316 of the 384 franchised Papa John's restaurant sites. The initial lease terms on the franchised sites in the United Kingdom are generally 10 to 15 years. The initial lease terms of the franchisee subleases are generally five to ten years. We own a full-service QC Center in the United Kingdom and lease our QC Centers and office space in Beijing, China, and Mexico City, Mexico.

Item 3. Legal Proceedings

The Company is involved in a number of lawsuits, claims, investigations and proceedings, consisting of intellectual property, employment, consumer, commercial and other matters arising in the ordinary course of business. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 450, "Contingencies," the Company has made accruals with respect to these matters, where appropriate, which are reflected in the Company's consolidated financial statements. We review these provisions at least quarterly and adjust these provisions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. See "Note 17" of "Notes to Consolidated Financial Statements" for additional information.

Item 4. Mine Safety Disclosures

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the current executive officers of Papa John's:

Name	Age (a)	Position	First Elected Executive Officer
Steve M. Ritchie	43	President and Chief Executive Officer	2012
Lance F. Tucker	48	Senior Vice President, Chief Financial Officer and Chief Administrative Officer	2011
Michael R. Nettles	51	Senior Vice President and Chief Information and Digital Officer	2018
Timothy C. O'Hern	54	Senior Vice President and Chief Development Officer	2005
Brandon P. Rhoten	38	Senior Vice President and Chief Marketing Officer	2018
Caroline Miller Oyler	52	Senior Vice President and General Counsel	2018
Steven R. Coke	39	Vice President of Investor Relations and Strategy	2018

(a) Ages are as of January 1, 2018.

Steve M. Ritchie was appointed President and Chief Executive Officer effective January 1, 2018. He served as President and Chief Operating Officer from July 2015 to December 31, 2017, after serving as Senior Vice President and Chief Operating Officer since May 2014. Mr. Ritchie has served as a Senior Vice President since May 2013 and in various capacities of increasing responsibility over Global Operations & Global Operations Support and Training since July 2010. Since 2006, he also has served as a franchise owner and operator of multiple units in the Company's Midwest Division.

Lance F. Tucker was appointed Chief Administrative Officer in July 2012 and Chief Financial Officer in February 2011. Mr. Tucker previously held the positions of Treasurer from February 2011 to October 2017, Chief of Staff and Senior Vice President, Strategic Planning from June 2010 to February 2011, after serving as Chief of Staff and Vice President, Strategic Planning since June 2009. Mr. Tucker was previously employed by the Company from 1994 to 1999 working in its finance department. From 2003 to 2009, Mr. Tucker served as Chief Financial Officer of Evergreen Real Estate, a company owned by John Schnatter. Mr. Tucker is a licensed Certified Public Accountant. It was announced on January 16, 2018 that Mr. Tucker is departing the Company effective March 2, 2018.

Michael R. Nettles was appointed Senior Vice President, Chief Information and Digital officer in February 2017. Mr. Nettles joined Papa John's after four years with Panera Bread serving as Vice President, Architecture and Information Technology Strategy. Prior to Panera, Mr. Nettles served as Vice President of Tag Solutions for Goji Food Solutions from April 2011 until July of 2012 and concurrently as Founder and President of Red Chair Ventures, a foodservice technology solutions provider from January 2009 until July of 2012.

Timothy C. O'Hern was appointed Senior Vice President and Chief Development Officer in July 2012. He previously served as Senior Vice President, Development since June 2009, a position he previously held from 2005 until 2007. From 2002 until 2005 and from 2007 until 2009, he managed the operations of a Papa John's franchisee in which he has an ownership interest. Prior to his departure from Papa John's in 2002, Mr. O'Hern held various positions, including Vice President of Global Development from February 2001 to 2002, Vice President of U.S. Development from March 1997 to

February 2001, Director of Franchise Development from December 1996 to March 1997 and Construction Manager from November 1995 to December 1996. He has been a franchisee since 1993.

Brandon P. Rhoten was appointed Senior Vice President and Chief Marketing Officer in August 2017. Mr. Rhoten joined Papa John's after six years with The Wendy's Company, serving as Vice President, Marketing, Head of Advertising, Social Media, Media and Digital Marketing from 2015 through 2017; from 2013 through 2015, serving as Vice President, Head of Digital, Digital Marketing and Social Media; and from 2011 through 2013 serving as Director, Head of Digital Marketing and Social Media.

Caroline Miller Oyler was appointed Senior Vice President, General Counsel in May 2014, having served as Senior Vice President, Legal Affairs since November 2012 and previously as Vice President and Senior Counsel since joining the Company's legal department in 1999. She also served as interim head of Human Resources from December 2008 to September 2009. Prior to joining Papa John's, Ms. Oyler practiced law with the firm Wyatt, Tarrant and Combs LLP.

On February 9, 2018, Steven R. Coke, 39, the Company's Vice President of Investor Relations and Strategy, was appointed to the positions of principal financial and accounting officer of the Company on an interim basis, effective March 2, 2018, the previously announced date of departure of Lance Tucker, the Company's Chief Financial Officer and Chief Administrative Officer. Mr. Coke has served as Vice President, Strategic Planning since January 2015, after serving as Senior Director, Strategy since April 2012 and Senior Director, Restaurant Finance since June 2011. He has served in various director and manager level positions with increasing responsibility in Finance since joining the company in May 1998. Mr. Coke is a licensed Certified Public Accountant.

There are no family relationships between any of the directors or executive officers of the Company.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock trades on The NASDAQ Global Select Market tier of The NASDAQ Stock Market under the symbol PZZA. As of February 20, 2018, there were 746 record holders of common stock. However, there are significantly more beneficial owners of our common stock than there are record holders. The following table sets forth, for the quarters indicated, the high and low sales prices of our common stock, as reported by The NASDAQ Stock Market, and dividends declared per common share:

2017	High	Low	Dividend Declared Per Share
First Quarter	$ 88.11	$ 73.77	$ 0.200
Second Quarter	85.20	73.63	0.200
Third Quarter	81.09	70.73	0.225
Fourth Quarter	75.07	55.05	0.225

2016	High	Low	Dividend Declared Per Share
First Quarter	$ 61.22	$ 44.47	$ 0.175
Second Quarter	67.99	53.23	0.175
Third Quarter	82.55	65.51	0.200
Fourth Quarter	90.49	73.60	0.200

Our Board of Directors declared a quarterly dividend of $0.225 per share on January 31, 2018, that was payable on February 23, 2018, to shareholders of record at the close of business on February 12, 2018.

We anticipate continuing the payment of quarterly cash dividends. The actual amount of such dividends is subject to declaration by our Board of Directors and will depend upon future earnings, results of operations, capital requirements, our financial condition and other relevant factors. There can be no assurance that the Company will continue to pay quarterly cash dividends.

Our Board of Directors has authorized the repurchase of up to $2.075 billion of common stock under a share repurchase program that began December 9, 1999, and expires February 27, 2019. In fiscal 2017, a total of 3.0 million shares with an aggregate cost of $209.6 million and an average price of $70.80 per share were repurchased under this program. Subsequent to year-end, we acquired an additional 546,000 shares at an aggregate cost of $32.7 million. Approximately $395.0 million remained available under the Company's share repurchase program as of February 20, 2018.

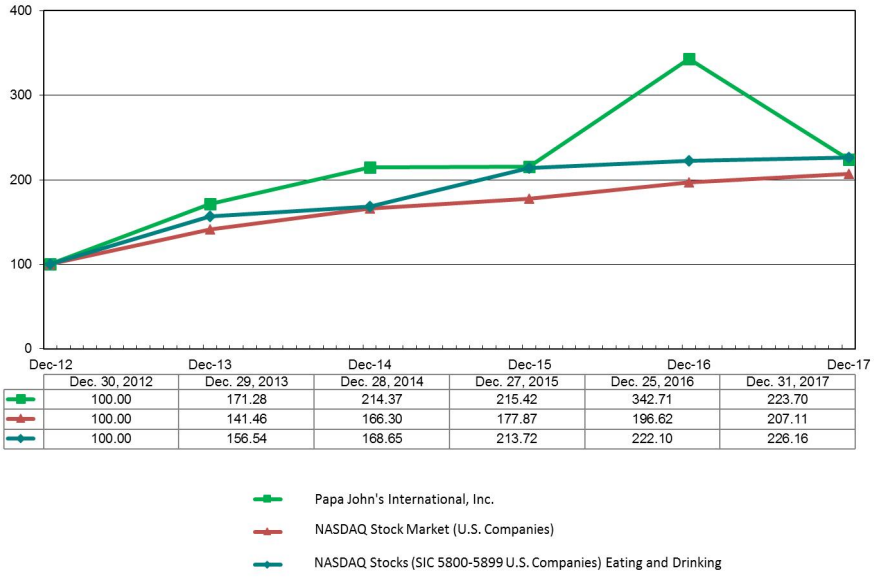
The following table summarizes our repurchase activity by fiscal period during the fourth quarter ended December 31, 2017 (in thousands, except per share amounts):

Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
9/25/2017 - 10/22/2017	379	$ 71.26	111,553	$ 488,619
10/23/2017 - 11/19/2017	491	$ 63.10	112,044	$ 457,641
11/20/2017 - 12/31/2017	518	$ 57.78	112,562	$ 427,714

The Company utilizes a written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, from time to time to facilitate the repurchase of shares of our common stock under this share repurchase program. There can be no assurance that we will repurchase shares of our common stock either through a Rule 10b5-1 trading plan or otherwise.

Stock Performance Graph

The following performance graph compares the cumulative shareholder return of the Company's common stock for the five-year period between December 30, 2012 and December 31, 2017 to (i) the NASDAQ Stock Market (U.S.) Index and (ii) a group of the Company's peers consisting of U.S. companies listed on NASDAQ with standard industry classification (SIC) codes 5800-5899 (eating and drinking places). Management believes the companies included in this peer group appropriately reflect the scope of the Company's operations and match the competitive market in which the Company operates. The graph assumes the value of the investments in the Company's common stock and in each index was $100 on December 30, 2012, and that all dividends were reinvested.



	Dec. 30, 2012	Dec. 29, 2013	Dec. 28, 2014	Dec. 27, 2015	Dec. 25, 2016	Dec. 31, 2017
Papa John's International, Inc.	100.00	171.28	214.37	215.42	342.71	223.70
NASDAQ Stock Market (U.S. Companies)	100.00	141.46	166.30	177.87	196.62	207.11
NASDAQ Stocks (SIC 5800-5899 U.S. Companies) Eating and Drinking	100.00	156.54	168.65	213.72	222.10	226.16

Item 6. Selected Financial Data

The selected financial data presented for each of the fiscal years in the five-year period ended December 31, 2017, were derived from our audited consolidated financial statements. The selected financial data below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Consolidated Financial Statements" and Notes thereto included in Item 7 and Item 8, respectively, of this Form 10-K.

	Year Ended(1)				
(In thousands, except per share data)	Dec. 31, 2017	Dec. 25, 2016	Dec. 27, 2015	Dec. 30, 2014	Dec. 25, 2013
	53 weeks	52 weeks	52 weeks	52 weeks	52 weeks
Income Statement Data					
Revenues:					
Domestic Company-owned restaurant sales	$ 816,718	$ 815,931	$ 756,307	$ 701,854	$ 635,317
North America franchise royalties and fees (2)	106,729	102,980	96,056	90,169	82,873
North America commissary and other sales	733,627	681,606	680,321	703,671	632,192
International (3)	126,285	113,103	104,691	102,455	88,640
Total revenues	1,783,359	1,713,620	1,637,375	1,598,149	1,439,022
Refranchising and impairment gains/(losses), net	(1,674)	10,222	—	(979)	—
Operating income	151,017	164,523	136,307	117,630	106,503
Legal settlement	—	898	(12,278)	—	—
Investment income	608	785	794	702	589
Interest expense	(11,283)	(7,397)	(5,676)	(4,077)	(983)
Income before income taxes	140,342	158,809	119,147	114,255	106,109
Income tax expense	33,817	49,717	37,183	36,558	33,130
Net income before attribution to noncontrolling interests	106,525	109,092	81,964	77,697	72,979
Income attributable to noncontrolling interests (4)	(4,233)	(6,272)	(6,282)	(4,382)	(3,442)
Net income attributable to the Company	$ 102,292	$ 102,820	$ 75,682	$ 73,315	$ 69,537
Net income attributable to common shareholders	$ 103,288	$ 102,967	$ 75,422	$ 72,869	$ 68,497
Basic earnings per common share	$ 2.86	$ 2.76	$ 1.91	$ 1.78	$ 1.58
Diluted earnings per common share	$ 2.83	$ 2.74	$ 1.89	$ 1.75	$ 1.55
Basic weighted average common shares outstanding	36,083	37,253	39,458	40,960	43,387
Diluted weighted average common shares outstanding	36,522	37,608	40,000	41,718	44,243
Dividends declared per common share	$ 0.85	$ 0.75	$ 0.63	$ 0.53	$ 0.25
Balance Sheet Data					
Total assets	$ 555,553	$ 512,565	$ 494,058	$ 504,555	$ 464,291
Total debt	470,000	300,575	256,000	230,451	157,900
Mandatorily redeemable noncontrolling interests (5)	—	—	—	—	10,786
Redeemable noncontrolling interests	6,738	8,461	8,363	8,555	7,024
Total stockholders' equity (deficit)	(105,954)	9,801	42,206	98,715	138,184

(1) We operate on a 52-53 week fiscal year ending on the last Sunday of December of each year. The 2017 fiscal year consisted of 53 weeks and all other years above consisted of 52 weeks. The additional week resulted in additional revenues of approximately $30.9 million and additional income before income taxes of approximately $5.9 million, or $0.11 per diluted share for 2017.

(2) North America franchise royalties were derived from franchised restaurant sales of $2.30 billion in 2017 ($2.25 billion on a 52 week basis), $2.20 billion in 2016, $2.13 billion in 2015, $2.04 billion in 2014 and $1.91 billion in 2013.

(3) Includes international royalties and fees, restaurant sales for international Company-owned restaurants, and international commissary revenues. International royalties were derived from franchised restaurant sales of $761.3 million in 2017 ($744.0 million on a 52 week basis), $648.9 million in 2016, $592.7 million in 2015, $553.0 million in 2014 and $460.0 million in 2013. Restaurant sales for international Company-owned restaurants were $13.7 million in 2017 ($13.4 million on a 52 week basis), $14.5 million in 2016, $19.3 million in 2015, $23.7 million in 2014 and $22.7 million in 2013.

(4) Represents the noncontrolling interests' allocation of income for our joint venture arrangements.

(5) Represents the redemption value of a mandatorily redeemable noncontrolling interest. Upon removal of the redemption feature through a contractual amendment during 2014, the noncontrolling interest was reclassified from other long-term liabilities to stockholders' equity in the consolidated balance sheet.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

Papa John's International, Inc. (referred to as the "Company," "Papa John's" or in the first person notations of "we," "us" and "our") began operations in 1984. At December 31, 2017, there were 5,199 Papa John's restaurants in operation, consisting of 743 Company-owned and 4,456 franchised restaurants. Our revenues are derived from retail sales of pizza and other food and beverage products to the general public by Company-owned restaurants, franchise royalties, and sales of franchise and development rights. Additionally, approximately 42% to 46% of our North America revenues in each of the last three years were derived from sales to franchisees of various items including food and paper products, printing and promotional items and information systems equipment, and software and related services. We also derive revenues from the operation of three international QC centers. We believe that in addition to supporting both Company and franchised profitability and growth, these activities contribute to product quality and consistency throughout the Papa John's system.

New unit openings in 2017 were 376 as compared to 343 in 2016 and 357 in 2015 and unit closings in in 2017 were 274 as compared to 139 in 2016 and 127 in 2015. Our expansion strategy is to cluster restaurants in targeted markets, thereby increasing consumer awareness and enabling us to take advantage of operational, distribution and advertising efficiencies.

We continue to generate solid sales in our domestic Company-owned restaurants in a very competitive environment. Average annual Company-owned sales for our most recent domestic comparable restaurant base were $1.19 million ($1.17 million on a 52-week basis) for 2017, compared to $1.16 million for 2016 and $1.12 million for 2015. Average sales volumes in new markets are generally lower than in those markets in which we have established a significant market position. The comparable sales for domestic Company-owned restaurants increased 0.4% in 2017, 4.4% in 2016 and 5.9% in 2015. "Comparable sales" represents sales generated by restaurants open for the entire twelve-month period reported. The comparable sales for North America franchised units decreased 0.1% in 2017 and increased 3.1% in 2016 and 3.6% in 2015. The comparable sales for system-wide International units increased 4.4% in 2017, 6.0% in 2016 and 6.9% in 2015.

We strive to obtain high-quality restaurant sites with good access and visibility and to enhance the appearance and quality of our restaurants. We believe these factors improve our image and brand awareness. The average cash investment for the seven domestic traditional Company-owned restaurants opened during 2017 was approximately $354,000, exclusive of land and any tenant improvement allowances we received, compared to the $339,000 average investment for the 12 domestic traditional units opened in 2016. Over the past few years, we have experienced an increase in the cost of our new restaurants primarily as a result of building larger units to accommodate increased sales, an increase in the cost of certain equipment as a result of technology enhancements, and increased costs to comply with local regulations.

Planned Sale of China Company-owned Operations

In September 2015, the Company decided to refranchise the China Company-owned market and is planning a sale of its existing China operations, consisting of 35 Company-owned restaurants and a commissary. We expect to sell the business during 2018; upon completion of the sale, the Company will not have any Company-owned international restaurants. We have classified the assets as held for sale within the consolidated balance sheet. Upon the classification of these assets to held for sale in 2015, no loss was recognized as their fair value exceeded their carrying value.

In 2017 and 2016, we determined that the fair value no longer exceeded the carrying value of the associated assets. As a result of our impairment analyses, we recorded impairment losses of $1.7 million and $1.4 million for the periods ended December 31, 2017 and December 25, 2016, respectively. These amounts are included in refranchising and impairment gains/(losses), net in the consolidated statements of income. These charges include the write-offs of all goodwill in 2016 associated with the assets held for sale and a valuation allowance on the remaining assets held for sale in 2016 and 2017.

The Company-owned China operations incurred losses before income taxes of $2.9 million in 2017, $2.3 million in 2016 and $1.2 million in 2015, which are recorded in our International segment. The losses in 2017 and 2016 include the impairment charges of $1.7 million and $1.4 million, respectively, noted above.

See "Note 7" of "Notes to Consolidated Financial Statements" for additional information.

Critical Accounting Policies and Estimates

The results of operations are based on our consolidated financial statements, which were prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). The preparation of consolidated financial statements requires management to select accounting policies for critical accounting areas as well as estimates and assumptions that affect the amounts reported in the consolidated financial statements. The Company's significant accounting policies, including recently issued accounting pronouncements, are more fully described in "Note 2" of "Notes to Consolidated Financial Statements." Significant changes in assumptions and/or conditions in our critical accounting policies could materially impact the operating results. We have identified the following accounting policies and related judgments as critical to understanding the results of our operations:

Allowance for Doubtful Accounts and Notes Receivable

We establish reserves for uncollectible accounts and notes receivable based on overall receivable aging levels and a specific evaluation of accounts and notes for franchisees and other customers with known financial difficulties. Balances are charged off against the allowance after recovery efforts have ceased.

Noncontrolling Interests

The Company has five joint ventures in which there are noncontrolling interests. Consolidated net income is required to be reported separately at amounts attributable to both the parent and the noncontrolling interest. Additionally, disclosures are required to clearly identify and distinguish between the interests of the parent company and the interests of the noncontrolling owners, including a disclosure on the face of the consolidated statements of income attributable to the noncontrolling interest holder.

The following summarizes the redemption feature, location and related accounting within the consolidated balance sheets for these joint venture arrangements:

Type of Joint Venture Arrangement	Location within the Balance Sheets	Recorded Value
Joint venture with no redemption feature	Permanent equity	Carrying value
Option to require the Company to purchase the noncontrolling interest - currently redeemable	Temporary equity	Redemption value*
Option to require the Company to purchase the noncontrolling interest - not currently redeemable	Temporary equity	Carrying value

*The change in redemption value is recorded as an adjustment to "Redeemable noncontrolling interests" and "Retained earnings" in the consolidated balance sheets.

See "Note 6" of "Notes to Consolidated Financial Statements" for additional information.

Stock Based Compensation

Compensation expense for equity grants is estimated on the grant date, net of projected forfeitures and is recognized over the vesting period (generally in equal installments over three years). Restricted stock is valued based on the market price of the Company's shares on the date of grant. Stock options are valued using a Black-Scholes option pricing model.

Our specific assumptions for estimating the fair value of options include the following:

	2017	2016	2015
Assumptions (weighted average):			
Risk-free interest rate	2.0 %	1.3 %	1.6 %
Expected dividend yield	1.0 %	1.2 %	0.9 %
Expected volatility	26.7 %	27.4 %	28.5 %
Expected term (in years)	5.6	5.5	5.5

The risk-free interest rate for the periods within the contractual life of an option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield was estimated as the annual dividend divided by the market price of the Company's shares on the date of grant. Expected volatility was estimated by using the Company's historical share price volatility for a period similar to the expected life of the option. See "Note 18" of "Notes to Consolidated Financial Statements" for additional information.

Intangible Assets — Goodwill

We evaluate goodwill annually in the fourth quarter or whenever we identify certain triggering events or circumstances that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. Such tests are completed separately with respect to the goodwill of each of our reporting units, which includes our domestic Company-owned restaurants, China and the United Kingdom ("PJUK") operations. We may perform a qualitative assessment or move directly to the quantitative assessment for any reporting unit in any period if we believe that it is more efficient or if impairment indicators exist.

We elected to perform a qualitative assessment for our domestic Company-owned restaurants, China and PJUK reporting units in 2017. As a result of our qualitative analyses, we determined that it was more-likely-than-not that the fair values of our reporting units were greater than their carrying amounts. Subsequent to completing our goodwill impairment tests, no indicators of impairment were identified. See "Note 8" of "Notes to Consolidated Financial Statements" for additional information.

Insurance Reserves

Our insurance programs for workers' compensation, owned and non-owned automobiles, general liability, property, and health insurance coverage provided to our employees are funded by the Company up to certain retention levels. Retention limits generally range from $100,000 to $1.0 million per occurrence.

Losses are accrued based upon undiscounted estimates of the aggregate retained liability for claims incurred using certain third-party actuarial projections and our claims loss experience. The estimated insurance claims losses could be significantly affected should the frequency or ultimate cost of claims differ significantly from historical trends used to estimate the insurance reserves recorded by the Company. See "Note 12" of "Notes to Consolidated Financial Statements" for additional information.

Income Tax Accounts and Tax Reserves

Papa John's is subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining Papa John's provision for income taxes and the related assets and liabilities. The provision for income taxes includes income taxes paid, currently payable or receivable and those deferred.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities, and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets are also recognized for the estimated future effects of tax attribute carryforwards (e.g., net operating losses, capital losses, and foreign tax credits). The effect on deferred taxes of changes in tax rates is recognized in the period in which the new tax rate is enacted. Valuation allowances are established when necessary on a jurisdictional basis to reduce deferred tax assets to the amounts we expect to realize.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted, significantly decreasing the U.S. federal income tax rate for corporations effective January 1, 2018. As a result, we remeasured our deferred tax assets, liabilities and related valuation allowances. This remeasurement yielded a one-time benefit of approximately $7.0 million due to the lower income tax rate. In 2018, based on the U.S. corporate income tax rate reduction to 21%, we are forecasting an effective income tax rate of 20% to 24%. Given the substantial changes associated with the Tax Act, the estimated financial impacts are provisional and subject to further interpretation and clarification of the Tax Act during 2018. See "Items Impacting Comparability" and Note 2 for additional information. As of December 31, 2017, we had a net deferred income tax liability of approximately $12 million.

Tax authorities periodically audit the Company. We record reserves and related interest and penalties for identified exposures as income tax expense. We evaluate these issues and adjust for events, such as statute of limitations expirations, court rulings or audit settlements, which may impact our ultimate payment for such exposures. We recognized decreases in income tax expense of $1.7 million and $729,000 in 2017 and 2016, respectively, and an increase in income tax expense of $731,000 in 2015 associated with the finalization of certain income tax matters. See "Note 15" of "Notes to Consolidated Financial Statements" for additional information.

Fiscal Year

Our fiscal year ends on the last Sunday in December of each year. All fiscal years presented in the accompanying consolidated financial statements consist of 52 weeks except for the 2017 fiscal year, which consists of 53 weeks.

Items Impacting Comparability; Non-GAAP Measures

The following table reconciles our GAAP financial results to the adjusted (non-GAAP) financial results, excluding identified "Special items", as detailed below:

- the U.S. income tax legislation effect on deferred taxes is related to the remeasurement of the net deferred tax liability due to the Tax Cuts and Jobs Act in 2017.
- the favorable impact of adopting the new guidance for accounting for share-based compensation in 2017, as previously discussed.
- 2017 and 2016 include impairment losses related to our Company-owned stores in China that are held for sale.
- 2016 includes a refranchising gain from the sale of the Phoenix Company–owned market with 42 restaurants to a franchisee.
- 2016 legal settlement represents the favorable 2016 finalization related to the collective and class action litigation, *Perrin v. Papa John's International, Inc. and Papa John's USA, Inc.*

We present these non-GAAP measures because we believe the Special items impact the comparability of our results of operations. Additionally, the impact of the Company's 53 week fiscal year in 2017 as compared to 52 weeks in 2016 is highlighted below. For additional information about the above special items, see "Note 2", "Note 7", "Note 17" and Note 15" of "Notes to Consolidated Financial Statements," respectively.

(In thousands, except per share amounts)	Year Ended December 31, 2017	December 25, 2016	December 27, 2015
GAAP Income before income taxes	$ 140,342	$ 158,809	$ 119,147
Special items:			
Refranchising and impairment gains/(losses), net	1,674	(10,222)	—
Legal settlement	—	(898)	12,278
Adjusted income before income taxes	$ 142,016	$ 147,689	$ 131,425
53rd week of operations	(5,900)	—	—
Adjusted income before income taxes - 52 weeks	$ 136,116	$ 147,689	$ 131,425
GAAP Net income	$ 102,292	$ 102,820	$ 75,682
Special items, net of income taxes:			
Refranchising and impairment gains/(losses), net	1,323	(6,455)	—
Legal settlement	—	(567)	7,986
U.S. tax legislation effect on deferred taxes	(7,020)	—	—
Equity compensation tax benefit	(1,879)	—	—
Net income, as adjusted	$ 94,716	$ 95,798	$ 83,668
53rd week of operations	(3,900)	—	—
Adjusted net income - 52 weeks	$ 90,816	$ 95,798	$ 83,668
GAAP Diluted earnings per share	$ 2.83	$ 2.74	$ 1.89
Special items:			
Refranchising and impairment gains/(losses), net	0.04	(0.17)	—
Legal settlement	—	(0.02)	0.20
U.S. tax legislation effect on deferred taxes	(0.20)	—	—
Equity compensation tax benefit	(0.05)	—	—
Adjusted diluted earnings per share	$ 2.62	$ 2.55	$ 2.09
53rd week of operations	(0.11)	—	—
Adjusted diluted earnings per share - 52 weeks	$ 2.51	$ 2.55	$ 2.09

The non-GAAP results previously shown and within this document, which exclude Special items and the impact of the 53rd week, should not be construed as a substitute for or a better indicator of the Company's performance than the Company's GAAP results. Management believes presenting certain financial information without the Special items and the impact of the 53rd week is important for purposes of comparison to prior year results. In addition, management uses these metrics to evaluate the Company's underlying operating performance, to analyze trends, and to determine compensation. See "Results of Operations" for further analysis regarding the impact of the Special items.

In addition, we present free cash flow in this report, which is a non-GAAP measure. We define free cash flow as net cash provided by operating activities (from the consolidated statements of cash flows) less the purchases of property and equipment. We view free cash flow as an important measure because it is one factor that management uses in determining the amount of cash available for discretionary investment. Free cash flow is not a term defined by GAAP, and as a result, our measure of free cash flow might not be comparable to similarly titled measures used by other companies. Free cash flow should not be construed as a substitute for or a better indicator of our performance than the Company's GAAP measures. See "Liquidity and Capital Resources" for a reconciliation of free cash flow to the most directly comparable GAAP measure.

The presentation of the non-GAAP measures in this report is made alongside the most directly comparable GAAP measures.

Percentage Relationships and Restaurant Data and Unit Progression

The following tables set forth the percentage relationship to total revenues, unless otherwise indicated, of certain income statement data, and certain restaurant data for the years indicated:

	Year Ended(1)		
	Dec. 31, 2017	Dec. 25, 2016	Dec. 27, 2015
	(53 weeks)	(52 weeks)	(52 weeks)
Income Statement Data:			
Revenues:			
Domestic Company-owned restaurant sales	45.8 %	47.6 %	46.2 %
North America franchise royalties and fees	6.0	6.0	5.9
North America commissary and other sales	41.1	39.8	41.5
International	7.1	6.6	6.4
Total revenues	100.0	100.0	100.0
Costs and expenses:			
Operating costs (excluding depreciation and amortization shown separately below):			
Domestic Company-owned restaurant operating expense (2)	81.4	79.9	79.9
North America commissary and other operating expense (3)	93.4	92.6	92.5
International operating expense (4)	62.5	63.2	60.7
General and administrative expenses	8.9	9.6	10.0
Depreciation and amortization	2.4	2.4	2.5
Total costs and expenses	91.4	91.0	91.7
Refranchising and impairment gains/(losses), net	(0.1)	0.6	—
Operating income	8.5	9.6	8.3
Legal settlement	—	0.1	(0.7)
Net interest expense	(0.6)	(0.4)	(0.3)
Income before income taxes	7.9	9.3	7.3
Income tax expense	1.9	2.9	2.3
Net income before attribution to noncontrolling interests	6.0	6.4	5.0
Income attributable to noncontrolling interests	(0.3)	(0.4)	(0.4)
Net income attributable to the Company	5.7 %	6.0 %	4.6 %

	Year Ended (1)		
	Dec. 31, 2017	Dec. 25, 2016	Dec. 27, 2015
	(53 weeks)	(52 weeks)	(52 weeks)
Restaurant Data:			
Percentage increase in comparable domestic Company-owned restaurant sales (5)	0.4 %	4.4 %	5.9 %
Number of domestic Company-owned restaurants included in the most recent full year's comparable restaurant base	676	694	667
Average sales for domestic Company-owned restaurants included in the most recent comparable restaurant base	$ 1,192,000	$ 1,156,000	$ 1,116,000
Papa John's Restaurant Progression:			
North America Company-owned:			
Beginning of period	702	707	686
Opened	9	13	16
Closed	(3)	(1)	(2)
Acquired from franchisees	1	25	7
Sold to franchisees	(1)	(42)	—
End of period	708	702	707
International Company-owned:			
Beginning of period	42	45	49
Closed	(7)	(3)	(4)
Sold to franchisees	—	—	—
End of period	35	42	45
North America franchised:			
Beginning of period	2,739	2,681	2,654
Opened	110	104	106
Closed	(116)	(63)	(72)
Acquired from Company	1	42	—
Sold to Company	(1)	(25)	(7)
End of period	2,733	2,739	2,681
International franchised:			
Beginning of period	1,614	1,460	1,274
Opened	257	226	235
Closed	(148)	(72)	(49)
End of period	1,723	1,614	1,460
Total restaurants - end of period	5,199	5,097	4,893

(1) We operate on a 52-53 week fiscal year ending on the last Sunday of December of each year. The 2015 and 2016 fiscal years consisted of 52 weeks and the 2017 fiscal year consisted of 53 weeks. The additional week in 2017 resulted in additional revenues of approximately $30.9 million and additional income before income taxes of approximately $5.9 million, or $0.11 per diluted share.
(2) As a percentage of domestic Company-owned restaurant sales.
(3) As a percentage of North America commissary and other sales.
(4) As a percentage of international sales.
(5) Represents the change in year-over-year sales for Company-owned restaurants open throughout the periods being compared.

Results of Operations

Income Statement Presentation

2017 Compared to 2016

Discussion of Revenues. Consolidated revenues increased $69.7 million, or 4.1%, to $1.78 billion in 2017, compared to $1.71 billion in 2016. Revenues for the 53rd week of operations in 2017 approximated $30.9 million, or 1.8%. Revenues are summarized in the following table (dollars in thousands).

	Year Ended			
	Dec. 31, 2017	Dec. 25, 2016	Increase (Decrease) $	Increase (Decrease) %
Domestic Company-owned restaurant sales	$ 816,718	$ 815,931	$ 787	0.1 %
North America franchise royalties and fees	106,729	102,980	3,749	3.6 %
North America commissary and other sales	733,627	681,606	52,021	7.6 %
International	126,285	113,103	13,182	11.7 %
Total Revenues	$ 1,783,359	$ 1,713,620	$ 69,739	4.1 %

Domestic Company-owned restaurant sales increased $787,000, or 0.1% in 2017. Excluding the benefit of the 53rd week of operations of $15.6 million, the Domestic Company-owned restaurant sales decreased $14.8 million, or 1.8% in 2017, primarily due to a 3.1% reduction in equivalent units in 2017 from the refranchising of 42 restaurants in the fourth quarter of 2016. This was somewhat offset by an increase of 0.4% in comparable sales. “Comparable sales” represents the change in year-over-year sales for the same base of restaurants for the same fiscal periods. “Equivalent units” represents the number of restaurants open at the beginning of a given period, adjusted for restaurants opened, closed, acquired or sold during the period on a weighted average basis.

North America franchise royalties and fees increased $3.7 million, or 3.6% in 2017, primarily due to an increase in equivalent units of 2.2% mainly due to the refranchising of 42 restaurants in 2016 and a benefit of $1.9 million, or 1.8% for the 53rd week of operations. North America franchise restaurant sales increased 4.7% to $2.3 billion ($2.25 billion on a 52 week basis) primarily due to the increase in equivalent units noted above. These increases were slightly offset by lower comparable sales of negative 0.1%. Franchise restaurant sales are not included in Company revenues; however, our North America royalty revenue is derived from these sales.

North America commissary and other sales increased $52.0 million, or 7.6% in 2017, primarily due to an increase in commissary sales associated with higher sales from commodity pricing as well as higher volumes. The benefit from the 53rd week of operations was approximately $11.2 million, or 1.6%.

International revenues increased approximately $13.2 million, or 11.7% in 2017. This increase is net of the unfavorable impact of foreign currency rates of approximately $4.1 million. The increase was primarily due to the following:

- Royalties and commissary revenues increased due to a higher number of franchised restaurants and comparable sales of 4.4%, calculated on a constant dollar basis. International franchise restaurant sales increased 17.3% to $761.3 million ($744.0 million on a 52 week basis) in 2017. International franchise restaurant sales are not included in Company revenues; however, our international royalty revenue is derived from these sales.
- The benefit of the 53rd week of operations was $2.2 million, or 2.0%.
- These increases were somewhat offset by lower China company-owned restaurant revenues due to fewer restaurants in 2017.

Costs and expenses. The operating margin for domestic Company-owned restaurants was 18.6% in 2017 and 20.2% in 2016, and consisted of the following (dollars in thousands):

	Year Ended			
	December 31, 2017		December 25, 2016	
Restaurant sales	$ 816,718		$ 815,931	
Cost of sales	188,017	23.0%	186,226	22.8%
Other operating expenses	476,623	58.4%	465,310	57.0%
Total expenses	$ 664,640	81.4%	$ 651,536	79.8%
Margin	$ 152,078	18.6%	$ 164,395	20.2%

Domestic Company-owned restaurants margin decreased $12.3 million, or 1.6%, as a percentage of restaurant sales. The decrease was primarily attributable to higher automobile and workers compensation insurance costs of approximately $6.2 million as well as higher cost of sales from higher commodities, mainly cheese and meats. The higher labor costs from higher minimum wages were offset by lower restaurant bonuses due to the lower operating results and sales results that were below target. These decreases in operating income were somewhat offset by the benefit from the 53rd week of operations in 2017 of approximately $2.4 million.

The North America commissary and other operating margin was 6.6% in 2017 compared to 7.4% in 2016, and consisted of the following (dollars in thousands):

	Year Ended							
	December 31, 2017				December 25, 2016			
	Revenues	Expenses	Margin $	Margin %	Revenues	Expenses	Margin $	Margin %
North America commissary	$ 673,712	$ 631,537	$ 42,175	6.3%	$ 623,883	$ 579,834	$ 44,049	7.1%
All others	59,915	53,669	6,246	10.4%	57,723	51,641	6,082	10.5%
North America commissary and other	$ 733,627	$ 685,206	$ 48,421	6.6%	$ 681,606	$ 631,475	$ 50,131	7.4%

The North America commissary margin was $1.9 million lower in 2017, or 0.8%, as a percentage of related revenues, primarily due to the start-up and higher operating costs related to our new commissary in Georgia that opened in the third quarter of 2017, partially offset by the increase in income from higher volumes. The decrease in operating margin was somewhat offset by the $2.0 million benefit of the 53rd week.

The international operating margin was 37.5% in 2017 compared to 36.8% in 2016 and consisted of the following (dollars in thousands):

	Year Ended							
	December 31, 2017				December 25, 2016			
	Revenues	Expenses	Margin $	Margin %	Revenues	Expenses	Margin $	Margin %
Franchise royalties and fees	$ 35,125	$ -	$ 35,125		$ 30,040	$ -	$ 30,040	
Restaurant, commissary and other	91,160	78,971	12,189	13.4%	83,063	71,509	11,554	13.9%
Total international	$ 126,285	$ 78,971	$ 47,314	37.5%	$ 113,103	$ 71,509	$ 41,594	36.8%

The increase in international operating margins of $5.7 million, or 0.7% as a percentage of related revenues, was primarily due to higher franchise royalties due to an increase in the number of restaurants and comparable sales of 4.4%. This increase also includes approximately $700,000 for the 53rd week of operations in 2017. Additionally, the operating income is approximately $800,000 higher as 2016 included a non-recurring charge to record lease arrangements on a straight line basis. These increases were partially offset by a lower operating margin for our Company-owned stores in China.

General and administrative (G&A) expenses were $158.2 million, or 8.9% of revenues for 2017, compared to $163.8 million, or 9.6% of revenues for 2016. The decrease of $5.6 million for 2017 was primarily due to lower management incentive costs and lower restaurant supervisor bonuses, which were somewhat offset by higher salaries and benefits. The 53rd week of operations in 2017 increased general and administrative expenses by approximately $900,000.

Depreciation and amortization was $43.7 million, or 2.4% of revenues in 2017, as compared to $41.0 million, or 2.4% of revenues for 2016. This increase of $2.7 million from 2016 was primarily due to higher depreciation on additional technology assets associated with digital initiatives.

Refranchising and impairment gains/(losses), net. 2017 includes an impairment charge of $1.7 million related to our Company-owned stores in China that are currently held for sale. We incurred a related impairment charge in 2016 for $1.4 million. See “Note 7” of “Notes to Consolidated Financial Statements” for additional information. 2017 has no refranchising activity whereas 2016 includes a gain of $11.6 million from the refranchising of our Company-owned Phoenix market with 42 restaurants.

Legal settlement. 2017 results have no significant legal settlement amounts whereas 2016 includes a favorable legal settlement finalization of $898,000 related to the collective and class action, *Perrin v. Papa John's International, Inc. and Papa John's USA.* The settlement amount was finalized and paid in 2016 and the expense was adjusted accordingly. See “Note 17” of “Notes to Consolidated Financial Statements” for additional information.

Interest expense. Interest expense increased approximately $4.1 million primarily due to higher average outstanding debt balances, which is primarily due to share repurchases, as well as higher interest rates. The 53rd week of operations in 2017 increased interest expense for the year by approximately $300,000.

Income tax expense. The effective income tax rates were 24.1% in 2017 and 31.3% in 2016. The decrease in the effective income tax rates for 2017 was primarily attributable to the impact of the “Tax Cuts and Jobs Act,” (the “Tax Act”) which was signed into law at the end of 2017. The Tax Act contains substantial changes to the Internal Revenue Code including a reduction of the U.S. corporate tax rate from 35% to 21% effective January 1, 2018. Upon enactment, 2017 deferred tax assets and liabilities were remeasured. This remeasurement yielded a one-time benefit of approximately $7.0 million in the fourth quarter of 2017. Given the substantial changes associated with the Tax Act, the estimated financial impacts for 2017 are provisional and subject to further interpretation and clarification of the Tax Act during 2018. See “Items Impacting Comparability” and Note 2 for additional information.

Diluted earnings per share. Diluted earnings per share (“EPS”) were $2.83 for 2017 compared to $2.74 in 2016, an increase of 3.3%. Excluding Special items, adjusted EPS was $2.62, an increase of 2.7% versus 2016 adjusted EPS of $2.55. This increase includes the $0.11 favorable impact of the 53rd week, a favorable tax rate and lower share count. These favorable items were somewhat offset by other decreases in income.

2016 Compared to 2015

Discussion of Revenues. Consolidated revenues increased $76.2 million, or 4.7%, to $1.71 billion in 2016, compared to $1.64 billion in 2015.

(In thousands)	Year Ended Dec. 25, 2016	Year Ended Dec. 27, 2015	Increase (decrease) $	Increase (decrease) %
Domestic Company-owned restaurant sales	$ 815,931	$ 756,307	$ 59,624	7.9 %
North America franchise royalties and fees	102,980	96,056	6,924	7.2 %
North America commissary and other sales	681,606	680,321	1,285	0.2 %
International	113,103	104,691	8,412	8.0 %
Total Revenues	$ 1,713,620	$ 1,637,375	$ 76,245	4.7 %

Domestic Company-owned restaurant sales increased $59.6 million, or 7.9% in 2016, primarily due to an increase of 4.4% in comparable sales and a 4.4% increase in equivalent units. “Comparable sales” represents the change in year-over-year sales for the same base of restaurants for the same fiscal periods. “Equivalent units” represents the number of restaurants open at the beginning of a given period, adjusted for restaurants opened, closed, acquired or sold during the period on a weighted average basis.

North America franchise royalties and fees increased $6.9 million, or 7.2%, primarily due to an increase in comparable sales of 3.1%, as well as reduced levels of royalty incentives in 2016. North America franchise restaurant sales increased 3.4% to $2.2 billion primarily due to the increase in comparable sales noted above. Franchise restaurant sales are not included in Company revenues; however, our North America royalty revenue is derived from these sales.

North America commissary and other sales increased $1.3 million, or 0.2% in 2016 primarily due to an increase in commissary sales associated with higher sales volumes that were partially offset by lower commodity costs. This increase was significantly offset by the prior year’s inclusion of $9.8 million of point-of-sale system (“FOCUS”) equipment sales to franchises which had no significant margin and thus no significant impact on 2015 operating results.

International revenues increased approximately $8.4 million, or 8.0% in 2016. This increase was net of the negative impact of foreign currency exchange rates of approximately $12.2 million. The increase was primarily due to the following:

- The 2016 results include sublease rental revenue in the United Kingdom of approximately $7.3 million, which was shown net of the rental expenses in the corresponding periods of the prior year.
- Royalties and commissary revenues were higher due to an increase in the number of restaurants and an increase in comparable sales of 6.0% in 2016, calculated on a constant dollar basis. International franchise restaurant sales increased 9.5% to $648.9 million in 2016. International franchise restaurant sales are not included in Company revenues; however, our international royalty revenue is derived from these sales.
- These increases were somewhat offset by lower China Company-owned restaurant revenues of $4.9 million, primarily due to negative comparable sales and fewer restaurants in 2016.

Costs and expenses. The operating margin for domestic Company-owned restaurants was 20.2% in 2016 and 20.1% in 2015, and consisted of the following (dollars in thousands):

	Year Ended			
	December 25, 2016		December 27, 2015	
Restaurant sales	$ 815,931		$ 756,307	
Cost of sales	186,226	22.8%	178,952	23.7%
Other operating expenses	465,310	57.0%	425,254	56.2%
Total expenses	$ 651,536	79.8%	$ 604,206	79.9%
Margin	$ 164,395	20.2%	$ 152,101	20.1%

Domestic Company-owned restaurants cost of sales were approximately 0.9% lower as a percentage of sales in 2016, primarily due to lower commodity costs, including meats, dough, and cheese. Domestic restaurants other operating expenses were approximately 0.8% higher in 2016 as a percentage of sales primarily due to increased labor costs and higher non-owned automobile claim costs driven by significant adverse automobile claims experience.

The North America commissary and other operating margin was 7.4% in 2016 compared to 7.5% in 2015, and consisted of the following (dollars in thousands):

	Year Ended							
	December 25, 2016				December 27, 2015			
	Revenues	Expenses	Margin $	Margin %	Revenues	Expenses	Margin $	Margin %
North America commissary	$ 623,883	$ 579,834	$ 44,049	7.1%	$ 615,610	$ 568,527	$ 47,083	7.6%
All others	57,723	51,641	6,082	10.5%	64,711	60,896	3,815	5.9%
North America commissary and other	$ 681,606	$ 631,475	$ 50,131	7.4%	$ 680,321	$ 629,423	$ 50,898	7.5%

The North America commissary margin was 0.5% lower in 2016, primarily due to the reclassification of certain expenses from general and administrative to operating expenses in 2016, which had no impact on commissary income before income taxes. The “All others” margin was 4.6% higher primarily due to improved operating results at our print and promotion subsidiary and significant prior year FOCUS equipment sales to franchisees, which had high operating expenses and a minimal margin.

The international operating margin was 36.8% in 2016 compared to 39.3% in 2015 and consisted of the following (dollars in thousands):

	Year Ended							
	December 25, 2016				December 27, 2015			
	Revenues	Expenses	Margin $ (a)	Margin %	Revenues	Expenses	Margin $ (a)	Margin %
Franchise royalties and fees	$ 30,040	$ -	$ 30,040		$ 27,289	$ -	$ 27,289	
Restaurant, commissary and other	83,063	71,509	11,554	13.9%	77,402	63,506	13,896	18.0%
Total international	$ 113,103	$ 71,509	$ 41,594	36.8%	$ 104,691	$ 63,506	$ 41,185	39.3%

(a) The negative impact of foreign currency exchange rates on income before income taxes was approximately $2.3 million in 2016 compared to $2.8 million in 2015.

The lower margin was primarily due to a decrease in restaurant, commissary and other margins of 4.1% in 2016. This was primarily due to the gross presentation of certain sublease rental income and expenses related to our lease arrangements in the United Kingdom. These amounts were shown net in the prior year; the change in presentation had no impact on income before income taxes. In addition, we recorded a non-recurring charge of approximately $800,000 in 2016 to record these lease arrangements on a straight line basis. This lower margin was partially offset by the benefit of higher royalties and fees.

General and administrative (G&A) expenses were consistent with $163.8 million, or 9.6% of revenues for 2016, compared to $163.6 million, or 10.0% for 2015.

Depreciation and amortization was $41.0 million, or 2.4% of revenues in 2016, as compared to $40.3 million, or 2.5% of revenues for 2015.

Refranchising and impairment gains/(losses),net. The refranchising and impairment gains/(losses), net includes a gain of $11.6 million from the refranchising of our 42 restaurant Company-owned Phoenix market and an impairment charge of $1.4 million related to our Company-owned stores in China that are currently for sale. See “Note 7” of “Notes to Consolidated Financial Statements” for additional information.

Legal settlement. The legal settlement represents an expense of $12.3 million in 2015 for a collective and class action, *Perrin v. Papa John’s International, Inc. and Papa John’s USA, Inc.*, including approximately 19,000 drivers, which alleged delivery drivers were not reimbursed in accordance with the Fair Labor Standards Act. The settlement amount was finalized and paid in 2016 and the expense was adjusted accordingly. See “Note 17” of “Notes to Consolidated Financial Statements” for additional information.

Net interest expense. Net interest expense increased approximately $1.7 million primarily due to higher average outstanding debt balances.

Income tax expense. The effective income tax rate was 31.3% in 2016 compared to 31.2% in 2015. The 2016 rate includes increased benefits from foreign tax credits and the 2015 rate includes higher benefits from various tax deductions and credits including the U.S. federal manufacturing deduction. See “Note 15” of “Notes to Consolidated Financial Statements” for additional information.

Diluted earnings per share. Diluted earnings per share (“EPS”) were $2.74 for 2016 compared to $1.89 in 2015. EPS for 2016 was positively impacted $0.19 for Special Items that included refranchising and impairment gains/(losses) and the finalization and payment of the 2015 legal settlement. EPS for 2015 was negatively impacted by $0.20 due to the 2015 legal settlement. Excluding Special Items as noted in the “Items Impacting Comparability – Non-GAAP Measures” table, 2016 EPS was $2.55 compared to $2.09 in 2015, or a 22.0% increase.

Liquidity and Capital Resources

Debt

Our outstanding debt of $470.0 million at December 31, 2017 represented amounts outstanding under a new credit agreement. On August 30, 2017, we entered into a new credit agreement (the "Credit Agreement") replacing the previous $500.0 million credit facility ("Previous Credit Facility"). The Credit Agreement provides for an unsecured revolving credit facility in an aggregate principal amount of $600.0 million (the "Revolving Facility") and an unsecured term loan facility in an aggregate principal amount of $400.0 million (the "Term Loan Facility" and together with the Revolving Facility, the "Facilities"). Additionally, we have the option to increase the Revolving Facility or the Term Loan Facility in an aggregate amount of up to $300.0 million, subject to certain conditions. Our outstanding debt as of December 31, 2017 under the Facilities was $470.0 million, which was comprised of $395.0 million outstanding under the Term Loan and $75.0 million outstanding under the Revolving Facility. Including outstanding letters of credit, the remaining availability under the Facilities was approximately $493.0 million as of December 31, 2017. In connection with the Credit Agreement, the Company capitalized $3.2 million of debt issuance costs, which are being amortized into interest expense, over the term of the Facilities. Total unamortized debt issuance costs of approximately $3.4 million were netted against debt as of December 31, 2017.

Loans under the Facilities accrue interest at a per annum rate equal to, at the Company's election, either a LIBOR rate plus a margin ranging from 75 to 200 basis points or a base rate (generally determined by a prime rate, federal funds rate or a LIBOR rate plus 1.00%) plus a margin ranging from 0 to 100 basis points. In each case, the actual margin is determined according to a ratio of the Company's total indebtedness to earnings before interest, taxes, depreciation and amortization ("EBITDA") for the then most recently ended four quarter period (the "*Leverage Ratio*"). The Previous Credit Facility accrued interest based on the LIBOR rate plus a margin ranging from 75 to 175 basis points. An unused commitment fee at a rate ranging from 15 to 30 basis points per annum, determined according to the Leverage Ratio, applies to the unutilized commitments under the Revolving Facility; the unused commitment fee under the Previous Credit Facility was 15 to 25 basis points. Loans outstanding under the Credit Agreement may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings for which a LIBOR rate election is in effect. Up to $35.0 million of the Revolving Facility may be advanced in certain agreed foreign currencies, including Euros, Pounds Sterling, Canadian Dollars, Japanese Yen, and Mexican Pesos.

We use interest rate swaps to hedge against the effects of potential interest rate increases on borrowings under our Facilities. As of December 31, 2017, we have the following interest rate swap agreements, including three forward starting swaps executed in 2015 that become effective on April 30, 2018 upon expiration of the two existing swaps for $125 million. In addition, in 2017 we executed an additional four interest rate swaps for $275 million that became effective on January 30, 2018.

Effective Dates	Floating Rate Debt	Fixed Rates
July 30, 2013 through April 30, 2018	$ 75 million	1.42 %
December 30, 2014 through April 30, 2018	$ 50 million	1.36 %
April 30, 2018 through April 30, 2023	$ 55 million	2.33 %
April 30, 2018 through April 30, 2023	$ 35 million	2.36 %
April 30, 2018 through April 30, 2023	$ 35 million	2.34 %
January 30, 2018 through August 30, 2022	$ 100 million	1.99 %
January 30, 2018 through August 30, 2022	$ 75 million	1.99 %
January 30, 2018 through August 30, 2022	$ 75 million	2.00 %
January 30, 2018 through August 30, 2022	$ 25 million	1.99 %

Our Credit Agreement contains affirmative and negative covenants, including the following financial covenants, as defined by the Credit Agreement:

	Permitted Ratio	Actual Ratio for the Year Ended December 31, 2017
Leverage Ratio	Not to exceed 4.5 to 1.0	2.4 to 1.0
Interest Coverage Ratio	Not less than 2.75 to 1.0	4.3 to 1.0

As stated above, our leverage ratio is defined as outstanding debt divided by consolidated EBITDA for the most recent four fiscal quarters. The Leverage Ratio permitted by the Credit Agreement will decrease over time to 3.75 to 1.00. Our interest coverage ratio is defined as the sum of consolidated EBITDA and consolidated rental expense for the most recent four fiscal quarters divided by the sum of consolidated interest expense and consolidated rental expense for the most recent four fiscal quarters. We were in compliance with all covenants as of December 31, 2017.

Cash Flows

Cash flow provided by operating activities was $135.0 million for 2017 as compared to $150.3 million in 2016. The decrease of approximately $15.3 million was primarily due to changes in working capital items.

The Company's free cash flow for the last three years was as follows (in thousands):

	Year Ended		
	Dec. 31, 2017	Dec. 25, 2016	Dec. 27, 2015
Net cash provided by operating activities	$ 134,975	$ 150,257	$ 170,463
Purchases of property and equipment	(52,594)	(55,554)	(38,972)
Free cash flow (a)	$ 82,381	$ 94,703	$ 131,491

(a) Free cash flow, a non-GAAP measure, is defined as net cash provided by operating activities (from the consolidated statements of cash flows) less the purchases of property and equipment. We view free cash flow as an important measure because it is one factor that management uses in determining the amount of cash available for discretionary investment. Free cash flow is not a term defined by GAAP and as a result our measure of free cash flow might not be comparable to similarly titled measures used by other companies. Free cash flow should not be construed as a substitute for or a better indicator of our performance than the Company's GAAP measures.

Cash flow used in investing activities was $56.5 million in 2017 as compared to $46.3 million for the same period in 2016, as the 2016 refranchising proceeds of $16.8 million greatly reduced the total net cash used in investing activities. In comparison to 2016, 2017 also included an increase in the loans issued to franchisees of approximately $4.9 million.

We also require capital for share repurchases and the payment of cash dividends, which are funded by cash flow from operations and borrowings from our Credit Agreement. We had net proceeds from the issuance of long-term debt of $169.4 million and $44.6 million for 2017 and 2016, respectively.

The following is a summary of our common share repurchases for the last three years (in thousands, except average price per share):

Fiscal Year	Number of Shares Repurchased	Dollar Amount Repurchased	Average Price Per Share
2015	1,845	$ 119,793	$ 64.93
2016	2,145	$ 122,381	$ 57.03
2017	2,960	$ 209,586	$ 70.80

Subsequent to December 31, 2017, we acquired an additional 546,000 shares at an aggregate cost of $32.7 million. Approximately $395.0 million remained available under the Company's share repurchase program as of February 20, 2018.

The Company expects to repurchase shares in an amount equal to the remaining authorization by the end of 2019. The timing and volume of share repurchases may be executed at the discretion of management on an opportunistic basis, or pursuant to trading plans or other arrangements. Any share repurchase under this program may be made in the open market, in privately negotiated transactions, or otherwise. The Company continues to evaluate the use of an accelerated share repurchase program to execute a portion of the share repurchase authorization. There can be no assurance as to the amount, timing or prices of repurchases, whether through an accelerated share repurchase program or otherwise. The specific timing and amount of repurchases will vary based on prevailing market conditions and other factors. Repurchases under the Company's share repurchase program may be commenced or suspended from time to time at the Company's discretion without prior notice.

We paid cash dividends of $30.7 million in 2017 ($0.85 per share), $27.9 million in 2016 ($0.75 per share) and $24.8 million in 2015 ($0.63 per share). Additionally, on January 31, 2018, our Board of Directors declared a first quarter 2018 cash dividend of $0.225 per share, or approximately $7.6 million. The dividend was paid on February 23, 2018 to shareholders of record as of the close of business on February 12, 2018. The declaration and payment of any future dividends will be at the discretion of the Board of Directors, subject to the Company's financial results, cash requirements, and other factors deemed relevant by the Board of Directors.

Contractual Obligations

Contractual obligations and payments as of December 31, 2017 due by year are as follows (in thousands):

	Payments Due by Period				
	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years	Total
Contractual Obligations:					
Term Loan Facility (1)	$ 20,000	$ 40,000	$ 335,000	$ —	$ 395,000
Revolving Facility	—	—	75,000	—	75,000
Interest payments (2)	15,804	32,546	31,314	14,742	94,406
Total debt	35,804	72,546	441,314	14,742	564,406
Operating leases (3)	45,421	69,763	42,652	56,234	214,070
Total contractual obligations	$ 81,225	$ 142,309	$ 483,966	$ 70,976	$ 778,476

(1) We utilize interest rate swaps to hedge our variable rate debt. At December 31, 2017, we had an interest rate swap asset of $651,000 recorded in other current and other long-term assets in the consolidated balance sheet.
(2) Interest payments assume an outstanding debt balance of $470.0 million. Interest payments are calculated based on LIBOR plus the applicable margin in effect at December 31, 2017, and considers the interest rate swap agreements in effect. The actual interest rates on our variable rate debt and the amount of our indebtedness could vary from those used to compute the above interest payments. See "Note 9" of "Notes to Consolidated Financial Statements" for additional information concerning our debt and credit arrangements.
(3) See "Note 17" of "Notes to Consolidated Financial Statements" for additional information.

The above table does not include the following:

- Unrecognized tax benefits of $2.0 million since we are not able to make reasonable estimates of the period of cash settlement with respect to the taxing authority.
- Redeemable noncontrolling interests of $6.7 million as we are not able to predict the timing of the redemptions.

Off-Balance Sheet Arrangements

The off-balance sheet arrangements that are reasonably likely to have a current or future effect on the Company's financial condition are operating leases of Company-owned restaurant sites, QC Centers, office space and transportation equipment. We also guarantee leases for certain Papa John's North America franchisees who have purchased restaurants that were previously Company-owned. We are contingently liable on these leases. These leases have varying terms, the latest of which expires in 2022. As of December 31, 2017, the estimated maximum amount of undiscounted payments the Company could be required to make in the event of nonpayment by the primary lessees was approximately $4.4 million.

We have certain other commercial commitments where payment is contingent upon the occurrence of certain events. Such commitments include the following by year (in thousands):

	Amount of Commitment Expiration Per Period				
	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years	Total
Other Commercial Commitments:					
Standby letters of credit	$ 32,018	$ —	$ —	$ —	$ 32,018

We are party to standby letters of credit with off-balance sheet risk associated with our insurance programs. See "Notes 9, 12 and 17" of "Notes to Consolidated Financial Statements" for additional information related to contractual and other commitments.

Forward-Looking Statements

Certain matters discussed in this press release and other Company communications constitute forward-looking statements within the meaning of the federal securities laws. Generally, the use of words such as "expect," "intend," "estimate," "believe," "anticipate," "will," "forecast," "plan," "project," or similar words identify forward-looking statements that we intend to be included within the safe harbor protections provided by the federal securities laws. Such forward-looking statements may relate to projections or guidance concerning business performance, revenue, earnings, cash flow, contingent liabilities, resolution of litigation, commodity costs, profit margins, unit growth, unit level performance, capital expenditures, share repurchases, dividends, effective tax rates, the impact of the Tax Cuts and Job Act and the adoption of new accounting standards, 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:

- aggressive changes in pricing or other marketing or promotional strategies by competitors, which may adversely affect sales and profitability; and new product and concept developments by food industry competitors;
- changes in consumer preferences or consumer buying habits, including the growing popularity of delivery aggregators, as well as changes in general economic conditions or other factors that may affect consumer confidence and discretionary spending;
- the adverse impact on the Company or our results caused by product recalls, food quality or safety issues, incidences of foodborne illness, food contamination and other general public health concerns about our company-owned or franchised restaurants or others in the restaurant industry;
- failure to maintain our brand strength, quality reputation and consumer enthusiasm for our better ingredients marketing and advertising strategy, or our ability to manage social media and shift to more effective digital marketing strategies;
- the ability of the Company and its franchisees to meet planned growth targets and operate new and existing restaurants profitably, including difficulties finding qualified franchisees, store level employees or suitable sites;
- increases in food costs or sustained higher other operating costs. This could include increased employee compensation, benefits, insurance, tax rates, new regulatory requirements or increasing compliance costs;

- increases in insurance claims and related costs for programs funded by the Company up to certain retention limits, including medical, owned and non-owned automobiles, workers' compensation, general liability and property;
- disruption of our supply chain or commissary operations which could be caused by our sole source of supply of cheese or limited source of suppliers for other key ingredients or more generally due to weather, natural disasters including drought, disease, or geopolitical or other disruptions beyond our control;
- increased risks associated with our international operations, including economic and political conditions, instability or uncertainty in our international markets, especially emerging markets, fluctuations in currency exchange rates, difficulty in meeting planned sales targets and new store growth, and;
- the impact of current or future claims and litigation, including labor and employment-related claims;
- current, proposed or future legislation that could impact our business;
- failure to effectively execute succession planning;
- disruption of critical business or information technology systems, or those of our suppliers, and risks associated with systems failures and data privacy and security breaches, including theft of confidential company, employee and customer information, including payment cards; and
- changes in Federal or state income, general and other tax laws, rules and regulations, including changes from the Tax Cuts and Jobs Act and any related Treasury regulations, rules or interpretations if and when issued; and
- changes in generally accepted accounting principles including new standards for revenue recognition and leasing.

These and other risk factors are discussed in detail in "Part I. Item 1A. — Risk Factors" of this Annual Report on Form 10-K. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise, except as required by law.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our outstanding debt of $470.0 million at December 31, 2017 represented amounts outstanding under a new credit agreement. On August 30, 2017, we entered into a new credit agreement (the "Credit Agreement") replacing the previous $500.0 million credit facility ("Previous Credit Facility"). The Credit Agreement provides for an unsecured revolving credit facility in an aggregate principal amount of $600.0 million (the "Revolving Facility") and an unsecured term loan facility in an aggregate principal amount of $400.0 million (the "Term Loan Facility" and together with the Revolving Facility, the "Facilities"). Additionally, we have the option to increase the Revolving Facility or the Term Loan Facility in an aggregate amount of up to $300.0 million, subject to certain conditions. Our outstanding debt as of December 31, 2017 under the Facilities was $470.0 million, which was comprised of $395.0 million outstanding under the Term Loan and $75.0 million outstanding under the Revolving Facility. Including outstanding letters of credit, the remaining availability under the Facilities was approximately $493.0 million as of December 31, 2017. In connection with the Credit Agreement, the Company capitalized $3.2 million of debt issuance costs, which are being amortized into interest expense, over the term of the Facilities. Total unamortized debt issuance costs of approximately $3.4 million were netted against debt as of December 31, 2017.

Loans under the Facilities accrue interest at a per annum rate equal to, at the Company's election, either a LIBOR rate plus a margin ranging from 75 to 200 basis points or a base rate (generally determined by a prime rate, federal funds rate or a LIBOR rate plus 1.00%) plus a margin ranging from 0 to 100 basis points. In each case, the actual margin is determined according to a ratio of the Company's total indebtedness to earnings before interest, taxes, depreciation and amortization ("EBITDA") for the then most recently ended four quarter period (the "*Leverage Ratio*"). The Previous Credit Facility accrued interest based on the LIBOR rate plus a margin ranging from 75 to 175 basis points. An unused commitment fee at a rate ranging from 15 to 30 basis points per annum, determined according to the Leverage Ratio, applies to the unutilized commitments under the Revolving Facility; the unused commitment fee under the Previous Credit Facility was 15 to 25 basis points. Loans outstanding under the Credit Agreement may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings for which a LIBOR rate election is in effect. Up to $35.0 million of the Revolving Facility may be advanced in certain agreed foreign currencies, including Euros, Pounds Sterling, Canadian Dollars, Japanese Yen, and Mexican Pesos.

We attempt to minimize interest risk exposure by fixing our rate through the utilization of interest rate swaps, which are derivative financial instruments. Our swaps are entered into with financial institutions that participate in our Credit Agreement. By using a derivative instrument to hedge exposures to changes in interest rates, we expose ourselves to credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract.

As of December 31, 2017, we have the following interest rate swap agreements, including three forward starting swaps executed in 2015 that become effective in 2018 upon expiration of the two existing swaps for $125 million. In addition, we executed an additional four interest rate swaps for $275 million that became effective on January 30, 2018.

Effective Dates	Floating Rate Debt	Fixed Rates
July 30, 2013 through April 30, 2018	$ 75 million	1.42 %
December 30, 2014 through April 30, 2018	$ 50 million	1.36 %
April 30, 2018 through April 30, 2023	$ 55 million	2.33 %
April 30, 2018 through April 30, 2023	$ 35 million	2.36 %
April 30, 2018 through April 30, 2023	$ 35 million	2.34 %
January 30, 2018 through August 30, 2022	$ 100 million	1.99 %
January 30, 2018 through August 30, 2022	$ 75 million	1.99 %
January 30, 2018 through August 30, 2022	$ 75 million	2.00 %
January 30, 2018 through August 30, 2022	$ 25 million	1.99 %

The weighted average interest rate on the revolving line of credit, including the impact of the interest rate swap agreements, was 2.7% for the year ended December 31, 2017. An increase in the present interest rate of 100 basis points on the line of credit balance outstanding as of December 31, 2017, including the impact of the interest rate swaps in effect January 30, 2018, would increase annual interest expense by $700,000.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange rate fluctuations from our operations outside of the United States, which can adversely impact our revenues, net income and cash flows. Our international operations principally consist of Company-owned restaurants in China, distribution sales to franchised Papa John’s restaurants located in the United Kingdom, Mexico, China and Canada and our franchise sales and support activities, which derive revenues from sales of franchise and development rights and the collection of royalties from our international franchisees. Approximately 7.1% of our 2017 revenues, 6.6% of our 2016 revenues and 6.4% of our revenues for 2015 were derived from these operations.

We have not historically hedged our exposure to foreign currency fluctuations. Foreign currency exchange rate fluctuations had a negative impact on our revenues of approximately $4.1 million for 2017 compared to $12.2 million for 2016. Foreign currency exchange rates had a favorable impact on our income before income taxes of $1.0 million for 2017 and a negative impact of $2.3 million for 2016. An additional 10% adverse change in the foreign currency rates for our international markets would result in an additional negative impact on annual revenue and income before income taxes of $10.6 million and $2.3 million, respectively.

The outcome of the June 2016 referendum in the United Kingdom was a vote for the United Kingdom to cease to be a member of the European Union (known as “Brexit”). This resulted in a lower historical valuation of the British Pound in comparison to the US Dollar. The future impact of Brexit on our franchise operations included in the European Union could also include but may not be limited to additional currency volatility and future trade, tariff, and regulatory changes. As of December 31, 2017, 29.6% of our total international restaurants are located in countries within the European Union.

Commodity Price Risk

In the ordinary course of business, the food and paper products we purchase, including cheese (our largest ingredient cost), are subject to seasonal fluctuations, weather, availability, demand and other factors that are beyond our control. We have pricing agreements with some of our vendors, including forward pricing agreements for a portion of our cheese purchases

for our domestic Company-owned restaurants, which are accounted for as normal purchases; however, we still remain exposed to on-going commodity volatility.

The following table presents the actual average block price for cheese by quarter in 2017, 2016 and 2015. Also presented is the projected 2018 average block price by quarter (based on the February 20, 2018 Chicago Mercantile Exchange cheese futures prices for 2018:

	2018 Projected Market	2017 Block Price	2016 Block Price	2015 Block Price
Quarter 1	$ 1.533	$ 1.613	$ 1.473	$ 1.538
Quarter 2	1.607	1.566	1.405	1.630
Quarter 3	1.700	1.642	1.691	1.684
Quarter 4	1.685	1.639	1.718	1.602
Full Year	$ 1.631	$ 1.615	$ 1.572	$ 1.614

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Papa John's International, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Papa John's International, Inc. and Subsidiaries (the Company) as of December 31, 2017 and December 25, 2016, the related consolidated statements of income, comprehensive income, shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2017 and December 25, 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 27, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1990.

Louisville, Kentucky
February 27, 2018

Papa John's International, Inc. and Subsidiaries
Consolidated Statements of Income

(In thousands, except per share amounts)	Year ended December 31, 2017	December 25, 2016	December 27, 2015
Revenues:			
Domestic Company-owned restaurant sales	$ 816,718	$ 815,931	$ 756,307
North America franchise royalties and fees	106,729	102,980	96,056
North America commissary and other sales	733,627	681,606	680,321
International	126,285	113,103	104,691
Total revenues	1,783,359	1,713,620	1,637,375
Costs and expenses:			
Operating costs (excluding depreciation and amortization shown separately below):			
Domestic Company-owned restaurant expenses	664,640	651,536	604,206
North America commissary and other expenses	685,206	631,475	629,423
International expenses	78,971	71,509	63,506
General and administrative expenses	158,183	163,812	163,626
Depreciation and amortization	43,668	40,987	40,307
Total costs and expenses	1,630,668	1,559,319	1,501,068
Refranchising and impairment gains/(losses), net	(1,674)	10,222	—
Operating income	151,017	164,523	136,307
Legal settlement	—	898	(12,278)
Investment income	608	785	794
Interest expense	(11,283)	(7,397)	(5,676)
Income before income taxes	140,342	158,809	119,147
Income tax expense	33,817	49,717	37,183
Net income before attribution to noncontrolling interests	106,525	109,092	81,964
Income attributable to noncontrolling interests	(4,233)	(6,272)	(6,282)
Net income attributable to the Company	$ 102,292	$ 102,820	$ 75,682
Calculation of income for earnings per share:			
Net income attributable to the Company	$ 102,292	$ 102,820	$ 75,682
Change in noncontrolling interest redemption value	1,419	567	65
Net income attributable to participating securities	(423)	(420)	(325)
Net income attributable to common shareholders	$ 103,288	$ 102,967	$ 75,422
Basic earnings per common share	$ 2.86	$ 2.76	$ 1.91
Diluted earnings per common share	$ 2.83	$ 2.74	$ 1.89
Basic weighted average common shares outstanding	36,083	37,253	39,458
Diluted weighted average common shares outstanding	36,522	37,608	40,000
Dividends declared per common share	$ 0.85	$ 0.75	$ 0.63

See accompanying notes.

Papa John's International, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income

(In thousands)	Year ended December 31, 2017	December 25, 2016	December 27, 2015
Net income before attribution to noncontrolling interests	$ 106,525	$ 109,092	$ 81,964
Other comprehensive income (loss), before tax:			
Foreign currency translation adjustments	4,570	(7,922)	(2,133)
Interest rate swaps (1)	1,421	1,492	(1,846)
Other comprehensive income (loss), before tax	5,991	(6,430)	(3,979)
Income tax effect:			
Foreign currency translation adjustments	(1,691)	2,931	789
Interest rate swaps (2)	(530)	(552)	683
Income tax effect	(2,221)	2,379	1,472
Other comprehensive income (loss), net of tax	3,770	(4,051)	(2,507)
Comprehensive income before attribution to noncontrolling interests	110,295	105,041	79,457
Less: comprehensive income, redeemable noncontrolling interests	(2,195)	(3,665)	(3,873)
Less: comprehensive income, nonredeemable noncontrolling interests	(2,038)	(2,607)	(2,409)
Comprehensive income attributable to the Company	$ 106,062	$ 98,769	$ 73,175

(1) Amounts reclassified out of accumulated other comprehensive loss ("AOCL") into interest expense included $421, $1,161 and $1,563 for the years ended December 31, 2017, December 25, 2016 and December 27, 2015, respectively.

(2) The income tax effects of amounts reclassified out of AOCL into interest expense were $156, $429 and $578 for the years ended December 31, 2017, December 25, 2016 and December 27, 2015, respectively.

See accompanying notes.

Papa John's International, Inc. and Subsidiaries
Consolidated Balance Sheets

(In thousands, except per share amounts)	December 31, 2017	December 25, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 22,345	$ 15,563
Accounts receivable (less doubtful accounts of $2,271 in 2017 and $1,486 in 2016)	64,558	59,586
Accounts receivable - affiliates (no allowance for doubtful accounts in 2017 and 2016)	86	105
Notes receivable (no allowance for doubtful accounts in 2017 and 2016)	4,333	3,417
Income tax receivable	3,903	2,372
Inventories	30,620	25,132
Prepaid expenses	28,522	24,105
Other current assets	9,494	9,038
Assets held for sale	6,133	6,257
Total current assets	169,994	145,575
Property and equipment, net	234,331	230,473
Notes receivable, less current portion (less allowance for doubtful accounts of $1,047 in 2017 and $2,759 in 2016)	15,568	10,141
Goodwill	86,892	85,529
Deferred income taxes	585	769
Other assets	48,183	40,078
Total assets	$ 555,553	$ 512,565
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 32,006	$ 42,701
Income and other taxes payable	10,561	8,540
Accrued expenses and other current liabilities	70,293	76,789
Current portion of long-term debt	20,000	—
Total current liabilities	132,860	128,030
Deferred revenue	2,652	3,313
Long-term debt, less current portion, net	446,565	299,820
Deferred income taxes	12,546	10,047
Other long-term liabilities	60,146	53,093
Total liabilities	654,769	494,303
Redeemable noncontrolling interests	6,738	8,461
Stockholders' equity (deficit):		
Preferred stock ($0.01 par value per share; no shares issued)	—	—
Common stock ($0.01 par value per share; issued 44,221 at December 31, 2017 and 44,066 at December 25, 2016)	442	441
Additional paid-in capital	184,785	172,573
Accumulated other comprehensive loss	(2,117)	(5,887)
Retained earnings	292,251	219,278
Treasury stock (10,290 shares at December 31, 2017 and 7,383 shares at December 25, 2016, at cost)	(597,072)	(390,316)
Total stockholders' equity (deficit), net of noncontrolling interests	(121,711)	(3,911)
Noncontrolling interests in subsidiaries	15,757	13,712
Total stockholders' equity (deficit)	(105,954)	9,801
Total liabilities, redeemable noncontrolling interests and stockholders' equity (deficit)	$ 555,553	$ 512,565

See accompanying notes.

Papa John's International, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity (Deficit)

	Papa John's International, Inc.							
(In thousands)	Common Stock Shares Outstanding	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Noncontrolling Interests in Subsidiaries	Total Stockholders' Equity (Deficit)
Balance at December 28, 2014	39,782	$ 433	$ 147,912	$ 671	$ 92,876	$ (155,659)	$ 12,482	$ 98,715
Net income attributable to the Company (1)	—	—	—	—	75,682	—	2,409	78,091
Other comprehensive loss	—	—	—	(2,507)	—	—	—	(2,507)
Cash dividends paid	—	—	100	—	(24,834)	—	—	(24,734)
Exercise of stock options	320	3	5,194	—	—	—	—	5,197
Tax effect of equity awards	—	—	(830)	—	—	—	—	(830)
Acquisition of Company common stock	(1,845)	—	—	—	—	(119,793)	—	(119,793)
Stock-based compensation expense	—	—	9,423	—	—	—	—	9,423
Issuance of restricted stock	151	1	(3,232)	—	—	3,231	—	—
Change in redemption value of noncontrolling interests	—	—	—	—	65	—	—	65
Contributions from noncontrolling interests	—	—	—	—	—	—	684	684
Distributions to noncontrolling interests	—	—	—	—	—	—	(2,550)	(2,550)
Other	15	—	(219)	—	—	664	—	445
Balance at December 27, 2015	38,423	437	158,348	(1,836)	143,789	(271,557)	13,025	42,206
Net income attributable to the Company (1)	—	—	—	—	102,820	—	2,607	105,427
Other comprehensive loss	—	—	—	(4,051)	—	—	—	(4,051)
Cash dividends paid	—	—	119	—	(27,898)	—	—	(27,779)
Exercise of stock options	334	3	7,056	—	—	—	—	7,059
Tax effect of equity awards	—	—	(7)	—	—	—	—	(7)
Acquisition of Company common stock	(2,145)	—	—	—	—	(122,381)	—	(122,381)
Stock-based compensation expense	—	—	10,123	—	—	—	—	10,123
Issuance of restricted stock	58	1	(2,975)	—	—	2,974	—	—
Change in redemption value of noncontrolling interests	—	—	—	—	567	—	—	567
Contributions from noncontrolling interests	—	—	—	—	—	—	690	690
Distributions to noncontrolling interests	—	—	—	—	—	—	(2,610)	(2,610)
Other	13	—	(91)	—	—	648	—	557
Balance at December 25, 2016	36,683	$ 441	$ 172,573	$ (5,887)	$ 219,278	$ (390,316)	$ 13,712	$ 9,801

Papa John's International, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity (Deficit) (continued)

	Papa John's International, Inc.							
(In thousands)	Common Stock Shares Outstanding	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Noncontrolling Interests in Subsidiaries	Total Stockholders' Equity (Deficit)
Balance at December 25, 2016	36,683	$ 441	$ 172,573	$ (5,887)	$ 219,278	$ (390,316)	$ 13,712	$ 9,801
Net income attributable to the Company (1)	—	—	—	—	102,292	—	2,038	104,330
Other comprehensive income	—	—	—	3,770	—	—	—	3,770
Cash dividends paid	—	—	136	—	(30,728)	—	—	(30,592)
Exercise of stock options	147	1	6,259	—	—	—	—	6,260
Tax effect of equity awards	—	—	(2,428)	—	—	—	—	(2,428)
Acquisition of Company common stock	(2,960)	—	—	—	—	(209,586)	—	(209,586)
Stock-based compensation expense	—	—	10,413	—	—	—	—	10,413
Issuance of restricted stock	54	—	(2,427)	—	—	2,427	—	—
Change in redemption value of noncontrolling interests	—	—	—	—	1,419	—	—	1,419
Contributions from noncontrolling interests	—	—	—	—	—	—	2,956	2,956
Distributions to noncontrolling interests	—	—	—	—	—	—	(2,949)	(2,949)
Other	7	—	259	—	(10)	403	—	652
Balance at December 31, 2017	33,931	$ 442	$ 184,785	$ (2,117)	$ 292,251	$ (597,072)	$ 15,757	$ (105,954)

(1) Net income to the Company at December 31, 2017, December 25, 2016 and December 27, 2015 excludes $4,233, $6,272 and $6,282, respectively, allocable to the noncontrolling interests for our joint venture arrangements.

At December 27, 2015, the accumulated other comprehensive loss of $1,836 was comprised of net unrealized foreign currency translation loss of $411 and a net unrealized loss on the interest rate swap agreements of $1,425.

At December 25, 2016, the accumulated other comprehensive loss of $5,887 was comprised of net unrealized foreign currency translation loss of $5,402 and a net unrealized loss on the interest rate swap agreements of $485.

At December 31, 2017, the accumulated other comprehensive loss of $2,117 was comprised of net unrealized foreign currency translation loss of $2,523 and a net unrealized gain on the interest rate swap agreements of $406.

See accompanying notes.

Papa John's International Inc. and Subsidiaries
Consolidated Statements of Cash Flows

(In thousands)	Year ended December 31, 2017	December 25, 2016	December 27, 2015
Operating activities			
Net income before attribution to noncontrolling interests	$ 106,525	$ 109,092	$ 81,964
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for uncollectible accounts and notes receivable	29	409	1,232
Depreciation and amortization	43,668	40,987	40,307
Deferred income taxes	498	11,624	(6,246)
Stock-based compensation expense	10,413	10,123	9,423
Gain on refranchising	—	(11,572)	—
Impairment loss	1,674	1,350	—
Other	3,375	3,337	4,633
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(7,358)	1,557	(9,179)
Income tax receivable	(1,531)	4,100	19,406
Inventories	(5,485)	(3,639)	4,967
Prepaid expenses	(4,414)	(3,826)	(2,425)
Other current assets	(1,158)	616	829
Other assets and liabilities	(742)	(6,269)	620
Accounts payable	(8,743)	(916)	4,804
Income and other taxes payable	1,897	9	(1,113)
Accrued expenses and other current liabilities	(3,012)	(7,960)	21,201
Deferred revenue	(661)	1,235	40
Net cash provided by operating activities	134,975	150,257	170,463
Investing activities			
Purchases of property and equipment	(52,593)	(55,554)	(38,972)
Loans issued	(8,103)	(3,210)	(4,741)
Repayments of loans issued	4,185	8,569	5,183
Acquisitions, net of cash acquired	(21)	(13,352)	(922)
Proceeds from divestitures of restaurants	—	16,844	—
Other	34	429	500
Net cash used in investing activities	(56,498)	(46,274)	(38,952)
Financing activities			
Proceeds from issuance of term loan	400,000	—	—
Repayments of term loan	(5,000)	—	—
Net (repayments) proceeds of revolving credit facility	(225,575)	44,575	25,549
Debt issuance costs	(3,181)	—	—
Cash dividends paid	(30,720)	(27,896)	(24,844)
Tax payments for equity award issuances	(2,428)	(6,024)	(10,965)
Proceeds from exercise of stock options	6,260	7,060	5,197
Acquisition of Company common stock	(209,586)	(122,381)	(119,793)
Contributions from noncontrolling interest holders	2,956	690	684
Distributions to noncontrolling interest holders	(5,449)	(5,610)	(6,550)
Other	663	556	444
Net cash used in financing activities	(72,060)	(109,030)	(130,278)
Effect of exchange rate changes on cash and cash equivalents	365	(396)	(349)
Change in cash and cash equivalents	6,782	(5,443)	884
Cash and cash equivalents at beginning of period	15,563	21,006	20,122
Cash and cash equivalents at end of period	$ 22,345	$ 15,563	$ 21,006

See accompanying notes.

Papa John's International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

1. Description of Business

Papa John's International, Inc. (referred to as the "Company," "Papa John's" or in the first person notations of "we," "us" and "our") operates and franchises pizza delivery and carryout restaurants under the trademark "Papa John's," in all 50 states and in 44 international countries and territories as of December 31, 2017. Substantially all revenues are derived from retail sales of pizza and other food and beverage products to the general public by Company-owned restaurants, franchise royalties, sales of franchise and development rights, and sales to franchisees of food and paper products, printing and promotional items and information systems and related services used in their operations.

2. Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Papa John's and its subsidiaries. All intercompany balances and transactions have been eliminated.

Variable Interest Entity

Papa John's domestic restaurants, both Company-owned and franchised, participate in Papa John's Marketing Fund, Inc. (PJMF), a nonstock corporation designed to operate at break-even for the purpose of designing and administering advertising and promotional programs for all participating domestic restaurants. PJMF is a variable interest entity ("VIE") as it does not have sufficient equity to fund its operations without ongoing financial support and contributions from its members. Based on the ownership and governance structure and operating procedures of PJMF, we have determined that we do not have the power to direct the most significant activities of PJMF and are therefore not the primary beneficiary. Accordingly, consolidation of PJMF is not appropriate**.**

Fiscal Year

Our fiscal year ends on the last Sunday in December of each year. All fiscal years presented consist of 52 weeks except for the 2017 fiscal year, which consists of 53 weeks.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant items that are subject to such estimates and assumptions include allowance for doubtful accounts and notes receivable, intangible assets, online customer loyalty program obligation, insurance reserves and tax reserves. Although management bases its estimates on historical experience and assumptions that are believed to be reasonable under the circumstances, actual results could significantly differ from these estimates.

Revenue Recognition

Retail sales from Company-owned restaurants and franchise royalties, which are based on a percentage of franchise restaurant sales, are recognized as revenues when the products are delivered to or carried out by customers. Franchise fees are recognized when a franchised restaurant begins operations, at which time we have performed our obligations related to such fees. Fees received pursuant to development agreements which grant the right to develop franchised restaurants in future periods in specific geographic areas are deferred and recognized on a pro rata basis as franchised restaurants subject to the development agreements begin operations.

The Company offers various incentive programs for franchisees including royalty incentives, new restaurant opening (i.e. development incentives) and other various support initiatives. Royalties, franchise fees and commissary sales are reduced to reflect any incentives earned or granted under these programs that are in the form of discounts. Direct mail advertising discounts are also periodically offered. North America commissary and other sales are reduced to reflect these advertising discounts. Other development incentives for opening restaurants are offered in the form of Company equipment through a lease agreement at no cost. This equipment is amortized over the term of the lease agreement, which is generally three years, and is recognized in general and administrative expenses in our consolidated statements of income.

North America commissary and other sales are comprised of food, promotional items and supplies sold to franchised restaurants located in the United States and Canada and are recognized as revenue upon shipment of the related products to the franchisees. Fees for information services, including software maintenance fees, help desk fees and online ordering fees are recognized as revenue as such services are provided and are included in North America commissary and other sales. Insurance commissions are recognized as revenue over the term of the policy period and are included in North America commissary and other sales.

International revenues are comprised of Company-owned restaurant sales, royalties, franchise fees and revenues for the production and distribution of food to international franchisees. Revenues are recognized consistently with the policies applied for revenues generated in the United States.

See *Recent Accounting Pronouncements* for information on the impact of the adoption effective January 1, 2018, of the new revenue recognition accounting guidance, *Revenue from Contracts with Customers (Topic 606).*

Advertising and Related Costs

Advertising and related costs of $72.3 million, $70.9 million and $67.2 million in 2017, 2016 and 2015, respectively, include the costs of domestic Company-owned local restaurant activities such as mail coupons, door hangers and promotional items and contributions to PJMF and various local market cooperative advertising funds (“Co-op Funds”). Contributions by domestic Company-owned and franchised restaurants to PJMF and the Co-op Funds are based on an established percentage of monthly restaurant revenues. PJMF is responsible for developing and conducting marketing and advertising for the domestic Papa John’s system. The Co-op Funds are responsible for developing and conducting advertising activities in a specific market, including the placement of electronic and print materials developed by PJMF. We recognize domestic Company-owned restaurant contributions to PJMF and the Co-op Funds in which we do not have a controlling interest in the period in which the contribution accrues. The net assets of the Co-op Funds in which we possess majority voting rights, and thus control the cooperatives, are included in our consolidated balance sheets.

Leases

Lease expense is recognized on a straight-line basis over the expected life of the lease term. A lease term often includes option periods, available at the inception of the lease.

Stock-Based Compensation

Compensation expense for equity grants is estimated on the grant date, net of projected forfeitures, and is recognized over the vesting period (generally in equal installments over three years). Restricted stock is valued based on the market price of the Company’s shares on the date of grant. Stock options are valued using a Black-Scholes option pricing model. Our specific assumptions for estimating the fair value of options are included in Note 18.

Cash Equivalents

Cash equivalents consist of highly liquid investments with maturity of three months or less at date of purchase. These investments are carried at cost, which approximates fair value.

Accounts Receivable

Substantially all accounts receivable are due from franchisees for purchases of food, paper products, restaurant equipment, printing and promotional items, information systems and related services, and royalties. Credit is extended based on an evaluation of the franchisee's financial condition and collateral is generally not required. A reserve for uncollectible accounts is established as deemed necessary based upon overall accounts receivable aging levels and a specific review of accounts for franchisees with known financial difficulties. Account balances are charged off against the allowance after recovery efforts have ceased.

Notes Receivable

The Company provides financing to select franchisees principally for use in the construction and development of their restaurants and for the purchase of restaurants from the Company or other franchisees. Notes receivable bear interest at fixed or floating rates and are generally secured by the assets of each restaurant and the ownership interests in the franchise. We establish an allowance based on a review of each borrower's economic performance and underlying collateral value. Note balances are charged off against the allowance after recovery efforts have ceased.

Inventories

Inventories, which consist of food products, paper goods and supplies, smallwares, and printing and promotional items, are stated at the lower of cost, determined under the first-in, first-out (FIFO) method, or market.

Property and Equipment

Property and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets (generally five to ten years for restaurant, commissary and other equipment, 20 to 40 years for buildings and improvements, and five years for technology and communication assets). Leasehold improvements are amortized over the terms of the respective leases, including the first renewal period (generally five to ten years).

Depreciation expense was $42.6 million in 2017 and $39.7 million in 2016 and 2015.

Deferred Costs

We defer certain information systems development and related costs that meet established criteria. Amounts deferred, which are included in property and equipment, are amortized principally over periods not exceeding five years beginning in the month subsequent to completion of the related information systems project. Total costs deferred were approximately $4.1 million in 2017, $2.9 million in 2016 and $2.6 million in 2015. The unamortized information systems development costs approximated $11.1 million and $9.8 million as of December 31, 2017 and December 25, 2016, respectively.

Intangible Assets — Goodwill

We evaluate goodwill annually in the fourth quarter or whenever we identify certain triggering events or circumstances that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. Such tests are completed separately with respect to the goodwill of each of our reporting units, which includes our domestic Company-owned restaurants, China and the United Kingdom ("PJUK") operations. We may perform a qualitative assessment or move directly to the quantitative assessment for any reporting unit in any period if we believe that it is more efficient or if impairment indicators exist.

We elected to perform a qualitative assessment for our domestic Company-owned restaurants, China and PJUK reporting units in 2017. As a result of our qualitative analyses, we determined that it was more-likely-than-not that the fair values of our reporting units were greater than their carrying amounts. Subsequent to completing our goodwill impairment tests, no indicators of impairment were identified. See Note 8 for additional information.

Deferred Income Tax Accounts and Tax Reserves

We are subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining Papa John's provision for income taxes and the related assets and liabilities. The provision for income taxes includes income taxes paid, currently payable or receivable and those deferred. We use an estimated annual effective rate based on expected annual income to determine our quarterly provision for income taxes. Discrete items are recorded in the quarter in which they occur.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities, and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets are also recognized for the estimated future effects of tax attribute carryforwards (e.g., net operating losses, capital losses, and foreign tax credits). The effect on deferred taxes of changes in tax rates is recognized in the period in which the new tax rate is enacted. Valuation allowances are established when necessary on a jurisdictional basis to reduce deferred tax assets to the amounts we expect to realize.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted, significantly decreasing the U.S. federal income tax rate for corporations effective January 1, 2018. As a result, we remeasured our deferred tax assets, liabilities and related valuation allowances. This remeasurement yielded a one-time benefit of approximately $7.0 million due to the lower income tax rate. Given the substantial changes associated with the Tax Act, the estimated financial impacts for 2017 are provisional and subject to further interpretation and clarification of the Tax Act during 2018. See "Items Impacting Comparability" and Note 2 for additional information. As of December 31, 2017, we had a net deferred income tax liability of approximately $12.0 million.

Tax authorities periodically audit the Company. We record reserves and related interest and penalties for identified exposures as income tax expense. We evaluate these issues and adjust for events, such as statute of limitations expirations, court rulings or audit settlements, which may impact our ultimate payment for such exposures. We recognized decreases in income tax expense of $1.7 million and $729,000 in 2017 and 2016, respectively, and an increase in income tax expense of $731,000 in 2015 associated with the finalization of certain income tax matters. See Note 15 for additional information.

Insurance Reserves

Our insurance programs for workers' compensation, owned and non-owned automobiles, general liability, property, and health insurance coverage provided to our employees are funded by the Company up to certain retention levels under our retention programs. Retention limits generally range from $100,000 to $1.0 million.

Losses are accrued based upon undiscounted estimates of the liability for claims incurred using certain third-party actuarial projections and our claims loss experience. The estimated insurance claims losses could be significantly affected should the frequency or ultimate cost of claims differ significantly from historical trends used to estimate the insurance reserves recorded by the Company. See Note 12 for additional information on our insurance reserves.

Derivative Financial Instruments

We recognize all derivatives on the balance sheet at fair value. At inception and on an ongoing basis, we assess whether each derivative that qualifies for hedge accounting continues to be highly effective in offsetting changes in the cash flows of the hedged item. If the derivative meets the hedge criteria as defined by certain accounting standards, depending on the nature of the hedge, changes in the fair value of the derivative are either offset against the change in fair value of assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income/(loss) until the hedged item is recognized in earnings.

We recognized income of $1.4 million ($0.9 million after tax) in 2017, income of $1.5 million ($0.9 million after tax) in 2016 and a loss of $1.8 million ($1.2 million after tax) in 2015, in other comprehensive income/(loss) for the net change in the fair value of our interest rate swaps. See Note 9 for additional information on our debt and credit arrangements.

Noncontrolling Interests

The Company has five joint ventures in which there are noncontrolling interests. Consolidated net income is required to be reported separately at amounts attributable to both the parent and the noncontrolling interest. Additionally, disclosures are required to clearly identify and distinguish between the interests of the parent company and the interests of the noncontrolling owners, including a disclosure on the face of the consolidated statements of income attributable to the noncontrolling interest holder.

The following summarizes the redemption feature, location and related accounting within the consolidated balance sheets for these joint venture arrangements:

Type of Joint Venture Arrangement	Location within the Balance Sheets	Recorded Value
Joint venture with no redemption feature	Permanent equity	Carrying value
Option to require the Company to purchase the noncontrolling interest - currently redeemable	Temporary equity	Redemption value*
Option to require the Company to purchase the noncontrolling interest - not currently redeemable	Temporary equity	Carrying value

*The change in redemption value is recorded as an adjustment to “Redeemable noncontrolling interests” and “Retained earnings” in the consolidated balance sheets.

See Note 6 for additional information regarding noncontrolling interests.

Foreign Currency Translation

The local currency is the functional currency for each of our foreign subsidiaries. Revenues and expenses are translated into U.S. dollars using monthly average exchange rates, while assets and liabilities are translated using year-end exchange rates. The resulting translation adjustments are included as a component of accumulated other comprehensive income/(loss) (“AOCL”) net of income taxes.

Recent Accounting Pronouncements

Deferred Debt Issuance Costs

In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASU”) 2015-03 “Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs” (“ASU 2015-03”). The update required that deferred debt issuance costs be reported as a reduction to long-term debt (previously reported in other noncurrent assets). We adopted ASU 2015-03 in 2016 and for all retrospective periods, as required. The impact of the adoption was not material to our consolidated financial statements.

Employee Share-Based Payments

In March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-09, “Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting” (“ASU 2016-09”). The guidance simplified the accounting and financial reporting of the income tax impact of stock-based compensation arrangements. This guidance requires excess tax benefits to be recorded as a discrete item within income tax expense rather than additional paid-in capital. In addition, excess tax benefits are required to be classified as cash from operating activities rather than cash from financing activities.

The Company adopted this guidance as of the beginning of fiscal 2017. The Company elected to apply the cash flow guidance of ASU 2016-09 retrospectively to all prior periods. The impact of retrospectively applying this guidance to the consolidated statement of cash flows was a $6.2 million and $10.2 million increase in net cash provided by operating activities and a corresponding increase in net cash used in financing activities for the years ended December 25, 2016 and December 27, 2015, respectively. The Company elected to continue to estimate forfeitures, as permitted by ASU 2016-09, rather than electing to account for forfeitures as they occur.

Hedging

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815) Targeted Improvements to Accounting for Hedging Activities” (“ASU 2017-12”) which intends to better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendment attempts to simplify the application of hedge accounting guidance. The pronouncement is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company adopted ASU 2017-12 in the fourth quarter of 2017. The impact of the adoption was not material to our consolidated financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, “Leases,” (“ASU 2016-02”), which amends leasing guidance by requiring companies to recognize a right-of-use asset and a lease liability for all operating and capital leases (financing) with lease terms greater than twelve months. The lease liability will be equal to the present value of lease payments. The lease asset will be based on the lease liability, subject to adjustment, such as for initial direct costs. For income statement purposes, leases will continue to be classified as operating or capital (financing) with lease expense in both cases calculated substantially the same as under the prior leasing guidance. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018 (fiscal 2019 for the Company), and early adoption is permitted. The Company has not yet determined the full impact of the adoption on its consolidated financial statements but expect the adoption will result in a significant increase in the non-current assets and liabilities reported on our consolidated balance sheet. Operating leases comprise the majority of our current lease portfolio at the end of fiscal 2017. We had operating leases with remaining rental payments of approximately $214.1 million and future expected sublease rental income of $79.6 million. See Note 17 for additional information regarding leases.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers” (“ASU 2014-09”), a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under GAAP. This update requires companies to recognize revenue at amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services at the time of transfer. In doing so, companies will need to use more judgment and make more estimates than under existing guidance. Such areas may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. Companies can either apply a full retrospective adoption or a modified retrospective adoption. In March and April 2016, the FASB issued the following amendments to clarify the implementation guidance: ASU 2016-08, “Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)” and ASU 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing”.

We do not believe the standards will materially impact the recognition and reporting of our three largest sources of revenue: sales from Company-owned restaurants, commissary sales, or our continuing royalties or other fees from franchisees that are based on a percentage of the franchise sales. We have concluded that the most significant items to be impacted are the presentation and amount of our loyalty program costs (including a change to a deferred revenue approach from the incremental cost accrual model), the timing of franchise and development fees revenue recognition and the presentation of various Domestic co-operative and International advertising funds (reporting of gross revenues and expenses versus historical net presentation).

We will adopt the new revenue guidance effective January 1, 2018, utilizing the modified retrospective method of adoption by recognizing the cumulative effect of initially applying the new standards as a decrease to the opening balance of retained earnings. We expect the adjustment before income tax effects to be between $20.0 million and $25.0 million.

Reclassification

Certain prior year amounts in the consolidated statements of cash flows have been reclassified to conform to the current year presentation.

Subsequent Events

The Company evaluated subsequent events through the date the financial statements were issued and filed. See Note 7 for information regarding divestitures. There were no other subsequent events that require recognition or disclosure.

3. Stockholders' Equity (Deficit)

Shares Authorized and Outstanding

The Company has authorized 5.0 million shares of preferred stock and 100.0 million shares of common stock. The Company's outstanding shares of common stock, net of repurchased common stock, were 33.9 million shares at December 31, 2017 and 36.7 million shares at December 25, 2016. There were no shares of preferred stock issued or outstanding at December 31, 2017 and December 25, 2016.

Share Repurchase Program

Our Board of Directors has authorized the repurchase of up to $2.075 billion of common stock under a share repurchase program that began on December 9, 1999 and expires on February 27, 2019. Funding for the share repurchase program has been provided through a credit facility, operating cash flow, stock option exercises and cash and cash equivalents.

We repurchased 3.0 million, 2.1 million and 1.8 million shares of our common stock for $209.6 million, $122.4 million and $119.8 million in 2017, 2016, and 2015, respectively.

Subsequent to year end through February 20, 2018, the Company acquired an additional 546,000 shares at an aggregate cost of $32.7 million. As of February 20, 2018, $395.0 million was available for repurchase of common stock under this authorization.

Cash Dividend

The Company paid dividends of $30.7 million in 2017, $27.9 million in 2016 and $24.8 million in 2015. Subsequent to fiscal 2017, our Board of Directors declared a first quarter 2018 cash dividend of $0.225 per share, or approximately $7.6 million. The dividend was paid on February 23, 2018 to shareholders of record as of the close of business on February 12, 2018.

4. Earnings per Share

We compute earnings per share using the two-class method. The two-class method requires an earnings allocation formula that determines earnings per share for common shareholders and participating security holders according to dividends declared and participating rights in undistributed earnings. We consider time-based restricted stock awards to be participating securities because holders of such shares have non-forfeitable dividend rights. Under the two-class method, undistributed earnings allocated to participating securities are subtracted from net income attributable to the Company in determining net income attributable to common shareholders.

Additionally, in accordance with ASC 480, “Distinguishing Liabilities from Equity”, the increase in the redemption value for the noncontrolling interest of one of our joint ventures reduces income attributable to common shareholders (and a decrease in redemption value increases income attributable to common shareholders).

Basic earnings per common share are computed by dividing net income attributable to common shareholders by the weighted-average common shares outstanding. Diluted earnings per common share are computed by dividing the net income attributable to common shareholders by the diluted weighted average common shares outstanding. Diluted weighted average common shares outstanding consists of basic weighted average common shares outstanding plus weighted average awards outstanding under our equity compensation plans, which are dilutive securities.

The calculations of basic earnings per common share and diluted earnings per common share for the years ended December 31, 2017, December 25, 2016 and December 27, 2015 are as follows (in thousands, except per share data):

	2017	2016	2015
Basic earnings per common share:			
Net income attributable to the Company	$ 102,292	$ 102,820	$ 75,682
Change in noncontrolling interest redemption value	1,419	567	65
Net income attributable to participating securities	(423)	(420)	(325)
Net income attributable to common shareholders	$ 103,288	$ 102,967	$ 75,422
Weighted average common shares outstanding	36,083	37,253	39,458
Basic earnings per common share	$ 2.86	$ 2.76	$ 1.91
Diluted earnings per common share:			
Net income attributable to common shareholders	$ 103,288	$ 102,967	$ 75,422
Weighted average common shares outstanding	36,083	37,253	39,458
Dilutive effect of outstanding equity awards	439	355	542
Diluted weighted average common shares outstanding	36,522	37,608	40,000
Diluted earnings per common share	$ 2.83	$ 2.74	$ 1.89

Shares subject to options to purchase common stock with an exercise price greater than the average market price for the year were not included in the computation of diluted earnings per common share because the effect would have been antidilutive. The weighted average number of shares subject to antidilutive options was 278,000 in 2017, 331,000 in 2016 and 251,000 in 2015.

See Note 6 for additional information regarding our noncontrolling interests and Note 18 for equity awards, including restricted stock.

5. Fair Value Measurements and Disclosures

We are required to determine the fair value of financial assets and liabilities based on the price that would be received to sell the asset or paid to transfer the liability to a market participant. Fair value is a market-based measurement, not an entity specific measurement. The fair value of certain assets and liabilities approximates carrying value because of the short-term nature of the accounts, including cash, accounts receivable and accounts payable. The carrying value of our notes receivable, net of allowances, also approximates fair value. The fair value of the amount outstanding under our revolving credit facility approximates its carrying value due to its variable market-based interest rate. These assets and liabilities are categorized as Level 1 as defined below.

Certain assets and liabilities are measured at fair value on a recurring and non-recurring basis and are required to be classified and disclosed in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

Our financial assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2017 and December 25, 2016 are as follows (in thousands):

	Carrying Value	Fair Value Measurements Level 1	Level 2	Level 3
December 31, 2017				
Financial assets:				
Cash surrender value of life insurance policies (a)	$ 28,645	$ 28,645	$ —	$ —
Interest rate swaps (b)	651	—	651	—
December 25, 2016				
Financial assets:				
Cash surrender value of life insurance policies (a)	$ 21,690	$ 21,690	$ —	$ —
Financial liabilities:				
Interest rate swaps (b)	770	—	770	—

(a) Represents life insurance policies held in our non-qualified deferred compensation plan.

(b) The fair values of our interest rate swaps are based on the sum of all future net present value cash flows. The future cash flows are derived based on the terms of our interest rate swaps, as well as considering published discount factors, and projected London Interbank Offered Rates ("LIBOR").

Our assets and liabilities that were measured at fair value on a non-recurring basis as of December 31, 2017 and December 25, 2016 include assets held for sale. The fair value was determined using a market-based approach with unobservable inputs (Level 3). We recorded impairment losses of $1.7 million and $1.4 million in 2017 and 2016, respectively, which represents the excess of the carrying value over the fair value; the impairment is recorded in refranchising and impairment gains/(losses), net in the consolidated statements of income.

There were no transfers among levels within the fair value hierarchy during fiscal 2017 or 2016.

6. Noncontrolling Interests

Papa John's has five joint ventures in which there are noncontrolling interests held by third parties. These joint ventures included 246 restaurants as of December 31, 2017, 222 restaurants at December 25, 2016, and 213 restaurants at December 27, 2015. The income before income taxes attributable to these joint ventures for the years ended December 31, 2017, December 25, 2016 and December 27, 2015 were as follows (in thousands):

	2017	2016	2015
Papa John's International, Inc.	$ 7,181	$ 9,913	$ 9,725
Noncontrolling interests	4,233	6,272	6,282
Total income before income taxes	$ 11,414	$ 16,185	$ 16,007

The noncontrolling interest holders of two joint ventures have the option to require the Company to purchase their interests. Since redemption of the noncontrolling interests is outside of the Company's control, the noncontrolling interests are presented in the caption "Redeemable noncontrolling interests" in the consolidated balance sheets.

The following summarizes changes in our redeemable noncontrolling interests in 2017 and 2016 (in thousands):

Balance at December 27, 2015	$ 8,363
Net income	3,665
Distributions	(3,000)
Change in redemption value	(567)
Balance at December 25, 2016	$ 8,461
Net income	2,195
Distributions	(2,499)
Change in redemption value	(1,419)
Balance at December 31, 2017	$ 6,738

7. Acquisitions and Divestitures

Acquisitions

There were no significant acquisitions in 2017. We acquired restaurants from our domestic franchisees in 2016 and 2015, which are summarized as follows:

	2016	2015
Number of restaurants acquired	25	7
Location of restaurants acquired	Florida, Alabama Georgia, Texas and Kentucky	North Carolina Missouri and Colorado
Purchase price (in thousands):		
Cash payment	$ 13,352	$ 922
Cancellation of accounts and notes receivable	406	—
Total purchase price	$ 13,758	$ 922
Final fair value allocation of purchase price (in thousands):		
Property and equipment	$ 1,362	$ 648
Franchise rights	2,092	113
Goodwill	10,166	152
Other	138	9
Total purchase price	$ 13,758	$ 922

The restaurant acquisitions described above were accounted for by the purchase method of accounting, whereby operating results subsequent to the acquisition date are included in our consolidated financial results. The excess of the purchase price over the aggregate fair value of net assets acquired was allocated to goodwill for the domestic Company-owned restaurants segment and is eligible for deduction over 15 years under U.S. tax regulations.

Divestitures

In September 2015, the Company decided to refranchise the China Company-owned market and is planning a sale of its existing China operations, consisting of 35 Company-owned restaurants and a commissary. At that time, we classified the assets as held for sale within the consolidated balance sheet. In 2017, based on the intent to divest all assets and liabilities, we have classified the liabilities as held for sale within the consolidated balance sheet. The Company expects to sell the business during 2018; upon completion of the sale, the Company will not have any Company-owned international restaurants. In both 2017 and 2016, we recorded impairment of $1.7 million and $1.4 million, respectively, as we determined that the fair value was less than the carrying value of the associated assets, including the related goodwill. This amount is included in the refranchising and impairment gains/(losses), net in the consolidated statements of income. See Note 5 for additional information on the determination of fair value on the assets held for sale.

The following summarizes the associated assets and liabilities that are classified as held for sale (in thousands):

	December 31, 2017	December 25, 2016
Cash	$ 908	$ —
Inventories	505	621
Prepaid expenses	570	517
Net property and equipment	4,878	4,767
Other assets	946	568
Valuation allowance	(1,674)	(216)
Total assets held for sale	$ 6,133	$ 6,257
Accounts payable	$ 1,817	$ —
Accrued and other liabilities	470	—
Total liabilities held for sale	$ 2,287	$ —

Subsequent to the year ended December 31, 2017, the Company entered into an Asset Purchase Agreement to refranchise 31 stores owned through a joint venture in the Denver, Colorado market for a sale price of $4.5 million. The Company holds a 60% ownership share in the stores being refranchised. We do not expect the divestiture to result in a significant refranchising gain or loss. The divestiture was effective February 26, 2018.

8. Goodwill and Other Intangibles

The following summarizes changes in the Company's goodwill, by reporting segment (in thousands):

	Domestic Company-owned Restaurants	International (a)	All Others	Total
Balance as of December 27, 2015	$ 62,363	$ 16,858	$ 436	$ 79,657
Acquisitions (b)	10,166	—	—	10,166
Divestitures (c)	(2,481)	—	—	(2,481)
Adjustment to assets held for sale (d)	—	979	—	979
Foreign currency adjustments	—	(2,792)	—	(2,792)
Balance as of December 25, 2016	70,048	15,045	436	85,529
Foreign currency adjustments	—	1,363	—	1,363
Balance as of December 31, 2017	$ 70,048	$ 16,408	$ 436	$ 86,892

(a) The international goodwill balances for all years presented are net of accumulated impairment of $2.3 million associated with our PJUK reporting unit, which was recorded in fiscal 2008.

(b) Includes 25 restaurants located in four domestic markets.
(c) Includes 42 restaurants located in one domestic market.
(d) Represents goodwill associated with the Company-owned China market. The goodwill was removed from the China reporting unit and reclassified to assets held for sale, along with the other associated assets, in 2015 using a relative fair value approach. Based on an updated fair value analysis, the goodwill allocation was updated in 2016 and adjusted accordingly. See Note 7 for additional information.

For fiscal years 2017 and 2016, we performed a qualitative analysis for our domestic Company-owned restaurants, China, and PJUK reporting units. For fiscal year 2015, we performed a qualitative analysis for our domestic Company-owned restaurants and our PJUK reporting unit and a quantitative analysis for our China reporting unit. No impairment charges were recorded upon the completion of our goodwill impairment tests in 2015, 2016 and 2017, excluding the China goodwill allocated to assets held for sale in 2016.

As part of our acquisitions of franchise restaurants, the Company records an intangible asset for the value of the franchise rights that are acquired. The intangible is amortized on a straight-line basis over the term of the remaining franchise agreement as of the date of acquisition. As of December 31, 2017 and December 25, 2016, the intangible was approximately $1.8 million and $2.4 million, respectively, net of accumulated amortization of $1.4 million and $800,000, respectively. Amortization expense related to the intangible was approximately $600,000 for the period ended December 31, 2017, $400,000 for the period ended December 25, 2016, and $200,000 for the period ended December 27, 2015.

9. Debt and Credit Arrangements

Long-term debt, net consists of the following (in thousands):

	December 31, 2017	December 25, 2016
Outstanding debt	$ 470,000	$ 300,575
Unamortized debt issuance costs	(3,435)	(755)
Current portion of long-term debt	(20,000)	-
Total long-term debt, less current portion, net	$ 446,565	$ 299,820

Our outstanding debt of $470.0 million at December 31, 2017 represented amounts outstanding under a new credit agreement. On August 30, 2017, we entered into a new credit agreement (the “Credit Agreement”) replacing the previous $500.0 million credit facility (“Previous Credit Facility”). The Credit Agreement provides for an unsecured revolving credit facility in an aggregate principal amount of $600.0 million (the “Revolving Facility”) and an unsecured term loan facility in an aggregate principal amount of $400.0 million (the “Term Loan Facility” and together with the Revolving Facility, the “Facilities”). Additionally, we have the option to increase the Revolving Facility or the Term Loan Facility in an aggregate amount of up to $300.0 million, subject to certain conditions. Our outstanding debt as of December 31, 2017 under the Facilities was $470.0 million, which was comprised of $395.0 million outstanding under the Term Loan and $75.0 million outstanding under the Revolving Facility. Including outstanding letters of credit, the remaining availability under the Facilities was approximately $493.0 million as of December 31, 2017. In connection with the Credit Agreement, the Company capitalized $3.2 million of debt issuance costs, which are being amortized into interest expense, over the term of the Facilities. Total unamortized debt issuance costs of approximately $3.4 million were netted against debt as of December 31, 2017.

Loans under the Facilities accrue interest at a per annum rate equal to, at the Company’s election, either a LIBOR rate plus a margin ranging from 75 to 200 basis points or a base rate (generally determined by a prime rate, federal funds rate or a LIBOR rate plus 1.00%) plus a margin ranging from 0 to 100 basis points. In each case, the actual margin is determined according to a ratio of the Company’s total indebtedness to earnings before interest, taxes, depreciation and amortization (“EBITDA“) for the then most recently ended four quarter period (the “Leverage Ratio”). The Previous Credit Facility accrued interest based on the LIBOR rate plus a margin ranging from 75 to 175 basis points. An unused commitment fee at a rate ranging from 15 to 30 basis points per annum, determined according to the Leverage Ratio, applies to the unutilized commitments under the Revolving Facility; the unused commitment fee under the Previous Credit Facility was 15 to 25 basis points. Loans outstanding under the Credit Agreement may be prepaid at any time without premium or penalty,

subject to customary breakage costs in the case of borrowings for which a LIBOR rate election is in effect. Up to $35.0 million of the Revolving Facility may be advanced in certain agreed foreign currencies, including Euros, Pounds Sterling, Canadian Dollars, Japanese Yen, and Mexican Pesos.

The Facilities mature on August 30, 2022. Quarterly amortization payments are required to be made on the Term Loan Facility in the amount of $5.0 million beginning in the fourth quarter of 2017. The obligations under the Credit Agreement are guaranteed by certain direct and indirect material subsidiaries of the Company.

The Credit Agreement contains customary affirmative and negative covenants, including financial covenants requiring the maintenance of specified fixed charges and leverage ratios. At December 31, 2017, we were in compliance with these covenants.

We attempt to minimize interest risk exposure by fixing our rate through the utilization of interest rate swaps, which are derivative financial instruments. Our swaps are entered into with financial institutions that participate in our Credit Agreement. By using a derivative instrument to hedge exposures to changes in interest rates, we expose ourselves to credit risk. Credit risk is due to the possible failure of the counterparty to perform under the terms of the derivative contract.

As of December 31, 2017, we have the following interest rate swap agreements, including three forward starting swaps executed in 2015 that will become effective in 2018 upon expiration of the two existing swaps for $125 million. In addition, we executed four additional interest rate swaps in 2017 for $275 million, which became effective on January 30, 2018.

Effective Dates	Floating Rate Debt	Fixed Rates
July 30, 2013 through April 30, 2018	$ 75 million	1.42 %
December 30, 2014 through April 30, 2018	$ 50 million	1.36 %
April 30, 2018 through April 30, 2023	$ 55 million	2.33 %
April 30, 2018 through April 30, 2023	$ 35 million	2.36 %
April 30, 2018 through April 30, 2023	$ 35 million	2.34 %
January 30, 2018 through August 30, 2022	$ 100 million	1.99 %
January 30, 2018 through August 30, 2022	$ 75 million	1.99 %
January 30, 2018 through August 30, 2022	$ 75 million	2.00 %
January 30, 2018 through August 30, 2022	$ 25 million	1.99 %

The effective portion of the gain or loss on the swaps is recognized in other comprehensive income/(loss) and reclassified into earnings in the same period or periods during which the swaps affect earnings. Gains or losses on the swaps representing hedge components excluded from the assessment of effectiveness are recognized in current earnings. Amounts payable or receivable under the swaps are accounted for as adjustments to interest expense.

The following table provides information on the location and amounts of our swaps in the accompanying consolidated financial statements (in thousands):

	Interest Rate Swap Derivatives	
Balance Sheet Location	Fair Value December 31, 2017	Fair Value December 25, 2016
Other current and long-term assets	$ 651	$ —
Other current and long-term liabilities	$ —	$ 770

There were no derivatives that were not designated as hedging instruments.

The effect of derivative instruments on the accompanying consolidated financial statements is as follows (in thousands):

Derivatives - Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in AOCL on Derivative	Location of Gain or (Loss) Reclassified from AOCL into Income	Amount of Gain or (Loss) Reclassified from AOCL into Income	Total Interest Expense on Consolidated Statements of Income
Interest rate swaps:				
2017	$ 891	Interest expense	$ (421)	$ (11,283)
2016	$ 940	Interest expense	$ (1,161)	$ (7,397)
2015	$ (1,163)	Interest expense	$ (1,563)	$ (5,676)

The weighted average interest rates on our debt, including the impact of the interest rate swap agreements, were 2.7%, 2.1% and 2.0% in fiscal 2017, 2016 and 2015, respectively. Interest paid, including payments made or received under the swaps, was $10.8 million in 2017, $7.1 million in 2016 and $5.3 million in 2015. As of December 31, 2017, the portion of the $651,000 interest rate swap asset that would be reclassified into earnings during the next 12 months as interest income approximates $281,000.

10. Net Property and Equipment

Net property and equipment consists of the following (in thousands):

	December 31, 2017	December 25, 2016
Land	$ 33,994	$ 34,009
Buildings and improvements	91,809	90,892
Leasehold improvements	125,204	112,815
Equipment and other	378,509	357,242
Construction in progress	10,983	22,399
Total property and equipment	640,499	617,357
Accumulated depreciation and amortization	(406,168)	(386,884)
Net property and equipment	$ 234,331	$ 230,473

11. Notes Receivable

Selected domestic and international franchisees have borrowed funds from the Company, principally for use in the construction and development of their restaurants. We have also entered into loan agreements with certain franchisees that purchased restaurants from us or from other franchisees. Loans outstanding were approximately $19.9 million and $13.6 million on a consolidated basis as of December 31, 2017 and December 25, 2016, respectively, net of allowance for doubtful accounts.

Notes receivable bear interest at fixed or floating rates and are generally secured by the assets of each restaurant and the ownership interests in the franchisee. The carrying amounts of the loans approximate fair value. Interest income recorded on franchisee loans was approximately $579,000 in 2017, $684,000 in 2016 and $731,000 in 2015 and is reported in investment income in the accompanying consolidated statements of income.

Based on our review of certain borrowers' economic performance and underlying collateral value, we established allowances of $1.0 million and $2.8 million as of December 31, 2017 and December 25, 2016, respectively, for potentially uncollectible notes receivable. The following summarizes changes in our notes receivable allowance for doubtful accounts (in thousands):

Balance as of December 27, 2015	$ 3,653
Recovered from costs and expenses	(250)
Deductions, including notes written off	(644)
Balance as of December 25, 2016	2,759
Recovered from costs and expenses	(1,715)
Additions, net of notes written off	3
Balance as of December 31, 2017	$ 1,047

12. Insurance Reserves

The following table summarizes changes in our insurance program reserves (in thousands):

Balance as of December 27, 2015	$ 30,550
Additions	42,508
Payments	(37,615)
Balance as of December 25, 2016	35,443
Additions	47,032
Payments	(40,633)
Balance as of December 31, 2017	$ 41,842

We are a party to standby letters of credit with off-balance sheet risk associated with our insurance programs. The total amount committed under letters of credit for these programs was $31.9 million at December 31, 2017.

13. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	December 31, 2017	December 25, 2016
Salaries, benefits and bonuses	$ 15,365	$ 26,623
Insurance reserves, current	19,847	16,993
Purchases	11,364	13,909
Customer loyalty program	4,276	3,339
Rent	3,794	3,073
Marketing	1,481	1,883
Deposits	3,091	1,771
Utilities	1,382	1,420
Consulting and professional fees	1,134	999
Legal costs	804	675
Other	7,755	6,104
Total	$ 70,293	$ 76,789

14. Other Long-term Liabilities

Other long-term liabilities consist of the following (in thousands):

	December 31, 2017	December 25, 2016
Deferred compensation plan	$ 28,690	$ 22,047
Insurance reserves	21,995	18,450
Accrued rent	7,129	6,337
Other	2,332	6,259
Total	$ 60,146	$ 53,093

15. Income Taxes

A summary of the provision for income taxes follows (in thousands):

	2017	2016	2015
Current:			
Federal	$ 28,951	$ 32,477	$ 36,077
Foreign	4,602	2,669	4,183
State and local	(234)	2,947	3,169
Deferred	498	11,624	(6,246)
Total	$ 33,817	$ 49,717	$ 37,183

Significant deferred tax assets (liabilities) follow (in thousands):

	December 31, 2017	December 25, 2016
Accrued liabilities	$ 11,378	$ 14,479
Accrued bonuses	192	5,399
Other assets and liabilities	7,913	12,434
Equity awards	5,690	7,704
Other	2,178	3,716
Foreign net operating losses	2,773	3,418
Foreign tax credit carryforwards	4,707	2,347
Total deferred tax assets	34,831	49,497
Valuation allowance on foreign net operating and capital losses, foreign deferred tax assets, and foreign tax credit carryforwards	(7,415)	(5,462)
Total deferred tax assets, net of valuation allowances	27,416	44,035
Deferred expenses	(6,912)	(9,544)
Accelerated depreciation	(19,228)	(25,072)
Goodwill	(12,248)	(18,480)
Other	(989)	(217)
Total deferred tax liabilities	(39,377)	(53,313)
Net deferred liability	$ (11,961)	$ (9,278)

The Company had approximately $9.4 million and $14.5 million of foreign net operating loss carryovers as of December 31, 2017 and December 25, 2016, respectively. The Company had approximately $2.1 million and $3.1 million of valuation allowances primarily related to these foreign net operating losses as of December 31, 2017 and December 25, 2016, respectively. A substantial majority of our foreign net operating losses do not have an expiration date.

In addition, the Company had approximately $4.7 million in foreign tax credit carryforwards as of December 31, 2017 that expire 10 years from inception, or 2025. Our ability to utilize these foreign tax credit carryforwards is dependent on our ability to generate foreign earnings in future years sufficient to claim foreign tax credits in excess of foreign taxes paid in those years. The Company provided a full valuation allowance of $4.7 million for these foreign tax credit carryforwards as we believe realization based on the more-likely-than-not criteria has not been met as of December 31, 2017.

The reconciliation of income tax computed at the U.S. federal statutory rate to income tax expense for the years ended December 31, 2017, December 25, 2016 and December 27, 2015 is as follows in both dollars and as a percentage of income before income taxes ($ in thousands):

	2017		2016		2015	
	Income Tax Expense	Income Tax Rate	Income Tax Expense	Income Tax Rate	Income Tax Expense	Income Tax Rate
Tax at U.S. federal statutory rate	$ 49,120	35.0 %	$ 55,583	35.0 %	$ 41,702	35.0 %
State and local income taxes	2,432	1.7 %	2,972	1.9 %	2,106	1.8 %
Foreign income taxes	5,306	3.8 %	3,143	2.0 %	2,432	2.0 %
Income of consolidated partnerships attributable to noncontrolling interests	(1,554)	(1.1)%	(2,312)	(1.4)%	(2,311)	(1.9)%
Non-qualified deferred compensation plan (income) loss	(1,236)	(0.9)%	(428)	(0.3)%	218	0.2 %
Excess tax benefits on equity awards	(1,879)	(1.4)%	—	— %	—	— %
Remeasurement of deferred taxes	(7,020)	(5.0)%	—	— %	—	— %
Tax credits	(6,909)	(4.9)%	(6,771)	(4.3)%	(4,846)	(4.1)%
Other	(4,443)	(3.1)%	(2,470)	(1.6)%	(2,118)	(1.8)%
Total	$ 33,817	24.1 %	$ 49,717	31.3 %	$ 37,183	31.2 %

Income taxes paid were $37.2 million in 2017, $35.1 million in 2016 and $23.3 million in 2015.

The decrease in the effective income tax rate in 2017 is primarily attributable to the impact of the Tax Cuts and Jobs Act, (the “Tax Act”) which was signed into law on December 22, 2017. The Tax Act contains substantial changes to the Internal Revenue Code, including a reduction of the corporate tax rate from 35% to 21% effective January 1, 2018. Upon enactment, 2017 deferred tax assets and liabilities were remeasured. This remeasurement yielded a one-time benefit of approximately $7.0 million in the fourth quarter of 2017. Given the substantial changes associated with the Tax Act, the estimated financial impacts for 2017 are provisional and subject to further interpretation and clarification of the Tax Act during 2018. See “Items Impacting Comparability” and Note 2 for additional information.

In addition, 2017 also includes the favorable impact of adopting the new guidance for share-based compensation. This guidance requires excess tax benefits recognized on stock based awards to be recorded as a reduction of income tax expense rather than equity. See “Items Impacting Comparability” and Note 2 for additional information.

The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. The Company, with few exceptions, is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2013. The Company is currently undergoing examinations by various tax authorities. The Company anticipates that the finalization of these current examinations and other issues could result in a decrease in the liability for unrecognized tax benefits (and a decrease of income tax expense) of approximately $337,000 during the next 12 months.

The Company had $2.0 million of unrecognized tax benefits at December 31, 2017 which, if recognized, would affect the effective tax rate. A reconciliation of the beginning and ending liability for unrecognized tax benefits excluding interest and penalties is as follows, which is recorded as an other long-term liability (in thousands):

Balance at December 27, 2015	$ 5,670
Additions for tax positions of current year	126
Additions for tax positions of prior years	183
Reductions for lapse of statute of limitations	(1,152)
Balance at December 25, 2016	4,827
Additions for tax positions of current year	134
Reductions for tax positions of prior years	(2,862)
Reductions for lapse of statute of limitations	(71)
Balance at December 31, 2017	$ 2,028

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of income tax expense. The Company's 2017 and 2016 income tax expense includes interest benefits of $416,000 and $278,000, respectively. The Company has accrued approximately $124,000 and $544,000 for the payment of interest and penalties as of December 31, 2017 and December 25, 2016, respectively.

16. Related Party Transactions

Certain of our officers own equity interests in entities that franchise restaurants. Following is a summary of full-year transactions and year-end balances with franchisees owned by related parties (in thousands):

	2017	2016	2015
Revenues from affiliates:			
North America commissary sales and other sales	$ 2,619	$ 2,620	$ 2,730
North America franchise royalties and fees	776	413	394
Total	$ 3,395	$ 3,033	$ 3,124

	December 31, 2017	December 25, 2016
Accounts receivable affiliates	$ 86	$ 105
Accounts payable affiliates	$ —	$ 12

The revenues from affiliates were at rates and terms available to independent franchisees.

We paid $446,000 in 2017, $732,000 in 2016 and $653,000 in 2015 for charter aircraft services provided by an entity owned by our Founder and Chairman.

We had the following transactions with PJMF:

- PJMF reimbursed Papa John's $1.6 million, $1.1 million and $841,000 in 2017, 2016, and 2015, respectively, for certain costs associated with national pizza giveaways awarded to our online loyalty program customers.
- PJMF reimbursed Papa John's $1.3 million in 2017 and $1.4 million in 2016 and 2015 for certain administrative services (i.e., marketing, accounting, and information services), graphic design services, services and expenses of our founder as brand spokesman, and for software maintenance fees.

17. Litigation, Commitments and Contingencies

Litigation

The Company is involved in a number of lawsuits, claims, investigations and proceedings, including those specifically identified below, consisting of intellectual property, employment, consumer, commercial and other matters arising in the ordinary course of business. In accordance with ASC 450 "Contingencies," the Company has made accruals with respect to these matters, where appropriate, which are reflected in the Company's financial statements. We review these provisions at least quarterly and adjust these provisions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case.

Perrin v. Papa John's International, Inc. and Papa John's USA, Inc. was a conditionally certified collective and class action filed in August 2009 in the United States District Court, Eastern District of Missouri ("the Court"), alleging that delivery drivers were not properly reimbursed for mileage and expenses in accordance with the Fair Labor Standards Act ("FLSA"). Approximately 3,900 drivers out of a potential class size of 28,800 opted into the action. In December 2013, the Court granted a motion for class certification in five additional states, which added approximately 15,000 plaintiffs to the case. Though the Company denied any wrongdoing in this matter, the parties reached a settlement in principle, which was preliminarily approved by the Court in September 2015. With the preliminary settlement agreement, the Company recorded an expense of $12.3 million in June 2015 under the provisions of ASC 450, Contingencies. This amount is separately reported as a legal settlement in the consolidated statements of income. The Court issued its final order approving the settlement on January 12, 2016 and payments were distributed. The settlement amount was finalized and paid in 2016 and the expense was adjusted accordingly with a reduction of approximately $900,000.

Leases

We lease office, retail and commissary space under operating leases, which have an average term of five years and provide for at least one renewal. Certain leases further provide that the lease payments may be increased annually based on the fixed rate terms or adjustable terms such as the Consumer Price Index. We also lease the tractors and trailers used by our distribution subsidiary, ("PJFS"), for an average period of seven years. PJUK, our subsidiary located in the United Kingdom, also leases certain retail space, which is primarily subleased to our franchisees. Beginning in 2016, we reported this sublease rental income on a gross basis in our consolidated statements of income. Prior to 2016, this sublease rental income was reported on a net basis with lease expense. Total sublease payments for sites to our franchisees and other third parties, the majority of which were with PJUK, were $7.4 million, $7.5 million and $6.5 million in 2017, 2016 and 2015, respectively.

Total lease expense was $45.0 million in 2017 and in 2016. Total lease expense, net of sublease payments received, was $36.2 million in 2015.

Future lease costs and future expected sublease payments as of December 31, 2017, are as follows (in thousands):

Year	Gross Lease Costs	Future Expected Sublease Payments
2018	$ 45,421	$ 8,072
2019	38,807	7,969
2020	30,956	7,672
2021	24,756	7,307
2022	17,896	6,972
Thereafter	56,234	41,568
Total	$ 214,070	$ 79,560

The Company's headquarters facility is leased under a capital lease arrangement with the City of Jeffersontown, Kentucky in connection with the issuance of $80.2 million in Industrial Revenue Bonds. The bonds are held 100% by the Company

and, accordingly, the bond obligation and investment and related interest income and expense are eliminated in the consolidated financial statements resulting in the Company's net investment cost being reported in net property and equipment.

Our Quality Control Center in Georgia is leased under a capital lease arrangement with Acworth, GA/Cherokee County in connection with a tax abatement incentive involving the sale and lease back of equipment between PJFS and the Cherokee County Development Authority. The arrangement is structured so that no cash will be exchanged and no lease payments are externally due. The assets associated with the lease arrangement are recorded within the Company's consolidated balance sheet.

As a result of assigning our interest in obligations under property leases as a condition of the refranchising of certain restaurants, we are contingently liable for payment of approximately 49 domestic leases. These leases have varying terms, the latest of which expires in 2022. As of December 31, 2017, the estimated maximum amount of undiscounted payments the Company could be required to make in the event of nonpayment by the primary lessees was $4.4 million. The fair value of the guarantee is not material.

18. Equity Compensation

We award stock options, time-based restricted stock and performance-based restricted stock units from time to time under the Papa John's International, Inc. 2011 Omnibus Incentive Plan.

There are approximately 6.6 million shares of common stock authorized for issuance and remaining available under the 2011 Omnibus Incentive Plan as of December 31, 2017. Option awards are granted with an exercise price equal to the market price of the Company's stock at the date of grant. Options outstanding as of December 31, 2017 generally expire ten years from the date of grant and generally vest over a three-year period.

We recorded stock-based employee compensation expense of $10.4 million in 2017, $10.1 million in 2016 and $9.4 million in 2015. The total related income tax benefit recognized in the consolidated income statement was $3.8 million in 2017, $3.7 million in 2016 and $3.5 million in 2015. At December 31, 2017, there was $8.0 million of unrecognized compensation cost related to nonvested option awards, time-based restricted stock and performance-based restricted stock units, of which the Company expects to recognize $5.9 million in 2018, $1.9 million in 2019 and $200,000 in 2020.

Stock Options

Options exercised, which were issued from authorized shares, included 147,000 shares in 2017, 478,000 shares in 2016 and 441,000 shares in 2015. The total intrinsic value of the options exercised during 2017, 2016 and 2015 was $5.2 million, $18.6 million and $20.3 million, respectively. Cash received upon the exercise of stock options was $6.3 million, $7.1 million and $5.2 million during 2017, 2016 and 2015, respectively, and the related tax benefits realized were approximately $1.9 million, $6.9 million and $7.5 million during the corresponding periods.

Information pertaining to option activity during 2017 is as follows (number of options and aggregate intrinsic value in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding at December 25, 2016	1,316	$ 46.58		
Granted	315	78.59		
Exercised	(147)	42.71		
Cancelled	(32)	68.30		
Outstanding at December 31, 2017	1,452	$ 53.43	7.07	$ 13,901
Exercisable at December 31, 2017	800	$ 40.72	5.89	$ 13,901

The following is a summary of the significant assumptions used in estimating the fair value of options granted in 2017, 2016 and 2015:

	2017	2016	2015
Assumptions (weighted average):			
Risk-free interest rate	2.0 %	1.3 %	1.6 %
Expected dividend yield	1.0 %	1.2 %	0.9 %
Expected volatility	26.7 %	27.4 %	28.5 %
Expected term (in years)	5.6	5.5	5.5

The risk-free interest rate for the periods within the contractual life of an option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield was estimated as the annual dividend divided by the market price of the Company's shares on the date of grant. Expected volatility was estimated by using the Company's historical share price volatility for a period similar to the expected life of the option.

Options granted generally vest in equal installments over three years and expire ten years after grant. The expected term for these options represents the period of time that options granted are expected to be outstanding and was calculated using historical experience.

The weighted average grant-date fair values of options granted during 2017, 2016 and 2015 was $19.88, $13.96 and $16.93, respectively. The Company granted options to purchase 315,000, 403,000 and 330,000 shares in 2017, 2016 and 2015, respectively.

Restricted Stock and Restricted Stock Units

We granted shares of restricted stock that are time-based and generally vest in equal installments over three years (73,000 in 2017, 85,000 in 2016 and 76,000 in 2015). Upon vesting, the shares are issued from treasury stock. These restricted shares are intended to focus participants on our long-range objectives, while at the same time serving as a retention mechanism. We consider time-based restricted stock awards to be participating securities because holders of such shares have non-forfeitable dividend rights. We declared dividends totaling $128,000 ($0.85 per share) in 2017, $117,000 ($0.75 per share) in 2016 and $110,000 ($0.63 per share) in 2015 to holders of time-based restricted stock.

Additionally, we granted stock settled performance-based restricted stock units to executive management (13,000 in 2017, 14,000 in 2016, and 12,000 in 2015). The vesting of these awards (a three-year cliff vest) is dependent upon the Company's achievement of a compounded annual growth rate of earnings per share and the achievement of certain sales and unit growth metrics. Upon vesting, the shares are issued from authorized shares.

The fair value of both time-based restricted stock and performance-based restricted stock units is based on the market price of the Company's shares on the grant date. Information pertaining to these awards during 2017 is as follows (shares in thousands):

	Shares	Weighted Average Grant-Date Fair Value
Total as of December 25, 2016	185	59.21
Granted	86	78.52
Incremental Performance Shares*	3	50.59
Forfeited	(7)	69.14
Vested	(86)	56.45
Total as of December 31, 2017	181	$ 69.11

* Additional shares from the 2014 performance-based restricted stock unit grant due to exceeding the initial 100% target resulting in a 122% payout.

19. Employee Benefit Plans

We have established the Papa John's International, Inc. 401(k) Plan (the "401(k) Plan"), as a defined contribution benefit plan, in accordance with Section 401(k) of the Internal Revenue Code. The 401(k) Plan is open to employees who meet certain eligibility requirements and allows participating employees to defer receipt of a portion of their compensation and contribute such amount to one or more investment funds. At our discretion, we may make matching contribution payments, which are subject to vesting based on an employee's length of service with us.

In addition, we maintain a non-qualified deferred compensation plan available to certain employees and directors. Under this plan, the participants may defer a certain amount of their compensation, which is credited to the participants' accounts. The participant-directed investments associated with this plan are included in other long-term assets ($28.6 million and $21.7 million at December 31, 2017 and December 25, 2016, respectively) and the associated liabilities ($28.7 million and $22.0 million at December 31, 2017 and December 25, 2016, respectively) are included in other long-term liabilities in the accompanying consolidated balance sheets.

At our discretion, we contributed a matching payment of 3%, up to a maximum of 6% deferred, in 2017, 2016 and 2015, of a participating employee's earnings deferred into both the 401(k) Plan and the non-qualified deferred compensation plan. Such costs were $2.3 million in 2017, $2.6 million in 2016 and $1.5 million in 2015.

20. Segment Information

We have five reportable segments for all years presented: domestic Company-owned restaurants, North America commissaries, North America franchising, international operations, and "all other" units. The domestic Company-owned restaurant segment consists of the operations of all domestic ("domestic" is defined as contiguous United States) Company-owned restaurants and derives its revenues principally from retail sales of pizza and side items, including breadsticks, cheesesticks, chicken poppers and wings, dessert items and canned or bottled beverages. The North America commissary segment consists of the operations of our regional dough production and product distribution centers and derives its revenues principally from the sale and distribution of food and paper products to domestic Company-owned and franchised restaurants in the United States and Canada. The North America franchising segment consists of our franchise sales and support activities and derives its revenues from sales of franchise and development rights and collection of royalties from our franchisees located in the United States and Canada. The international operations segment principally consists of our Company-owned restaurants in China and distribution sales to franchised Papa John's restaurants located in the United Kingdom, Mexico and China and our franchise sales and support activities, which derive revenues from sales of franchise and development rights and the collection of royalties from our international franchisees. International franchisees are defined as all franchise operations outside of the United States and Canada. All other business units that do not meet the quantitative thresholds for determining reportable segments, which are not operating segments, we refer to as our "all

other" segment, which consists of operations that derive revenues from the sale, principally to Company-owned and franchised restaurants, of printing and promotional items and information systems and related services used in restaurant operations, including our point-of-sale system, online and other technology-based ordering platforms.

Generally, we evaluate performance and allocate resources based on profit or loss from operations before income taxes and intercompany eliminations. Certain administrative and capital costs are allocated to segments based upon predetermined rates or actual estimated resource usage. We account for intercompany sales or transfers as if the sales or transfers were to third parties and eliminate the activity in consolidation.

Our reportable segments are business units that provide different products or services. Separate management of each segment is required because each business unit is subject to different operational issues and strategies. No single external customer accounted for 10% or more of our consolidated revenues. The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 2).

Our segment information is as follows:

(In thousands)	2017	2016	2015
Revenues			
Domestic Company-owned restaurants	$ 816,718	$ 815,931	$ 756,307
North America commissaries	673,712	623,883	615,610
North America franchising	106,729	102,980	96,056
International	126,285	113,103	104,691
All others	59,915	57,723	64,711
Total revenues	$ 1,783,359	$ 1,713,620	$ 1,637,375
Intersegment revenues:			
North America commissaries	$ 244,699	$ 236,896	$ 224,067
North America franchising	3,342	2,869	2,690
International	273	269	292
All others	16,715	16,410	14,821
Total intersegment revenues	$ 265,029	$ 256,444	$ 241,870
Depreciation and amortization:			
Domestic Company-owned restaurants	$ 15,484	$ 16,028	$ 14,841
North America commissaries	6,897	6,027	6,205
International	2,018	2,188	2,935
All others	5,276	3,830	4,829
Unallocated corporate expenses	13,993	12,914	11,497
Total depreciation and amortization	$ 43,668	$ 40,987	$ 40,307
Income (loss) before income taxes:			
Domestic Company-owned restaurants (1)	$ 47,548	$ 75,136	$ 56,452
North America commissaries	47,844	46,325	44,721
North America franchising	96,298	91,669	83,315
International (2)	15,888	11,408	10,891
All others	(179)	1,467	845
Unallocated corporate expenses (3)	(66,099)	(64,791)	(75,896)
Elimination of intersegment profit and losses	(958)	(2,405)	(1,181)
Total income before income taxes	$ 140,342	$ 158,809	$ 119,147

(1) Includes an $11.6 million refranchising gain in 2016. See Note 7 for additional information.
(2) Includes a $1.7 million and $1.4 million impairment loss in 2017 and 2016, respectively. See Note 7 for additional information.

(3) Includes an $898,000 legal settlement in 2016 and a ($12.3) million legal settlement in 2015. See Note 17 for additional information.

(In thousands)	2017	2016	2015
Property and equipment:			
Domestic Company-owned restaurants	$ 235,640	$ 225,081	$ 223,246
North America commissaries	136,701	128,469	110,344
International	17,257	15,673	14,826
All others	58,977	55,586	47,481
Unallocated corporate assets	191,924	192,548	179,665
Accumulated depreciation and amortization	(406,168)	(386,884)	(361,518)
Net property and equipment	$ 234,331	$ 230,473	$ 214,044
Expenditures for property and equipment:			
Domestic Company-owned restaurants	$ 15,245	$ 16,257	$ 14,631
North America commissaries	14,767	14,164	3,924
International	1,884	4,390	4,540
All others	8,239	7,897	4,701
Unallocated corporate	12,458	12,846	11,176
Total expenditures for property and equipment	$ 52,593	$ 55,554	$ 38,972

21. Quarterly Data - Unaudited, in Thousands, except Per Share Data

Our quarterly select financial data is as follows:

	Quarter			
2017	**1st**	**2nd**	**3rd**	**4th**
Total revenues	$ 449,266	$ 434,778	$ 431,709	$ 467,606
Operating income	43,681	37,217	33,515	36,604
Net income attributable to the Company (a)	28,428	23,538	21,817	28,509
Basic earnings per common share (a)	$ 0.78	$ 0.66	$ 0.61	$ 0.82
Diluted earnings per common share (a)	$ 0.77	$ 0.65	$ 0.60	$ 0.81
Dividends declared per common share	$ 0.200	$ 0.200	$ 0.225	$ 0.225

	Quarter			
2016	**1st**	**2nd**	**3rd**	**4th**
Total revenues	$ 428,595	$ 422,964	$ 422,442	$ 439,619
Operating income	42,898	36,831	33,383	51,411
Net income attributable to the Company (b)	26,182	22,541	21,467	32,630
Basic earnings per common share (b)	$ 0.69	$ 0.61	$ 0.57	$ 0.89
Diluted earnings per common share (b)	$ 0.69	$ 0.61	$ 0.57	$ 0.88
Dividends declared per common share	$ 0.175	$ 0.175	$ 0.200	$ 0.200

(a) The year ended December 31, 2017 was impacted by the following:

i. The fourth quarter of 2017 includes an after income tax loss of $1.3 million and an unfavorable impact of $0.04 on basic and diluted EPS from an impairment charge related to our company-owned stores in China that are currently held for sale. See Note 7 for additional information.

ii. The fourth quarter of 2017 also includes a tax benefit of $7.0 million and favorable impact of $0.20 on basic and diluted EPS related to the “Tax Cuts and Jobs Act” that was signed in 2017. See Note 15 for additional information.

iii. The fourth quarter of 2017 includes an after income tax benefit of $3.9 million and favorable impact on diluted EPS of $0.11 from a 14th week of operations.

(b) The fourth quarter of 2016 includes an after tax gain of $7.3 million and a favorable impact of $0.19 on basic and diluted EPS from the sale of a domestic Company-owned market to a franchisee, and an after tax loss of $900,000 and an unfavorable impact of $0.02 on basic and diluted EPS from an impairment charge related to our company-owned stores in China that are currently held for sale. See Note 7 for additional information. The fourth quarter of 2016 also includes an after tax gain of $600,000 and favorable impact of $0.02 on basic and diluted EPS related to a legal settlement. See Note 17 for additional information.

All quarterly information except for the fourth quarter of 2017, is presented in 13-week periods. The fourth quarter of 2017 includes a 14-week period, which increased income after tax approximately $3.9 million, or $0.11 per diluted share. Quarterly earnings per share on a full-year basis may not agree to the consolidated statements of income due to rounding.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon this evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures are effective.

(b) Management's Report on our Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the Exchange Act. Our internal control system is designed to provide reasonable assurance to our management and the board of directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission (2013 Framework). Based on our evaluation under the COSO 2013 Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2017.

Ernst & Young LLP, an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of its audit, has issued an attestation report, included herein, on the effectiveness of our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Papa John's International, Inc. and Subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited Papa John's International, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Papa John's International, Inc. and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2017 and December 25, 2016, the related consolidated statements of income, comprehensive income, shareholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements") and our report dated February 27, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on our Internal Control over Financial Reporting." Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of
financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Louisville, Kentucky
February 27, 2018

(c) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2017 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information regarding executive officers is included above under the caption "Executive Officers of the Registrant" at the end of Part I of this Report. Other information regarding directors, executive officers and corporate governance appearing under the captions "Corporate Governance," "Item 1, Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Executive Compensation / Compensation Discussion and Analysis" is incorporated by reference from the Company's definitive proxy statement, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Report.

We have adopted a written code of ethics that applies to our directors, officers and employees. We intend to post all required disclosures concerning any amendments to or waivers from, our code of ethics on our website to the extent permitted by NASDAQ. Our code of ethics can be found on our website, which is located at www.papajohns.com.

Item 11. Executive Compensation

Information regarding executive compensation appearing under the captions "Executive Compensation / Compensation Discussion and Analysis," "Compensation Committee Report" and "Certain Relationships and Related Transactions — Compensation Committee Interlocks and Insider Participation" is incorporated by reference from the Company's definitive proxy statement, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table provides information as of December 31, 2017 regarding the number of shares of the Company's common stock that may be issued under the Company's equity compensation plans.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a)
Equity compensation plans approved by security holders	1,452,220	$ 53.43	6,565,537
Equity compensation plans not approved by security holders *	162,136		
Total	1,614,356	$ 53.43	6,565,537

* Represents shares of common stock issuable pursuant to the non-qualified deferred compensation plan. The weighted average exercise price (column b) does not include any assumed price for issuance of shares pursuant to the non-qualified deferred compensation plan.

Information regarding security ownership of certain beneficial owners and management and related stockholder matters appearing under the caption "Security Ownership of Certain Beneficial Owners and Management" is incorporated by

reference from the Company's definitive proxy statement, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information regarding certain relationships and related transactions, and director independence appearing under the captions "Corporate Governance" and "Certain Relationships and Related Transactions" is incorporated by reference from the Company's definitive proxy statement, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Report.

Item 14. Principal Accounting Fees and Services

Information regarding principal accounting fees and services appearing under the caption "Ratification of the Selection of Independent Auditors" is incorporated by reference from the Company's definitive proxy statement, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Report.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements:

The following consolidated financial statements, notes related thereto and report of independent auditors are included in Item 8 of this Report:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statements of Income for the years ended December 31, 2017, December 25, 2016 and December 27, 2015
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2017, December 25, 2016 and December 27, 2015
- Consolidated Balance Sheets as of December 31, 2017 and December 25, 2016
- Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2017, December 25, 2016 and December 27, 2015
- Consolidated Statements of Cash Flows for the years ended December 31, 2017, December 25, 2016 and December 27, 2015
- Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules:

Schedule II - Valuation and Qualifying Accounts

Classification	Balance at Beginning of Year	Charged to (recovered from) Costs and Expenses	Additions / (Deductions)	Balance at End of Year
(in thousands)				
Fiscal year ended December 31, 2017				
Deducted from asset accounts:				
Reserve for uncollectible accounts receivable	$ 1,486	$ 1,744	$ (959)(1)	$ 2,271
Reserve for franchisee notes receivable	2,759	(1,715)	3 (1)	1,047
Valuation allowance on deferred tax assets	5,462	(407)	2,360	7,415
	$ 9,707	$ (378)	$ 1,404	$ 10,733
Fiscal year ended December 25, 2016				
Deducted from asset accounts:				
Reserve for uncollectible accounts receivable	$ 2,447	$ 659	$ (1,620)(1)	$ 1,486
Reserve for franchisee notes receivable	3,653	(250)	(644)(1)	2,759
Valuation allowance on deferred tax assets	2,866	249	2,347	5,462
	$ 8,966	$ 658	$ 83	$ 9,707
Fiscal year ended December 27, 2015				
Deducted from asset accounts:				
Reserve for uncollectible accounts receivable	$ 3,814	$ 1,332	$ (2,699)(1)	$ 2,447
Reserve for franchisee notes receivable	3,132	(100)	621 (1)	3,653
Valuation allowance on deferred tax assets	2,932	(66)	—	2,866
	$ 9,878	$ 1,166	$ (2,078)	$ 8,966

(1) Uncollectible accounts written off and reclassifications between accounts and notes receivable reserves.

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(a)(3) Exhibits:

The exhibits listed in the accompanying index to Exhibits are filed as part of this Form 10-K.

Item 16. Summary

None.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1	Our Amended and Restated Certificate of Incorporation. Exhibit 3.1 to our Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2014, is incorporated herein by reference.
3.2	Our Amended and Restated By-Laws. Exhibit 3.1 to our Quarterly Report on Form 10-Q for the quarterly period ended September 27, 2015, is incorporated herein by reference.
4.1	Specimen Common Stock Certificate.
10.1*	Employment Agreement between Papa John's International, Inc. and Steve M. Ritchie effective March 1, 2015. Exhibit 10.1 to our report on Form 10-K as filed on February 24, 2015 is incorporated herein by reference.
10.2*	Employment Agreement between Papa John's International, Inc. and Lance F. Tucker effective March 1, 2015. Exhibit 10.2 to our report on Form 10-K as filed on February 24, 2015 is incorporated herein by reference.
10.3*	Employment Agreement between Papa John's International, Inc. and Timothy C. O'Hern effective March 1, 2015. Exhibit 10.3 to our report on Form 10-K as filed on February 24, 2015 is incorporated herein by reference.
10.4	Credit Agreement, dated August 30, 2017, by and among Papa John's International, Inc., as borrower, the Guarantors party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other lending institutions that are parties thereto, as Lenders (Conformed copy through amendment no. 2).
10.5	Second Amendment to First Amended and Restated Credit Agreement by and among Papa John's International, Inc., the Guarantors party thereto, PNC Bank, National Association, as a lender and in its capacity as Administrative Agent for the lenders; JPMorgan Chase Bank, N.A., as a lender and in its capacity as Co-Syndication Agent for the lenders; Bank of America, N.A., as a lender and in its capacity as Documentation Agent for the lenders; U.S. Bank, National Association, as a lender and in its capacity as Co-Syndication Agent for the lenders; and Branch Banking and Trust Company, as a lender. Exhibit 10.1 to our Report on Form 8-K as filed on June 10, 2016 is incorporated herein by reference.
10.6	First Amendment to First Amended and Restated Credit Agreement by and among Papa John's International, Inc.; the Guarantors party thereto; PNC Bank, National Association, as a lender and in its capacity as Administrative Agent for the lenders; JPMorgan Chase Bank, N.A., as a lender and in its capacity as Co-Syndication Agent for the lenders; U.S. Bank, National Association, as a lender and in its capacity as Co-Syndication Agent for the lenders; Bank of America, N.A., as a lender and in its capacity as Documentation Agent for the lenders; and Branch Banking and Trust Company, as a lender. Exhibit 10.1 to our Report on Form 8-K as filed on November 4, 2014 is incorporated herein by reference.

10.7	First Amended and Restated Credit Agreement by and among Papa John's International, Inc., the Guarantors party thereto, PNC Bank, National Association, as a lender and in its capacity as Administrative Agent for the lenders; JPMorgan Chase Bank, N.A., as a lender and in its capacity as Co-Syndication Agent for the lenders; Bank of America, N.A., as a lender and in its capacity as Documentation Agent for the lenders; U.S. Bank, National Association, as a lender and in its capacity as Co-Syndication Agent for the lenders, and Branch Banking and Trust Company, as a lender. Exhibit 10.1 to our Report on Form 8-K as filed on May 6, 2013 is incorporated herein by reference.
10.8*	Papa John's International, Inc. Deferred Compensation Plan, as amended through December 5, 2012. Exhibit 10.1 to our report on Form 10-K as filed on February 28, 2013 is incorporated herein by reference.
10.9*	Papa John's International, Inc. 2011 Omnibus Incentive Plan. Exhibit 4.1 to our report on Form 8-K as filed on May 3, 2011 is incorporated herein by reference.
10.10*	Agreement for Service as Chairman between John H. Schnatter and Papa John's International, Inc. Exhibit 10.1 to our report on Form 8-K as filed on August 15, 2007 is incorporated herein by reference.
10.11	Agreement for Service as Founder between John H. Schnatter and Papa John's International, Inc. Exhibit 10.2 to our report on Form 8-K as filed on August 15, 2007 is incorporated herein by reference.
10.12	Amended and Restated Exclusive License Agreement between John H. Schnatter and Papa John's International, Inc. Exhibit 10.1 to our report on Form 8-K as filed on May 19, 2008 is incorporated herein by reference.
10.13	Papa John's International, Inc. Severance Pay Plan. Exhibit 10.1 to our report on Form 10-Q filed on May 1, 2012, is incorporated herein by reference.
21	Subsidiaries of the Company.
23	Consent of Ernst & Young LLP.
31.1	Section 302 Certification of Chief Executive Officer Pursuant to Exchange Act Rule 13a-15(e).
31.2	Section 302 Certification of Chief Financial Officer Pursuant to Exchange Act Rule 13a-15(e).
32.1	Section 906 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Section 906 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Financial statements from the Annual Report on Form 10-K of Papa John's International, Inc. for the year ended December 31, 2017, filed on February 27, 2018 formatted in XBRL: (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Stockholders' Equity (Deficit), (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.

* Compensatory plan required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 27, 2018

PAPA JOHN'S INTERNATIONAL, INC.

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John H. Schnatter John H. Schnatter	Founder and Chairman	February 27, 2018
/s/ Christopher L. Coleman Christopher L. Coleman	Director	February 27, 2018
/s/ Olivia F. Kirtley Olivia F. Kirtley	Director	February 27, 2018
/s/ Laurette T. Koellner Laurette T. Koellner	Director	February 27, 2018
/s/ Sonya E. Medina Sonya E. Medina	Director	February 27, 2018
/s/ Mark S. Shapiro Mark S. Shapiro	Director	February 27, 2018
/s/ W. Kent Taylor W. Kent Taylor	Director	February 27, 2018
/s/ Steve M. Ritchie Steve M. Ritchie	President and Chief Executive Officer (Principal Executive Officer)	February 27, 2018
/s/ Lance F. Tucker Lance F. Tucker	Senior Vice President, Chief Financial Officer and Chief Administrative Officer (Principal Financial Officer and Principal Accounting Officer)	February 27, 2018

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

COMMON STOCK

PAR VALUE $0.01

COMMON STOCK

Certificate Number

ZQ00000000

Shares

**000000

***000000

****000000

*****000000

******000000

PAPA JOHN'S

Better Ingredients. Better Pizza.

PAPA JOHN'S INTERNATIONAL, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 698813 10 2

is the owner of

***ZERO HUNDRED THOUSAND
ZERO HUNDRED AND ZERO***

THIS CERTIFICATE IS TRANSFERABLE IN CITIES DESIGNATED BY THE TRANSFER AGENT, AVAILABLE ONLINE AT www.computershare.com

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK, PAR VALUE $0.01 PER SHARE, OF

Papa John's International, Inc. transferable on the books of the Corporation in person or by attorney duly authorized in writing upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are issued and shall be held subject to all the provisions of the Corporation's Restated Certificate of Incorporation and any amendments thereof, copies of which are on file with the Transfer Agent, to all the provisions of which the holder hereof by acceptance of this certificate assents.

This certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Chairman

Secretary

PAPA JOHN'S INTERNATIONAL, INC. CORPORATE SEAL 1991 DELAWARE

DATED DD-MMM-YYYY

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

PAPA JOHN'S Better Ingredients. Better Pizza.

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 1234567890123456

Certificate Numbers	Num/No.	Denom.	Total
1234567890/1234567890	1	1	1
1234567890/1234567890	2	2	2
1234567890/1234567890	3	3	3
1234567890/1234567890	4	4	4
1234567890/1234567890	5	5	5
1234567890/1234567890	6	6	6
Total Transaction 1234567890/1234567890			7

PAPA JOHN'S INTERNATIONAL, INC.

UPON WRITTEN REQUEST, THE CORPORATION WILL FURNISH THE STOCKHOLDER, WITHOUT CHARGE, A DESCRIPTION OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES, AND LIMITATIONS APPLICABLE TO EACH CLASS; AND THE VARIATIONS IN RIGHTS, PREFERENCES, AND LIMITATIONS DETERMINED FOR EACH SERIES; AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES OR CLASSES, OF THE CORPORATION'S AUTHORIZED STOCK.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	- .....(Cust).....Custodian .....(Minor).....
TEN ENT	- as tenants by the entireties		under Uniform Gifts to Minors Act.....(State).....
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	- .....(Cust).....Custodian (until age .....)
			.....(Minor).....under Uniform Transfers to Minors Act .....(State).....

Additional abbreviations may also be used though not in the above list.

For value received, _____hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said shares on the books of the within named corporation with full power of substitution.

Dated: _____20____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that we report the cost basis of certain shares acquired after January 1, 2011. If your shares were covered by the legislation and you have sold or transferred the shares and requested a specific cost basis calculation method, we have processed as requested. If you did not specify a cost basis calculation method, we have defaulted to the first in, first out (FIFO) method. Please visit our website or consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with us or do not have any activity in your account for the time periods specified by state law, your property could become subject to state unclaimed property laws and transferred to the appropriate state.

1234567

EXHIBIT 10.4

[CONFORMED COPY THROUGH AMENDMENT NO. 2]

J.P.Morgan

CREDIT AGREEMENT

dated as of

August 30, 2017

among

PAPA JOHN'S INTERNATIONAL, INC.,

The other Loan Parties Party Hereto,

The Lenders Party Hereto,

PNC BANK, NATIONAL ASSOCIATION and U.S. BANK NATIONAL ASSOCIATION,
as Co-Syndication Agents,

BANK OF AMERICA, N.A.,
as Documentation Agent,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Senior Managing Agent

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

JPMORGAN CHASE BANK, N.A.,
PNC CAPITAL MARKETS LLC and U.S. BANK NATIONAL ASSOCIATION,
as Joint Bookrunners and Joint Lead Arrangers

TABLE OF CONTENTS

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT dated as of August 30, 2017 (as it may be amended, restated, supplemented or modified from time to time, this "Agreement"), among PAPA JOHN'S INTERNATIONAL, INC., as Borrower, the other Loan Parties party hereto, the Lenders party hereto, PNC BANK, NATIONAL ASSOCIATION and U.S. BANK NATIONAL ASSOCIATION, as Co-Syndication Agents, BANK OF AMERICA, N.A., as Documentation Agent, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Senior Managing Agent, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquisition" has the meaning assigned to such term in Section 6.06(d).

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period or for any ABR Borrowing, an interest rate per annum equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with such Person. "Control", as used in this definition, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

"Agent Party" has the meaning assigned to such term in Section 9.01(d).

"Aggregate Credit Exposure" means, at any time, the aggregate Credit Exposure of all the Lenders at such time.

"Aggregate Revolving Exposure" means, at any time, the aggregate Revolving Exposure of all the Lenders at such time (with the Swingline Exposure of each Lender calculated assuming that all of the Lenders have funded their participations in all Swingline Loans outstanding at such time).

"Agreed Currencies" means (i) dollars, (ii) euro, (iii) Pounds Sterling, (iv) Canadian Dollars, (v) Japanese Yen, (vi) Mexican Pesos and (vii) any other currency (x) that is a lawful currency (other than

dollars) that is readily available and freely transferable and convertible into dollars, (y) that is available in the applicable interbank deposit market for such currency in the Administrative Agent's determination and (z) that is agreed to by the Administrative Agent and each of the Revolving Loan Lenders.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1%, and (c) the Adjusted LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or, if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 hereof, then the Alternate Base Rate shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Alternative Rate" has the meaning assigned to such term in Section 2.14(a).

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

"Applicable Percentage" means, at any time, (a) with respect to any Revolving Lender, a percentage equal to a fraction the numerator of which is such Lender's Revolving Commitment at such time and the denominator of which is the aggregate Revolving Commitments at such time (provided that, if the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender's share of the Aggregate Revolving Exposure at such time); provided that, in accordance with Section 2.20, so long as any Lender shall be a Defaulting Lender, such Defaulting Lender's Revolving Commitment shall be disregarded in the calculations under clause (a) above, and (b) with respect to any Term Lender, a percentage equal to a fraction the numerator of which is the aggregate outstanding principal amount of the Term Loans of such Lender at such time and the denominator of which is the aggregate outstanding principal amount of the Term Loans of all Term Lenders at such time; provided that, in accordance with Section 2.20, so long as any Lender shall be a Defaulting Lender, such Defaulting Lender's Term Loans shall be disregarded in the calculations under clause (b) above.

"Applicable Rate" means, for any day, with respect to any Loan, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread", "Eurocurrency Spread" or "Commitment Fee Rate", as the case may be, based upon the Borrower's Leverage Ratio as of the most recent determination date, provided that, until the delivery to the Administrative Agent of the Financial Statements pursuant to Section 5.11 for the fiscal quarter of the Borrower ending on or about December 31, 2017, the "Applicable Rate" shall be the applicable rates per annum set forth below in Category 6:

Leverage Ratio	ABR Spread	Eurocurrency Spread	Commitment Fee Rate
Category 1 < 1.00 to 1.00	0%	0.75%	0.15%
Category 2 ≥ 1.00 to 1.00 but < 1.50 to 1.00	0%	1.00%	0.175%
Category 3 ≥ 1.50 to 1.00 but < 2.00 to 1.00	0.25%	1.25%	0.20%
Category 4 ≥ 2.00 to 1.00 but < 2.50 to 1.00	0.50%	1.50%	0.225%
Category 5 ≥ 2.50 to 1.00 but < 3.50 to 1.00	0.75%	1.75%	0.25%
Category 6 ≥ 3.50 to 1.00	1.00%	2.00%	0.30%

For purposes of the foregoing, (a) the Applicable Rate shall be determined as of the end of each fiscal quarter of the Borrower, based upon the Financial Statements delivered pursuant to Section 5.11 for such fiscal quarter and (b) each change in the Applicable Rate resulting from a change in the Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that at the option of the Administrative Agent or at the request of the Required Lenders, if the Borrower fails to deliver the annual or quarterly consolidated financial statements required to be delivered by it pursuant to Section 5.11, the Leverage Ratio shall be deemed to be in Category 6 during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

If at any time the Administrative Agent determines that the financial statements upon which the Applicable Rate was determined were incorrect (whether based on a restatement, fraud or otherwise), the Borrower shall be required to retroactively pay any additional amount that the Borrower would have been required to pay if such financial statements had been accurate at the time they were delivered.

"Approved Fund" has the meaning assigned to the term in Section 9.04(b).

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Revolving Credit Maturity Date and the date of termination of the Revolving Commitments.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the

implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Banking Services" means each and any of the following bank services provided to any Loan Party or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, "commercial credit cards" and purchasing cards), (b) stored value cards, (c) merchant processing services, and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, any direct debit scheme or arrangement, overdrafts and interstate depository network services).

"Banking Services Obligations" means any and all obligations of the Loan Parties or its Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto, as hereafter amended.

"Bankruptcy Event" means, with respect to any Person, when such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business, appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the U.S. or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Beneficial Owner" means, with respect to any U.S. federal withholding Tax, the beneficial owner, for U.S. federal income tax purposes, to whom such Tax relates.

"Benefit Arrangement" means at any time an "employee benefit plan," within the meaning of Section 3(3) of ERISA, which is not a Plan or a Multiemployer Plan and which is maintained, sponsored or otherwise contributed to by any member of the ERISA Group.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Papa John's International, Inc., a Delaware corporation.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, (b) Term Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, or (c) a Swingline Loan.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03 in the form attached hereto as Exhibit C-1.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurocurrency Loan or an ABR Loan based on the Adjusted LIBO Rate, the term "Business Day" shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Agreed Currency (and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection or denominated in euro, the term "Business Day" shall also include any day on which the TARGET2 payment system is not open for the settlement of payments in euro).

"Canadian Dollars" means the lawful currency of Canada.

"CDOR Screen Rate" means, with respect to any Interest Period, the Canadian deposit offered rate equal to the annual rate of interest determined with reference to the arithmetic average of the discount rate quotations of all institutions listed in respect of the relevant Interest Period for Canadian Dollar-denominated bankers' acceptances displayed and identified as such on the "Reuters Screen CDOR Page" as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time, as of 10:00 a.m. (Toronto, Ontario time) on the Quotation Day for such Interest Period (as adjusted by the Administrative Agent after 10:00 a.m. (Toronto, Ontario time) to reflect any error in the posted rate of interest or in the posted average annual rate of interest); provided that if such rates are not available on the Reuters Screen CDOR Page on any particular day, then the Canadian deposit offered rate component of such rate on that day shall be calculated as the cost of funds quoted by the Administrative Agent to raise Canadian Dollars for the applicable Interest Period as of 10:00 a.m. (Toronto, Ontario time) on the Quotation Day for such Interest Period for commercial loans or other extensions of credit to businesses of comparable credit risk; or if such day is not a Business Day, then as quoted by the Administrative Agent on the immediately preceding Business Day.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Law" means the occurrence after the date of this Agreement (or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement) of any of the following: (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, rules, guideline, requirement or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"Charges" has the meaning assigned to such term in Section 9.17.

"Chase" means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

"Cherokee County Transactions" means, the transactions between PJ Food Service, Inc. ("PJFS") and the Cherokee County (Georgia) Development Authority (the "CCDA"), including (a) the transfer of title of equipment by PJFS to CCDA located in Cherokee County, Georgia for a purchase price of up to $16,500,000, (b) the loan made by PJFS to CCDA in an aggregate outstanding principal amount not to exceed $16,500,000, and (c) the leasing of such equipment transferred by PJFS from CCDA, all as contemplated by the PILOT Agreement made by and between PJFS and CCDA, entered into on December 21, 2017, and the other agreements, documents, and instruments executed in connection therewith and delivered to the Administrative Agent.

"Class", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans or Swingline Loans, (b) any Commitment, refers to whether such Commitment is a Revolving Commitment or a Term Loan Commitment and (c) any Lender, refers to whether such Lender is a Revolving Lender or a Term Lender. Additional Classes of Loans, Borrowings, Commitments and Lenders may be established pursuant to Section 2.23.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the sum of such Lender's Revolving Commitment and Term Loan Commitment.

"Commitment Schedule" means the Schedule attached hereto identified as such.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Communications" has the meaning assigned to such term in Section 9.01(d).

"Compliance Certificate" has the meaning assigned to such term in Section 5.11(c).

"Computation Date" has the meaning assigned to such term in Section 2.04.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consenting Lender" has the meaning assigned to such term in Section 2.23(a).

"Consolidated EBITDA" means, for any period of determination, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income (a) the sum for such period of (i) depreciation, (ii) amortization, (iii) Consolidated Interest Expense, (iv) income tax expense, (v) other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period, including any non-cash compensation expense, impairment charges, the impact of purchase accounting or unrealized foreign currency translation losses (excluding any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period) and (vi) nonrecurring, unusual or extraordinary losses, expenses or charges (including restructuring and severance costs and litigation and settlement costs) in an aggregate amount not to exceed 15% of Consolidated EBITDA for such period (as determined prior to the application of this clause (a)(vi)), minus, without duplication and to the extent included in determining Consolidated Net Income (b) the sum for such period of (i) non-cash items of income or gains increasing consolidated net income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period, and including, for the avoidance of doubt, the impact of purchase accounting

or unrealized foreign currency translation gains) and (ii) nonrecurring, unusual or extraordinary gains (other than any such cash gains directly resulting from the refranchising of stores), in each case determined and consolidated for the Borrower and its Subsidiaries (excluding the Excluded VIE's) in accordance with GAAP. For purposes of calculating Consolidated EBITDA, (x) with respect to a business acquired by the Borrower or any Subsidiary pursuant to a Permitted Acquisition during any period, Consolidated EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if the Permitted Acquisition had been consummated at the beginning of such period, and (y) with respect to a business liquidated, sold or disposed of by the Borrower or any Subsidiary during any period in compliance with Section 6.07, Consolidated EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if such liquidation, sale or disposition had been consummated at the beginning of such period; provided, however, that any such acquisition, liquidation, sale or disposition transaction having an aggregate consideration value of less than $5,000,000 shall not be calculated on "pro forma basis."

"Consolidated Interest Expense" means, for any period of determination, the aggregate amount of interest or fees paid, accrued or scheduled to be paid or accrued in respect of any Indebtedness (including the interest portion of rentals under capitalized leases) and all but the principal component of payments in respect of conditional sales or other title retention agreements paid, accrued or scheduled to be paid or accrued during such period, net of interest income, in each case determined and consolidated for the Borrower and its Subsidiaries (excluding the Excluded VIE's) in accordance with GAAP.

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) determined for the Borrower and its Subsidiaries, on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrower or any Subsidiary, (b) the income (or deficit) of any Person (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the income (or deficit) of any Excluded VIE.

"Consolidated Net Tangible Assets" means, as of any date, Consolidated Total Assets, excluding goodwill, patents, trademarks, trade names, organization expense, unamortized debt discount and expense, capitalized or deferred research and development costs, deferred marketing expenses, and other intangible assets.

"Consolidated Rental Expense" means, for any period of determination, the aggregate rental amounts payable by the Borrower and its Subsidiaries during such period under any lease of real property having a remaining term (including any required renewals or any renewals at the option of the lessor or lessee) of one year or more (but does not include any amounts payable under capitalized leases or performance rents), in each case determined and consolidated for the Borrower and its Subsidiaries (excluding the Excluded VIE's) in accordance with GAAP.

"Consolidated Total Assets" means, at any date, total assets of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date (excluding the Excluded VIE's).

"Consolidated Total Indebtedness" means, as of any date of determination, any and all Indebtedness of the Borrower and its Subsidiaries, in each case, determined and consolidated for the Borrower and its Subsidiaries (excluding the Excluded VIE's), in accordance with GAAP.

"Contamination" means the presence or release or threat of release of Regulated Substances in, on, under or emanating to or from the Property, which pursuant to Environmental Laws requires notification or reporting to a Governmental Authority, or which pursuant to Environmental Laws requires the investigation, cleanup, removal, remediation, containment, abatement of or other Remedial Action or which otherwise constitutes a violation of Environmental Laws.

"Co-Syndication Agent" means each of PNC Bank, National Association and U.S. Bank National Association in its capacity as co-syndication agent for the credit facilities evidenced by this Agreement.

"Credit Event" means a Borrowing, the issuance, amendment, renewal or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

"Credit Exposure" means, as to any Lender at any time, the sum of (a) such Lender's Revolving Exposure at such time plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

"Credit Party" means the Administrative Agent, any Issuing Bank, the Swingline Lender or any other Lender.

"Declining Lender" has the meaning assigned to such term in Section 2.23(a).

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within two (2) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(d)) upon delivery by the Administrative Agent of written notice of such determination to the Borrower, each Issuing Bank, the Swingline Lender and each Lender.

"DEPZZA" means DEPZZA, Inc., a Delaware corporation.

"Documentation Agent" means Bank of America, N.A. in its capacity as documentation agent for the credit facilities evidenced by this Agreement.

"Dollar Amount" of any currency at any date means (i) the amount of such currency if such currency is dollars or (ii) the Equivalent Amount thereof in dollars if such currency is a Foreign Currency, calculated on the basis of the Exchange Rate for such currency, on or as of the most recent Computation Date provided for in Section 2.04.

"dollars" or "$" refers to lawful money of the U.S.

"Domestic Subsidiary" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"ECP" means an "eligible contract participant" as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

"EEA Financial Institution" means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Electronic System" means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and any of its Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

"Environmental Complaint" means any (i) notice of non-compliance or violation, citation or order relating in any way to any Environmental Law, Environmental Permit, Contamination or Regulated Substance; (ii) civil, criminal, administrative or regulatory investigation instituted by a Governmental Authority relating in any way to any Environmental Law, Environmental Permit, Contamination or Regulated Substance; (iii) administrative, regulatory or judicial action, suit, claim or proceeding instituted by any Person or Governmental Authority or any written notice of liability or potential liability from any Person or Governmental Authority, in either instance, setting forth allegations relating to or a cause of action for personal injury (including death), property damage, natural resource damage, contribution or indemnity for the costs associated with the performance of Remedial Actions, direct recovery for the costs

associated with the performance of Remedial Actions, liens or encumbrances attached to or recorded or levied against property for the costs associated with the performance of Remedial Actions, civil or administrative penalties, criminal fines or penalties, or declaratory or equitable relief arising under any Environmental Laws; or (iv) subpoena, request for information or other written notice or demand of any type issued to the Borrower or any of its Subsidiaries by a Governmental Authority pursuant to any Environmental Laws.

"Environmental Laws" means all federal, state, local and foreign Requirements of Law (including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq., the Federal Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j, the Federal Air Pollution Control Act, 42 U.S.C. § 7401 et seq., the Oil Pollution Act, 33 U.S.C. § 2701 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 to 136y) each as amended, and any regulations promulgated thereunder or any equivalent state or local Requirements of Law, each as amended, and any regulations promulgated thereunder and any consent decrees, settlement agreements, judgments, orders, directives or any binding policies having the force and effect of law issued by or entered into with a Governmental Authority pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health from exposure to Regulated Substances; (iii) protection of the environment and/or natural resources; (iv) the presence, use, management, generation, manufacture, processing, extraction, treatment, recycling, refining, reclamation, labeling, sale, transport, storage, collection, distribution, disposal or release or threat of release of Regulated Substances; (v) the presence of Contamination; (vi) the protection of endangered or threatened species; and (vii) the protection of Environmentally Sensitive Areas.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Regulated Substance, (c) any exposure to any Regulated Substance, (d) the Contamination or threatened Contamination of any Regulated Substances into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means all permits, licenses, bonds or other forms of financial assurances, consents, registrations, identification numbers, approvals or authorizations required under Environmental Laws (i) to own, occupy or maintain the Property; (ii) for the operations and business activities of the Loan Parties or any Subsidiary of any Loan Party; or (iii) for the performance of a Remedial Action.

"Environmental Records" means all notices, reports, records, plans, applications, forms or other filings relating or pertaining to the Property, Contamination, the performance of a Remedial Action and the operations and business activities of the Loan Parties which pursuant to Environmental Laws, Environmental Permits or at the request or direction of a Governmental Authority either must be submitted to a Governmental Authority or otherwise must be maintained.

"Environmentally Sensitive Area" means (i) any wetland as defined by or designated by applicable Requirements of Law, including Environmental Laws; (ii) any area designated as a coastal zone pursuant to applicable Requirements of Law, including Environmental Laws; (iii) any area of historic or archeological significance or scenic area as defined or designated by applicable Requirements of Law, including Environmental Laws; (iv) habitats of endangered species or threatened species as designated by applicable Requirements of Law, including Environmental Laws; (v) wilderness or refuge

areas as defined or designated by applicable Requirements of Law, including Environmental Laws; or (vi) a floodplain or other flood hazard area as defined pursuant to any applicable Requirements of Law.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"Equivalent Amount" of any currency with respect to any amount of dollars at any date means the equivalent in such currency of such amount of dollars, calculated on the basis of the Exchange Rate for such currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Group" means, at any time, the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"euro" and/or "€" means the single currency of the Participating Member States.

"Eurocurrency" when used in references to a currency means an Agreed Currency and when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Adjusted LIBO Rate.

"Eurocurrency Payment Office" of the Administrative Agent means, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Borrower and each Lender.

"Event of Default" has the meaning assigned to such term in Article VII.

"Exchange Rate" means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into dollars, as set forth at approximately 11:00 a.m., Local Time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Administrative Agent or, in the event no such service is selected, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such Foreign Currency on the London market at 11:00 a.m., Local Time, on such date for the purchase of dollars with such Foreign Currency, for delivery two Business Days later; provided, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Borrower, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Swap Obligation" means, with respect to any Loan Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Guarantor of, or the grant by such

Loan Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Guarantor's failure for any reason to constitute an ECP at the time the Guarantee of such Loan Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Excluded VIE" means those VIE's identified in Schedule 1.01(A) attached hereto and made a part hereof, together with any VIE hereafter that is requested by the Borrower to be approved by the Lenders as an Excluded VIE and that the Required Lenders, each acting in their sole and absolute discretion, approve as an Excluded VIE pursuant to execution and delivery by the Required Lenders of a document not materially varying from the form thereof attached to and made a part hereof as Exhibit G, a copy of which shall be delivered by the Administrative Agent to the Borrower and each of the Lenders promptly following receipt by the Administrative Agent thereof, signed by at least the Required Lenders, it being understood and agreed that no Lender shall have any obligation to approve any additional Excluded VIE for which approval is requested by the Borrower.

"Existing Credit Agreement" means the First Amended and Restated Credit Agreement, dated as of April 30, 2013, among the Borrower, the guarantors party thereto, RSC, the lenders party thereto and PNC Bank, National Association, as administrative agent, as amended, supplemented or otherwise modified prior to the Effective Date.

"Existing Letters of Credit" is defined in Section 2.06(a).

"Existing Maturity Date" has the meaning assigned to such term in Section 2.23(a).

"Extension Agreement" has the meaning assigned to such term in Section 2.23(a).

"FATCA" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate. For the avoidance of doubt, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer, controller, and Vice President, Accounting & Treasury of the Borrower.

"Financial Projections" has the meaning assigned to such term in Section 3.09(b).

"Financial Statements" means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Borrower and its Subsidiaries required to be delivered pursuant to Section 5.11(a) or 5.11(b).

"Foreign Currencies" means Agreed Currencies other than dollars.

"Foreign Currency LC Exposure" means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

"Foreign Currency Letter of Credit" means a Letter of Credit denominated in a Foreign Currency.

"Foreign Currency Sublimit" means $35,000,000.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary which is not a Domestic Subsidiary.

"FSHCO" means any Domestic Subsidiary that (i) owns (directly or indirectly) no material assets other than Equity Interests (or Equity Interests and debt interests) of one or more CFCs, (ii) does not conduct any business or activity other than the ownership of such Equity Interests or debt interests and business or activity incidental thereto and (iii) does not incur, and is not otherwise liable for, any indebtedness or other liabilities other than Indebtedness or other liabilities permitted under Section 6.01 or incurred in connection with the ownership of assets described in clause (i) hereof.

"Funding Account" has the meaning assigned to such term in Section 4.01(g).

"GAAP" means generally accepted accounting principles as are in effect in the United States from time to time, subject to the provisions of Section 1.04, and applied on a consistent basis both as to classification of items and amounts.

"Governmental Authority" means the government of the U.S., any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" or "Guaranty" of or by any Person means any obligation of such Person guaranteeing or in effect guaranteeing any liability or obligation of any other Person in any manner, whether directly or indirectly, including any agreement to indemnify or hold harmless any other Person, any performance bond or other suretyship arrangement and any other form of assurance against loss, except endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business.

"Guaranteed Obligations" means (i) with respect to the Borrower, the Specified Ancillary Obligations and (ii) with respect to any Subsidiary Guarantor, the Obligations, and, in each case, all costs and expenses including, without limitation, all court costs and reasonable and documented out-of-pocket attorneys' and paralegals' fees and reasonable and documented out-of-pocket expenses paid or incurred by the Administrative Agent, the Issuing Banks and the Lenders in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, the Borrower, any Loan Guarantor or any other guarantor of all or any part of the Obligations; provided that, in each case, the definition of "Guaranteed Obligations" shall not create any guarantee by any Loan Guarantor of any Excluded Swap Obligations of such Loan Guarantor for purposes of determining any obligations of any Loan Guarantor.

"Historical Financial Statements" shall have the meaning assigned to the term in Section 3.09(a).

"Hostile Acquisition" means (a) the acquisition of the Equity Interests of a Person through a tender offer or similar solicitation of the owners of such Equity Interests which has not been approved (prior to such acquisition) by the board of directors (or any other applicable governing body) of such Person or by similar action if such Person is not a corporation and (b) any such acquisition as to which such approval has been withdrawn.

"Impacted Interest Period" has the meaning assigned to such term in the definition of "LIBO Rate".

"Incremental Term Loan" has the meaning assigned to such term in Section 2.09.

"Incremental Term Loan Amendment" has the meaning assigned to such term in Section 2.09.

"Indebtedness" means, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations (contingent or otherwise) under any letter of credit or Swap Agreement, (iv) any other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note or other evidence of indebtedness), or (v) any Guaranty of Indebtedness for borrowed money.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in the foregoing clause (a), Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Ineligible Institution" has the meaning assigned to such term in Section 9.04(b).

"Information" has the meaning assigned to such term in Section 9.12.

"Interest Coverage Ratio" means, for any period, the ratio of (a) the sum of (i) Consolidated EBITDA for such period and (ii) Consolidated Rental Expense for such period, to (b) the sum of (i) Consolidated Interest Expense for such period and (ii) Consolidated Rental Expense for such period.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08 in the form attached as Exhibit C-2.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each calendar quarter and the applicable Maturity Date, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the applicable Maturity Date, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Revolving Credit Maturity Date.

"Interest Period" means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Eurocurrency Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (or, with the consent of each Lender, twelve (12) months or less), as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of any Borrowing other than a Swingline Loan, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Interpolated Rate" means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the applicable Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate for the longest period (for which the applicable Screen Rate is available for the applicable currency) that is shorter than the applicable Impacted Interest Period and (b) the applicable Screen Rate for the shortest period (for which the applicable Screen Rate is available for the applicable currency) that exceeds the applicable Impacted Interest Period, in each case, at such time.

"IRS" means the United States Internal Revenue Service.

"Issuing Banks" means, individually or collectively, each of (i) Chase, (ii) PNC Bank, National Association, (iii) U.S. Bank National Association, in each case, in its capacity as an issuer of Letters of Credit hereunder, and any other Revolving Lender from time to time designated by the Borrower as an Issuing Bank, with the consent of such Revolving Lender and the Administrative Agent, and their respective successors in such capacity as provided in Section 2.06(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate

(it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.06 with respect to such Letters of Credit).

"Issuing Bank Sublimit" means, as of the Effective Date, (i) $20,000,000, in the case of Chase, (ii) $20,000,000, in the case of PNC Bank, National Association, (iii) $20,000,000, in the case of U.S. Bank National Association and (iv) in the case of any other Issuing Bank, such amount as shall be designated to the Administrative Agent and the Borrower in writing by such Issuing Bank; provided that any Issuing Bank shall be permitted at any time to increase or reduce its Issuing Bank Sublimit upon providing five (5) days' prior written notice thereof to the Administrative Agent and the Borrower; provided further that any decrease in the Issuing Bank Sublimit of any Issuing Bank to an amount less than such Issuing Bank's Issuing Bank Sublimit as of the Effective Date (or such later date as such Person shall have initially become an Issuing Bank hereunder), shall require the consent of the Borrower, the Administrative Agent and such Issuing Bank.

"Japanese Yen" means the lawful currency of Japan.

"Jeffersontown IRB" means collectively (i) that certain Seven Million Five Hundred Thousand and 00/100 Dollar ($7,500,000.00) Industrial Revenue Bond issued by the City of Jeffersontown, Kentucky on December 27, 1997, (ii) that certain Sixty Two Million Seven Hundred Thousand and 00/100 Dollar ($62,700,000.00) Industrial Revenue Bond issued by the City of Jeffersontown, Kentucky on November 9, 1999, and (iii) that certain Ten Million and 00/100 Dollar ($10,000,000.00) Industrial Revenue Bond issued by the City of Jeffersontown, Kentucky on December 20, 2000, each of the same being supported by the sale and leaseback of property located at 2002 Papa John's Boulevard, Jeffersontown, Kentucky.

"Joinder Agreement" means a Joinder Agreement in substantially the form of Exhibit F.

"Labor Contracts" means all employment agreements, employment contracts, collective bargaining agreements and other similar agreements guaranteeing a right of employment among any Loan Party or a Subsidiary of a Loan Party and its employees.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means any payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time *plus* (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate LC Exposure at such time.

"Lenders" means the Persons listed on the Commitment Schedule and any other Person that shall have become a Lender hereunder pursuant to Section 2.09 or an Assignment and Assumption or other documentation contemplated hereby, other than any such Person that ceases to be a Lender hereunder pursuant to an Assignment and Assumption or other documentation contemplated hereby. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender and the Issuing Banks.

"Letters of Credit" means the letters of credit issued pursuant to this Agreement (including the Existing Letters of Credit), and the term "Letter of Credit" means any one of them or each of them singularly, as the context may require.

"Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Indebtedness on such date (excluding (i) Indebtedness under the Jeffersontown IRB on such date so long as such Indebtedness is owed to a Subsidiary of the Borrower, (ii) Indebtedness outstanding under the Cherokee County Transactions on such date, and (iii) Indebtedness constituting contingent reimbursement under any Swap Agreement in an aggregate amount not to exceed $10,000,000 as of any date of determination), to (b) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or most recently prior to such date.

"LIBO Rate" means, for any date and time, with respect to (a) any Eurocurrency Borrowing denominated in any LIBOR Quoted Currency and for any applicable Interest Period or for any ABR Borrowing, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such LIBOR Quoted Currency for a period equal in length to such Interest Period as displayed on such day and times on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as shall be selected by the Administrative Agent in its reasonable discretion (in each case, the "LIBO Screen Rate") at approximately 11:00 a.m., London time, on the Quotation Day for such LIBOR Quoted Currency and Interest Period; provided that, if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement, and (b) any Eurocurrency Borrowing denominated in any Non-Quoted Currency and for any applicable Interest Period, the applicable Local Screen Rate for such Non-Quoted Currency on the Quotation Day for such Non-Quoted Currency and Interest Period; provided that, if any Local Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided, further, that, if any applicable Screen Rate shall not be available at such time for a period equal in length to such Interest Period (an "Impacted Interest Period"), then the LIBO Screen Rate or Local Screen Rate, as applicable, for such Agreed Currency and Interest Period shall be the Interpolated Rate at such time, subject to Section 2.14 in the event that the Administrative Agent shall conclude that it shall not be possible to determine such Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error); provided further, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Notwithstanding the above, to the extent that "LIBO Rate" or "Adjusted LIBO Rate" is used in connection with an ABR Borrowing, such rate shall be determined as modified by the definition of Alternate Base Rate. It is understood and agreed that all of the terms and conditions of this definition of "LIBO Rate" shall be subject to Section 2.14.

"LIBO Screen Rate" has the meaning assigned to such term in the definition of "LIBO Rate".

"LIBOR Quoted Currency" means any of (a) dollars, (b) euros or (c) Pounds Sterling.

"Lien" means any mortgage, leasehold mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security.

"Loan Documents" means, collectively, this Agreement, each promissory note issued pursuant to this Agreement, any Letter of Credit applications, the Loan Guaranty, any Incremental Term Loan Amendment, any Extension Agreement and each other agreement, fee letter, instrument, document and certificate identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lender and including each other pledge, power of attorney, consent, assignment, contract, notice, letter of credit agreement, legal opinion issued in connection with the other Loan Documents, letter of credit application and any agreement between the Borrower and any Issuing Bank regarding such Issuing

Bank's Issuing Bank Sublimit or the respective rights and obligations between the Borrower and such Issuing Bank in connection with the issuance of Letters of Credit, and each other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Guarantor" means each Loan Party.

"Loan Guaranty" means Article X of this Agreement.

"Loan Parties" means, collectively, the Borrower and the Subsidiary Guarantors and their successors and assigns, and the term "Loan Party" means any one of them or all of them individually, as the context may require.

"Loans" means the loans and advances made by the Lenders to the Borrower pursuant to this Agreement, including Swingline Loans.

"Local Screen Rate" means either the CDOR Screen Rate or the TIIE Screen Rate.

"Local Time" means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in dollars and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency (it being understood that such local time shall mean London, England time unless otherwise notified by the Administrative Agent).

"Margin Stock" means margin stock as defined in Regulation U, together with all official rulings and interpretations issued thereunder.

"Material Adverse Effect" means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or any other Loan Document, (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition or results of operations of the Loan Parties taken as a whole, (c) impairs materially or could reasonably be expected to impair materially the ability of the Loan Parties to duly and punctually pay or perform their payment obligations under the Loan Documents, or (d) impairs materially or could reasonably be expected to impair materially the ability of the Administrative Agent or any of the Lenders, to the extent permitted, to enforce their legal remedies pursuant to this Agreement or any other Loan Document.

"Material Domestic Subsidiaries" means each wholly-owned Domestic Subsidiary of the Borrower other than (a) (i) Subsidiaries which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.11(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.11(a) or (b), the most recent financial statements referred to in Section 3.09(a)), contributed less than $1,000,000 of Consolidated EBITDA for such period or (ii) Subsidiaries which contributed less than $1,000,000 of Consolidated Total Assets as of such date, (b) any FSHCO, or (c) any Domestic Subsidiary that is a direct or indirect Subsidiary of a CFC.

"Maturity Date" means the Revolving Credit Maturity Date or the Term Loan Maturity Date, as applicable.

"Maturity Date Extension Request" means a request by the Borrower, in the form of Exhibit B hereto or such other form as shall be approved by the Administrative Agent, for the extension of the applicable Maturity Date pursuant to Section 2.23.

"Maximum Rate" has the meaning assigned to such term in Section 9.17.

"Mexican Pesos" means the lawful currency of the Republic of Mexico.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" means any employee benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the Borrower or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the preceding five (5) Plan years, has made or had an obligation to make such contributions.

"Multiple Employer Plan" means a Plan which has two (2) or more contributing sponsors (including the Borrower or any member of the ERISA Group) at least two (2) of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

"Non-Consenting Lender" has the meaning assigned to such term in Section 9.02(c).

"Non-Quoted Currency" means any of (a) Canadian Dollars and (b) Mexican Pesos.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day(or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligated Party" has the meaning assigned to such term in Section 10.02.

"Obligations" means (i) all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Loan Parties to any of the Lenders, the Administrative Agent, the Issuing Banks or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof, (ii) all Banking Services Obligations and (iii) all Swap Agreement Obligations; provided that the definition of "Obligations" shall not create any guarantee by any Loan Guarantor of any Excluded Swap Obligations of such Loan Guarantor for purposes of determining any obligations of any Loan Guarantor.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit, or any Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

"Overnight Foreign Currency Rate" means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Administrative Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Administrative Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event, plus any taxes, levies, imposts, duties, deductions, charges or withholdings imposed upon, or charged to, the Administrative Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Participating Member State" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"Payment in Full of all Obligations" means all Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document and all other Obligations shall have been paid in full in cash (other than Banking Services Obligations, Specified Ancillary Obligations and contingent obligations with respect to which no claim has been asserted) and all Letters of Credit shall have expired or terminated (other than Letters of Credit as to which other arrangements with respect thereto satisfactory to the

Administrative Agent and the applicable Issuing Bank in their sole discretion shall have been made), in each case without any pending draw, and all LC Disbursements shall have been reimbursed.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

"Permitted Acquisition" has the meaning assigned to such term in Section 6.06(d):

"Permitted Investments" means:

(a) direct obligations of the United States of America or any agency or instrumentality thereof or obligations backed by the full faith and credit of the United States of America maturing in twelve (12) months or less from the date of acquisition;

(b) readily marketable direct obligations issued by any state of the U.S. or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year from the date of acquisition thereof and having, at the time of the acquisition thereof, a rating of at least P-1 from Moody's or at least A-1 from S&P;

(c) commercial paper maturing in one hundred eighty (180) days or less rated not lower than A-1, by S&P or P-1 by Moody's on the date of acquisition;

(d) demand deposits, time deposits or certificates of deposit maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, (i) a Lender or (ii) any domestic office of any commercial bank organized under the laws of the U.S. or any state thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(e) variable rate demand notes having a minimum long-term credit rating of A2 or A, or the equivalent, using the lowest credit rating by Moody's or S&P, or with a short-term credit rating of A-1/P-2 or A-2/P-1, or the equivalent, using the lowest credit rating by Moody's or S&P (issues with only one short-term credit rating must have a minimum credit rating of A-1, P-1 or the equivalent);

(f) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000; and

(g) with respect to investments made by any Foreign Subsidiary, foreign investments substantially comparable to any of the foregoing in connection with the managing of cash of any such Foreign Subsidiary.

"Permitted Liens" means any Liens created pursuant to any Loan Document and:

(a) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business and which are not yet delinquent;

(b) pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;

(c) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not overdue for a period of more than 30 days and Liens of landlords securing obligations to pay lease payments that are not overdue for a period of more than 30 days;

(d) good-faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(e) encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property arising in the ordinary course of business that do not secure monetary obligations, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use;

(f) Liens on property leased by any Loan Party or any Subsidiary of any Loan Party under capital and operating leases securing obligations of such Loan Party or Subsidiary to the lessor under such leases;

(g) any Lien existing on the date of this Agreement and described on Schedule 1.01(B), and any modifications, replacements, renewals or extensions thereof provided that the principal amount of the obligation secured thereby is not hereafter increased, and no additional assets become subject to such Lien (other than the addition of proceeds, products, accessions and improvements to such property on customary terms);

(h) Purchase Money Security Interests, and any modifications, replacements, renewals or extensions thereof provided that the aggregate amount of loans and deferred payments secured by such Purchase Money Security Interests shall not exceed the amount set forth in Section 6.01(c) hereof (excluding for the purpose of this computation any loans or deferred payments secured by Liens described on Schedule 1.01(B));

(i) the following, (A) if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings diligently conducted so long as levy and execution thereon have been stayed and continue to be stayed or (B) if a final judgment is entered such judgment does not constitute an Event of Default under clause (f) of Article VII:

(i) claims or Liens for taxes, assessments or charges due and payable and subject to interest or penalty, provided that the applicable Loan Party maintains such reserves or other appropriate provisions as shall be required by GAAP and pays all such taxes, assessments or charges forthwith upon the commencement of proceedings to foreclose any such Lien;

(ii) claims, Liens or encumbrances upon, and defects of title to, real or personal property, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits;

(iii) claims or Liens of mechanics, materialmen, warehousemen, carriers, or other statutory nonconsensual Liens; or

(iv) Liens resulting from final judgments or orders that do not constitute an Event of Default under clause (f) of Article VII;

(j) Liens attaching to earnest money deposits (or equivalent deposits otherwise named) made in connection with proposed Acquisitions that would be Permitted Acquisitions or other investments that would be permitted under Section 6.04;

(k) Liens in favor of customs and revenue authorities which secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(l) Liens (i) arising solely by virtue of any contractual, statutory or common law provision relating to banker's liens, rights of set-off or similar rights relating to the establishment of depository relationships with banks and not granted in connection with the issuance of Indebtedness or other obligations, and (ii) of a collecting bank arising in the ordinary course of business under Section 4-208 of the UCC in effect in the relevant jurisdiction covering only the items being collected upon;

(m) Liens representing any interest or title of any (A) licensor, sublicensor, lessor or sublessor and where a Loan Party or any Subsidiary thereof is a licensee, sublicensee, lessee or sublessee or (B) lessee, sublessee, licensee or sublicensee, in the case of clauses (A) and (B) under any lease, sublease, license or sublicense not prohibited by the terms of this Agreement and entered in to in the ordinary course of business, in each case to the extent any such Lien relates to the property being leased or licensed and so long as, in the case of Liens under clause (B), all such leases, subleases, licenses and sublicenses do not individually or in the aggregate (1) interfere in any material respect with the ordinary conduct of the business of any Loan Party or (2) materially impair the use (for its intended purposes) or the value of the property subject thereto;

(n) Liens on assets of the Borrower and its Subsidiaries not otherwise permitted above so long as the aggregate outstanding principal amount of the Indebtedness and other obligations subject to such Liens does not at any time exceed $20,000,000;

(o) Liens securing judgments for the payment of money not constituting an Event of Default under clause (f) of Article VII or securing appeal or other surety bonds related to such judgments;

(p) Liens on property of a Person existing at the time such Person is acquired, merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower or on any property acquired, in each case, in connection with any Permitted Acquisition; provided that such Liens were not created in contemplation of such Permitted Acquisition and do not extend to any assets other than those of the Person acquired, merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary and the obligations secured thereby are permitted under Section 6.01(j);

(q) (i) Liens created by any Loan Party in favor of any other Loan Party and (ii) Liens created by any Subsidiary that is not a Loan Party in favor of the Borrower or any other Subsidiary; and

(r) Liens of reclaiming sellers of goods to the Borrower and any of its Subsidiaries arising under Article 2 of the UCC in the ordinary course of business, covering only the good sold and securing only the unpaid purchase price for such good and related expenses in connection with transactions permitted or not prohibited hereby.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means at any time an employee pension benefit plan (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum

funding standards under Section 302 of ERISA or Section 412 of the Code and either (i) is maintained by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group.

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"Pounds Sterling" means the lawful currency of the United Kingdom.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by Chase as its prime rate in effect at its principal offices in New York City. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Prohibited Transaction" means any prohibited transaction as defined in Section 4975 of the Code or Section 406 of ERISA for which neither an individual nor a class exemption has been issued by the United States Department of Labor.

"Property" means all real property, both owned and leased, of any Loan Party or Subsidiary of a Loan Party.

"Purchase Money Security Interest" means Liens upon real or tangible personal property securing loans to any Loan Party or Subsidiary of a Loan Party or deferred payments by such Loan Party or Subsidiary for the purchase of such real or tangible personal property.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Loan Guaranty becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Quotation Day" means, with respect to any Eurocurrency Borrowing for any Interest Period, (i) if the currency is Pounds Sterling or Canadian Dollars, the first day of such Interest Period, (ii) if the currency is euro, the day that is two (2) TARGET2 Days before the first day of such Interest Period, and (iii) for any other currency, two (2) Business Days prior to the commencement of such Interest Period (unless, in each case, market practice differs in the relevant market where the LIBO Rate for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days)).

"Recipient" means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, or any combination thereof (as the context requires).

"Register" has the meaning assigned to such term in Section 9.04(b).

"Regulated Substances" means, without limitation, any substance, material or waste, regardless of its form or nature, defined under Environmental Laws as a "hazardous substance," "pollutant," "pollution," "contaminant," "hazardous or toxic substance," "extremely hazardous substance," "toxic chemical," "toxic substance," "toxic waste," "hazardous waste," "special handling waste," "industrial waste," "residual waste," "solid waste," "municipal waste," "mixed waste," "infectious waste,"

"chemotherapeutic waste," "medical waste," "pesticide" or "regulated substance" or any other substance, material or waste, regardless of its form or nature, which is regulated, controlled or governed by Environmental Laws due to its radioactive, ignitable, corrosive, reactive, explosive, toxic, carcinogenic or infectious properties or nature or any other material, substance or waste, regardless of its form or nature, which otherwise is regulated, controlled or governed by, or could give rise to liability under, Environmental Laws, including petroleum and petroleum products (including crude oil and any fractions thereof), natural gas, synthetic gas and any mixtures thereof, asbestos, urea formaldehyde, polychlorinated biphenyls, mercury, radon and radioactive materials.

"Regulation U" means Regulation U, T or X as promulgated by the Board, as amended from time to time.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and such Person's Affiliates.

"Remedial Action" means any investigation, identification, preliminary assessment, characterization, delineation, feasibility study, cleanup, corrective action, removal, remediation, risk assessment, fate and transport analysis, in situ treatment, containment, monitoring, operation and maintenance or management in-place, control or abatement of or other response actions to Regulated Substances and any closure or post-closure measures associated therewith.

"Reportable Event" means a reportable event described in Section 4043 of ERISA and regulations thereunder with respect to a Plan or a Multiemployer Plan.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) having Credit Exposures and unused Commitments representing more than 50% of the sum of the Aggregate Credit Exposure and unused Commitments at such time; provided that, for purposes of declaring the Loans to be due and payable pursuant to Article VII, and for all purposes after the Loans become due and payable pursuant to Article VII or the Commitments expire or terminate, then, as to each Revolving Lender, clause (a) of the definition of Swingline Exposure shall only be applicable for purposes of determining its Revolving Exposure to the extent such Lender shall have funded its participation in the outstanding Swingline Loans.

"Requirement of Law" means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or operating, management or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority (including Environmental Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" means any executive officer or director of any Loan Party, including without limitation, any Financial Officer.

"Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate permitted amount of such Lender's Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09 and (b) assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Revolving Commitment is set forth on the Commitment Schedule, or in

the applicable documentation contemplated hereby pursuant to which such Lender shall have assumed its Revolving Commitment pursuant to the terms hereof, as applicable. The initial aggregate amount of the Lenders' Revolving Commitments is $600,000,000.

"Revolving Credit Maturity Date" means August 30, 2022 (if the same is a Business Day, or if not then the immediately next succeeding Business Day), or any earlier date on which the Revolving Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof.

"Revolving Exposure" means, with respect to any Lender, at any time, the sum of the aggregate outstanding principal Dollar Amount of such Lender's Revolving Loans and its LC Exposure and its Swingline Exposure at such time.

"Revolving Lender" means, as of any date of determination, a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

"Revolving Loan" means a Loan made pursuant to Section 2.01(a).

"RSC" means RSC Insurance Services Ltd., a Bermuda company and its successors and assigns.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and its successors.

"Safety Complaints" means any (i) notice of non-compliance or violation, citation or order relating in any way to any Safety Law; (ii) civil, criminal, administrative or regulatory investigation instituted by a Governmental Authority relating in any way to any Safety Law; (iii) administrative, regulatory or judicial action, suit, claim or proceeding instituted by any Person or Governmental Authority or any written notice of liability or potential liability from any Person or Governmental Authority, in either instance, setting forth allegations relating to or a cause of action for civil or administrative penalties, criminal fines or penalties, or declaratory or equitable relief arising under any Safety Laws; or (iv) subpoena, request for information or other written notice or demand of any type issued by a Governmental Authority pursuant to any Safety Laws.

"Safety Filings and Records" means all notices, reports, records, plans, applications, forms, logs, programs, manuals or other filings or documents relating or pertaining to compliance with Safety Laws, including employee safety in the workplace, employee injuries or fatalities, employee training, or the protection of employees from exposure to Regulated Substances which pursuant to Safety Laws or at the direction or order of any Governmental Authority, the Loan Parties or any Subsidiaries of any Loan Party either must submit to a Governmental Authority or otherwise must maintain in their records.

"Safety Laws" means the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., as amended, and any regulations promulgated thereunder or any equivalent foreign, federal, state or local Requirements of Law, each as amended, and any regulations promulgated thereunder or any other foreign, federal, state or local Requirements of Law, each as amended, and any regulations promulgated thereunder, pertaining or relating to the protection of employees from exposure to Regulated Substances in the workplace (but excluding workers compensation and wage and hour laws).

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or by the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person 50% or more owned in the aggregate or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Screen Rate" means the LIBOR Screen Rate and each Local Screen Rate collectively or individually as the context may require.

"SEC" means the Securities and Exchange Commission of the U.S.

"Senior Managing Agent" means Wells Fargo Bank, National Association in its capacity as senior managing agent for the credit facilities evidenced by this Agreement.

"Solvent" means, with respect to any Person on a particular date, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent and subordinated liabilities, of such Person, (ii) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person is able to generally pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (iv) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (v) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Ancillary Obligations" means all obligations and liabilities (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) of any of the Subsidiaries, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, to the Lenders or any of their Affiliates in respect of any Swap Agreement Obligations or any Banking Services Obligations.

"Specified Share Repurchase Program" means the publicly disclosed share repurchase program or authorization approved by the Board of Directors of the Borrower that permits the Borrower to purchase shares of its common stock from time to time (which may be effected through tender offers or open-market, privately negotiated or accelerated share repurchase transactions, or otherwise), as such program or authorization may be extended or increased from time to time by the Board of Directors of the Borrower.

"Statement" has the meaning assigned to such term in Section 2.18(g).

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Conduct Authority, the Prudential Regulation Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in the applicable currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans and ABR Loans based on the Adjusted LIBO Rate shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

"Subordinated Indebtedness" of a Person means any Indebtedness of such Person, the payment of which is subordinated to payment of the Obligations to the written reasonable satisfaction of the Administrative Agent.

"Subsidiary" of any Person at any time means (i) any corporation or trust of which fifty percent (50%) or more (by number of shares or number of votes) of the outstanding capital stock or shares of beneficial interest normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries, (ii) any partnership of which such Person is a general partner or of which fifty percent (50%) or more of the partnership interests are at the time directly or indirectly owned by such Person or one or more of such Person's Subsidiaries, (iii) any limited liability company of which such Person is a member or of which fifty percent (50%) or more of the limited liability company interests are at the time directly or indirectly owned by such Person or one or more of such Person's Subsidiaries or (iv) any corporation, trust, partnership, limited liability company or other entity which is controlled or capable of being controlled by such Person or one or more of such Person's Subsidiaries. Unless otherwise set forth in any Loan Document, any reference to a "Subsidiary" in the Loan Documents shall mean a Subsidiary of the Borrower.

"Subsidiary Guarantor" means the Borrower's Material Domestic Subsidiaries party hereto as Subsidiary Guarantors as of the Effective Date and any other Material Domestic Subsidiary that becomes a party to this Agreement pursuant to a Joinder Agreement.

"Swap Agreement" means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Swap Agreement Obligations" means any and all obligations of the Loan Parties and their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any Swap Agreement permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any

cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction permitted hereunder with a Lender or an Affiliate of a Lender.

"Swap Obligation" means, with respect to any Loan Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall be the sum of (a) its Applicable Percentage of the total Swingline Exposure at such time other than with respect to any Swingline Loans made by such Revolving Lender in its capacity as the Swingline Lender and (b) the aggregate principal amount of all Swingline Loans made by such Revolving Lender in its capacity as the Swingline Lender outstanding at such time (less the amount of participations funded by the other Lenders in such Swingline Loans).

"Swingline Lender" means Chase, in its capacity as lender of Swingline Loans hereunder. Any consent required of the Administrative Agent or the Issuing Banks shall be deemed to be required of the Swingline Lender and any consent given by Chase in its capacity as Administrative Agent or an Issuing Bank shall be deemed given by Chase in its capacity as Swingline Lender as well.

"Swingline Loan" means a Loan made pursuant to Section 2.05.

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

"TARGET2 Day" means a day that TARGET2 is open for the settlement of payments in euro.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Lender" means a Lender having a Term Loan Commitment or holding an outstanding Term Loan.

"Term Loan" means a Loan made pursuant to Section 2.01(b).

"Term Loan Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Term Loans, expressed as an amount representing the maximum principal amount of the Term Loans to be made by such Lender, as such commitment may be reduced or increased from time to time pursuant to assignments by or to such Lenders pursuant to Section 9.04. The initial amount of each Lender's Term Loan Commitment is set forth on the Commitment Schedule or in the other documentation contemplated hereby pursuant to which such Lender shall have assumed its Term Loan Commitment pursuant to the terms hereof, as applicable. The aggregate amount of the Lenders' Term Loan Commitments on the Effective Date is $400,000,000. After advancing the Term Loan, each reference to a Term Lender's Term Loan Commitment shall refer to that Term Lender's Applicable Percentage of the Term Loans.

"Term Loan Maturity Date" means August 30, 2022.

"TIIE Screen Rate" means, with respect to any Interest Period, the Equilibrium Interbank Rate as published by Banco de Mexico in the Federation's Official Gazette for Mexican Pesos with a tenor equal to such Interest Period (or, in the event such rate does not appear in such Official Gazette, any other rate determined by the Administrative Agent to be a similar rate published by Banco de Mexico, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion) at or about 11:00 a.m. (Mexico City, Mexico time) on the Quotation Day for such Interest Period.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, or the Alternate Base Rate.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or in any other state, the laws of which are required to be applied in connection with the issue of perfection of security interests.

"Unliquidated Obligations" means, at any time, any Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"U.S." means the United States of America.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

"USA PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

"VIE" means any Person that is a variable interest entity pursuant to ASC 810, "Consolidations" (previously referred to as Financial Accounting Standard Board Interpretation #46, "Consolidation of Variable Interest Entities" (FIN 46)).

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Withholding Agent" means any Loan Party and the Administrative Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurocurrency Loan") or by Class and Type (e.g., a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurocurrency Borrowing") or by Class and Type (e.g., a "Eurocurrency Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply) and all judgments, orders and decrees of all Governmental Authorities. The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignments set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (f) any reference in any definition to the phrase "at any time" or "for any period" shall refer to the same time or period for all calculations or determinations within such definition, and (g) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Whenever any performance obligation hereunder or under any other Loan Document (other than a payment obligation) shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if after the date hereof there occurs any change in GAAP or in the application thereof on the operation of any provision hereof and the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of such change in GAAP or in the application thereof (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Financial

Accounting Standards Board Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

SECTION 1.05. Pro Forma Adjustments for Acquisitions and Dispositions. To the extent the Borrower or any Subsidiary makes any Permitted Acquisition or disposition of assets outside the ordinary course of business permitted by Section 6.07 during the period of four fiscal quarters of the Borrower most recently ended, the Leverage Ratio and Interest Coverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the acquisition or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer), as if such acquisition or such disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four-quarter period; provided, however, that any such acquisition, liquidation, sale or disposition transaction having an aggregate consideration value of less than $5,000,000 shall not be calculated on "pro forma basis" pursuant to this Section 1.05.

SECTION 1.06. Status of Obligations. In the event that the Borrower or any other Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE II

The Credits

SECTION 2.01. Commitments.

(a) Subject to the terms and conditions set forth herein, each Revolving Lender severally (and not jointly) agrees to make Revolving Loans in Agreed Currencies to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing pursuant to Section 2.10(a)) in (i) the Dollar Amount of such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment, (ii) the Dollar Amount of the Aggregate Revolving Exposure exceeding the aggregate Revolving Commitments or (iii) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, exceeding the Foreign Currency Sublimit. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Term Lender severally (and not jointly) agrees to make a Term Loan in dollars to the Borrower, on the Effective Date, in a principal

amount not to exceed such Lender's Term Loan Commitment, by making immediately available funds available to the Administrative Agent's designated account not later than the time specified by the Administrative Agent. Amounts prepaid or repaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings.

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the applicable Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05. The Term Loans shall amortize as set forth in Section 2.10.

(b) Subject to Section 2.14, each Revolving Borrowing and each Term Loan Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Borrower may request in accordance herewith, provided that each ABR Loan shall only be made in dollars. Each Swingline Loan shall be an ABR Loan (except as otherwise provided in Section 2.13(c)). Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 (or, if such Borrowing is denominated in a Foreign Currency, 500,000 units of such currency) and not less than $1,000,000 (or, if such Borrowing is denominated in a Foreign Currency, 1,000,000 units of such currency). At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $500,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of $100,000 and not less than $100,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of ten (10) Eurocurrency Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date applicable to such Class of Borrowings.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request either in a written Borrowing Request signed by the Borrower (delivered by hand or telecopy) or by telephone (in the case of a Borrowing denominated in dollars) or through any Electronic System, if arrangements for doing so have been approved by the Administrative Agent, (a) in the case of a Eurocurrency Borrowing, not later than 12:00 noon, Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in dollars) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency other than Mexican Pesos) or five (5) Business Days (in the case of a Eurocurrency Borrowing denominated in Mexican Pesos), in each case before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as

contemplated by Section 2.06(e) may be given not later than 9:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or a communication through any Electronic System to the Administrative Agent of a written Borrowing Request signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01:

(i) the Class of the Borrowing and the aggregate principal amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(iv) in the case of a Eurocurrency Borrowing, the Agreed Currency and initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07, and a breakdown of the separate wires comprising such Borrowing.

If no election as to the Agreed Currency of any Borrowing is specified, then the requested Borrowing shall be denominated in dollars. If no election as to the Type of Borrowing is specified, then, in the case of a Borrowing denominated in dollars, the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

(a) each Eurocurrency Borrowing as of the date two (2) Business Days prior to the date of such Borrowing or, if applicable, the date of conversion/continuation of any Borrowing as a Eurocurrency Borrowing;

(b) the LC Exposure as of the date of each request for the issuance, amendment, renewal or extension of any Letter of Credit; and

(c) all outstanding Credit Events on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Swingline Loans.

(a) Subject to the terms and conditions set forth herein, from time to time during the Availability Period, the Swingline Lender may agree, but shall have no obligation, to make Swingline Loans in dollars to the Borrower, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $25,000,000, (ii) the Dollar Amount of the Swingline Lender's Revolving Exposure exceeding its Revolving Commitment, or (iii) the Dollar Amount of the Aggregate Revolving Exposure exceeding the aggregate Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans. To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy) or through any Electronic System, if arrangements for doing so have been approved by the Administrative Agent, not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower, to the extent the Swingline Lender elects to make such Swingline Loan, by means of a credit to the Funding Account(s) (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the applicable Issuing Bank, and in the case of repayment of another Loan or fees or expenses as provided by Section 2.18(c), by remittance to the Administrative Agent to be distributed to the applicable Lenders) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(b) The Swingline Lender may by written notice given to the Administrative Agent require the Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, promptly upon receipt of such notice from the Administrative Agent (and in any event, if such notice is received by 11:00 a.m., New York City time, on a Business Day no later than 4:00 p.m., New York City time on such Business Day and if received after 11:00 a.m., New York City time, "on a Business Day" shall mean no later than 9:00 a.m., New York City time on the immediately succeeding Business Day), to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Revolving Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the

Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(c) The Swingline Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Swingline Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid interest accrued for the account of the replaced Swingline Lender pursuant to Section 2.13(c). From and after the effective date of any such replacement, (x) the successor Swingline Lender shall have all the rights and obligations of the replaced Swingline Lender under this Agreement with respect to Swingline Loans made thereafter and (y) references herein to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the replacement of the Swingline Lender hereunder, the replaced Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement with respect to Swingline Loans made by it prior to its replacement, but shall not be required to make additional Swingline Loans.

(d) Subject to the appointment and acceptance of a successor Swingline Lender, the Swingline Lender may resign as Swingline Lender at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Revolving Lenders, in which case, the Swingline Lender shall be replaced in accordance with Section 2.05(c) above.

SECTION 2.06. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit denominated in Agreed Currencies as the applicant thereof for the support of its or its Subsidiaries' obligations, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the support of any Subsidiary's obligations as provided in the first sentence of this paragraph, the Borrower will be fully responsible for the reimbursement of LC Disbursements in accordance with the terms hereof, the payment of interest thereon and the payment of fees due under Section 2.12(b) to the same extent as if it were the sole account party in respect of such Letter of Credit (the Borrower hereby irrevocably waiving any defenses that might otherwise be available to it as a guarantor or surety of the obligations of such Subsidiary that is an account party in respect of any such Letter of Credit). Notwithstanding anything herein to the contrary, no Issuing Bank shall have any obligation hereunder to issue, and shall not issue, any Letter of Credit (i) the proceeds of which would be made available to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any Requirement of Law relating to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall

impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it, or (iii) if the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed not to be in effect on the Effective Date for purposes of clause (ii) above, regardless of the date enacted, adopted, issued or implemented. Notwithstanding the foregoing, the letters of credit identified on Schedule 2.06 (the "Existing Letters of Credit") shall be deemed to be "Letters of Credit" issued on the Effective Date for all purposes of the Loan Documents.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit through any Electronic System, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof, and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by any Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Dollar Amount of the aggregate LC Exposure shall not exceed $60,000,000, (ii) no Revolving Lender's Dollar Amount of Revolving Exposure shall exceed its Revolving Commitment, (iii) the Dollar Amount of the Aggregate Revolving Exposure shall not exceed the aggregate Revolving Commitments and (iv) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, shall not exceed the Foreign Currency Sublimit. Notwithstanding the foregoing or anything to the contrary contained herein, no Issuing Bank shall be obligated to issue or modify any Letter of Credit if, immediately after giving effect thereto, the outstanding LC Exposure in respect of all Letters of Credit issued by such Person and its Affiliates would exceed such Issuing Bank's Issuing Bank Sublimit. Without limiting the foregoing and without affecting the limitations contained herein, it is understood and agreed that the Borrower may from time to time request that an Issuing Bank issue Letters of Credit in excess of its individual Issuing Bank Sublimit in effect at the time of such request, and each Issuing Bank agrees to consider any such request in good faith. Any Letter of Credit so issued by an Issuing Bank in excess of its individual Issuing Bank Sublimit then in effect shall nonetheless constitute a Letter of Credit for all purposes of the Credit Agreement, and shall not affect the Issuing Bank Sublimit of any other Issuing Bank, subject to the limitations on the aggregate LC Exposure set forth in clause (i) of this Section 2.06(b).

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination or non-renewal by notice from the applicable Issuing Bank to the beneficiary thereof) at or prior to the close of

business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, including, without limitation, any automatic renewal provision, one year after such renewal or extension) and (ii) the date that is ten (10) Business Days prior to the Revolving Credit Maturity Date; provided that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (ii) above); provided further that, notwithstanding the foregoing, a Letter of Credit may expire after the Revolving Credit Maturity Date if the Borrower provides cash collateral acceptable to the applicable Issuing Lender in its sole discretion on accordance with Section 2.06(j) no later than sixty (60) days prior to the Revolving Credit Maturity Date. For the avoidance of doubt, if the Revolving Credit Maturity Date shall be extended pursuant to Section 2.23, "Revolving Credit Maturity Date" as referenced in this paragraph shall refer to the Revolving Credit Maturity Date as extended pursuant to Section 2.23; provided that, notwithstanding anything in this Agreement (including Section 2.23 hereof) or any other Loan Document to the contrary, the Revolving Credit Maturity Date, as such term is used in reference to any Issuing Bank or any Letter of Credit issued thereby, may not be extended with respect to any Issuing Bank without the prior written consent of such Issuing Bank.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Revolving Lenders, each Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in an amount equal to (and in the same Agreed Currency as) such LC Disbursement, not later than 12:00 p.m., Local Time, on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 10:00 a.m., Local Time on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is received after 10:00 a.m., Local Time, on the day of receipt; provided that, if such LC Disbursement is greater than or equal to the Dollar Amount of $100,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with (i) to the extent such LC Disbursement was made in dollars, an ABR Revolving Borrowing, Eurocurrency Revolving Borrowing or Swingline Loan in dollars in an amount equal to such LC Disbursement or (ii) to the extent that such LC Disbursement was made in a Foreign Currency, a Eurocurrency Revolving Borrowing in such Foreign Currency in an amount equal to such LC Disbursement and, in each case, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Eurocurrency Revolving Borrowing or Swingline Loan, as applicable. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof, and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the

Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank, as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse any Issuing Bank for any LC Disbursement (other than the funding of Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement. If the Borrower's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, any Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in dollars, the Borrower shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or the relevant Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in dollars, in an amount equal to the Equivalent Amount thereof, calculated using the applicable Exchange Rates, on the date such LC Disbursement is made, of such LC Disbursement

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) any payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Revolving Lenders or the Issuing Banks, or any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of any Issuing Bank (as finally determined by a nonappealable judgment of a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make

payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit issued by such Issuing Bank. Such Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy or any Electronic System) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or, in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Eurocurrency Revolving Loans) and such interest shall be due and payable on the date when such reimbursement is due; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement and Resignation of an Issuing Bank.

(i) Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of any Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (x) the successor Issuing Bank shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (y) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) Subject to the appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Revolving Lenders, in which case, such Issuing Bank shall be replaced in accordance with Section 2.06(i)(i) above.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the

Administrative Agent and for the benefit of the Revolving Lenders (the "LC Collateral Account"), an amount in cash in dollars equal to 105% of the Dollar Amount of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that the Borrower is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h), (k) or (l) of Article VII. For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable Exchange Rate on the date notice demanding cash collateralization is delivered to the Borrower. The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.11(b) or 2.20. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrower hereby grants the Administrative Agent a security interest in the LC Collateral Account and all moneys or other assets on deposit therein or credited thereto. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure), be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all such Events of Default have been cured or waived as confirmed in writing by the Administrative Agent.

(k) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancelations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement, and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(l) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

SECTION 2.07. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by such Lender hereunder on the proposed date thereof solely by wire transfer of immediately available funds (i) in the case of Loans denominated in dollars, by 1:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage and (ii) in the case of each Loan denominated in a Foreign Currency, by 1:00 p.m., Local Time, in the city of the Administrative Agent's Eurocurrency Payment Office for such currency and at such Eurocurrency Payment Office for such currency in an Equivalent Amount denominated in such currency equal to such Lender's Applicable Percentage; provided that (i) Term Loans shall be made as provided in Section 2.01(b) and (ii) Swingline Loans shall be made as provided in Section 2.05. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to the Funding Account(s); provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone (in the case of a Borrowing denominated in dollars) or through any Electronic System, if arrangements for doing so have been approved by the Administrative Agent, by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed

promptly by hand delivery, Electronic System or telecopy to the Administrative Agent of a written Interest Election Request signed by the Borrower. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each telephonic and written Interest Election Request (including requests submitted through any Electronic System) shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in dollars, such Borrowing shall be converted or continued as a Eurocurrency Borrowing with an Interest Period of one month's duration and (ii) in the case of a Borrowing denominated in a Foreign Currency in respect of which the Borrower shall have failed to deliver an Interest Election Request prior to the third (3rd) Business Day preceding the end of such Interest Period, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing denominated in dollars may be converted to or continued as a Eurocurrency Borrowing, (ii) unless repaid, each Eurocurrency Borrowing denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) unless repaid, each Eurocurrency Borrowing denominated in a Foreign Currency shall automatically be continued as a Eurocurrency Borrowing with an Interest Period of one month.

SECTION 2.09. Termination and Reduction of Commitments; Increase in Revolving Commitments; Incremental Term Loans.

(a) Unless previously terminated, (i) the Term Loan Commitments shall terminate at 3:00 p.m., New York City time, on the Effective Date and (ii) the Revolving Commitments shall terminate on the Revolving Credit Maturity Date.

(b) The Borrower may at any time terminate the Revolving Commitments upon (i) the payment in full of all outstanding Revolving Loans and LC Disbursements, together with accrued and unpaid interest thereon, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit (or at the discretion of the Administrative Agent a backup standby letter of credit satisfactory to the Administrative Agent and the applicable Issuing Bank) in a Dollar Amount equal to 105% of the LC Exposure as of such date), (iii) the payment in full of the accrued and unpaid fees, and (iv) the payment in full of all reimbursable expenses and other Obligations together with accrued and unpaid interest thereon (other than contingent obligations that have not yet been asserted).

(c) The Borrower may at any time and from time to time reduce the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $10,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, (x) the Dollar Amount of the Aggregate Revolving Exposure would exceed the aggregate Revolving Commitments or (y) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case, denominated in Foreign Currencies, would exceed the Foreign Currency Sublimit.

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) or (c) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Revolving Commitments shall be made ratably among the Lenders in accordance with their respective Revolving Commitments.

(e) The Borrower shall have the right to increase the Revolving Commitments or enter into one or more tranches of term loans (each an "Incremental Term Loan"), in each case by obtaining additional Revolving Commitments or participations in such Incremental Term Loans, either from one or more of the Lenders or another lending institution (other than any Ineligible Institution), provided that (i) any such request for an increase or tranche of Incremental Term Loans shall be in a minimum amount of $50,000,000, (ii) after giving effect thereto, the sum of the total of the additional Revolving Commitments and Incremental Term Loans does not exceed $300,000,000, (iii) the Administrative Agent, the Swingline Lender and each Issuing Bank have approved the identity of any such new Lender, such approvals not to be unreasonably withheld, (iv) any such new Lender assumes all of the rights and obligations of a "Lender" hereunder, and (v) the procedures described in Section 2.09(f) have been satisfied. Nothing contained in this Section 2.09 shall constitute, or otherwise be deemed to be, a commitment on the part of

any Lender to increase its Revolving Commitment or participate in any tranche of Incremental Term Loans hereunder at any time.

(f) As a condition precedent to such an increase of the Revolving Commitments or tranche of Incremental Term Loans, the Borrower shall deliver to the Administrative Agent (i) a certificate of each Loan Party signed by an authorized officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase or tranche, and (B) in the case of the Borrower, certifying that, before and after giving effect to such increase or tranche, (1) the representations and warranties contained in Article III and the other Loan Documents are true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect) as of such earlier date, (2) no Default or Event of Default exists and (3) the Borrower is in compliance (on a pro forma basis) with the covenants contained in Sections 6.14 and 6.15 (which calculations shall assume that such increase of the Revolving Commitments is fully drawn or such tranche of Incremental Term Loans is fully funded, as the case may be) and (ii) legal opinions and documents consistent with those delivered on the Effective Date, to the extent requested by the Administrative Agent.

(g) On the effective date of any such increase or tranche of Incremental Term Loans, (i) any Lender increasing (or, in the case of any newly added Lender, extending) its Revolving Commitment shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase or addition and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its revised Applicable Percentage of such outstanding Revolving Loans, and the Administrative Agent shall make such other adjustments among the Lenders with respect to the Revolving Loans then outstanding and amounts of principal, interest, commitment fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of the Administrative Agent, in order to effect such reallocation and (ii) except in the case of any Incremental Term Loans, the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase (or addition) in the Revolving Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (x) shall rank pari passu in right of payment with the Revolving Loans and the initial Term Loans, (y) shall not mature earlier than the latest Maturity Date in effect at such time (but may have amortization prior to such date so long as the weighted average life to maturity of any Incremental Term Loans shall be no shorter than the remaining weighted average life to maturity of the initial Term Loans outstanding at such time) and (z) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the initial Term Loans; provided that (A) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the latest Maturity Date in effect at such time may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after such Maturity Date and (B) the Incremental Term Loans may be priced (including, with respect to arranger fees, upfront fees, and interest rate margins) differently than the Revolving Loans and the initial Term Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the

Borrower, each Lender participating in such tranche and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.09. Within a reasonable time after the effective date of any increase or addition, the Administrative Agent shall, and is hereby authorized and directed to, revise the Commitment Schedule to reflect such increase or addition and shall distribute such revised Commitment Schedule to each of the Lenders and the Borrower, whereupon such revised Commitment Schedule shall replace the old Commitment Schedule and become part of this Agreement.

(h) In connection with any increase of the Revolving Commitments or Incremental Term Loans pursuant to this Section 2.09, any new lending institution becoming a party hereto shall (i) execute such documents and agreements as the Administrative Agent may reasonably request and (ii) in the case of any new lending institution that is organized under the laws of a jurisdiction outside of the United States of America, provide to the Administrative Agent, its name, address, tax identification number and/or such other information as shall be necessary for the Administrative Agent to comply with "know your customer" and anti-money laundering rules and regulations, including without limitation, the USA PATRIOT Act.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Revolving Credit Maturity Date in the currency of such Loan, and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Credit Maturity Date and the fifth Business Day after such Swingline Loan is made; provided that on each date that a Revolving Loan is made, the Borrower shall repay all Swingline Loans then outstanding and the proceeds of any such Revolving Loan shall be applied by the Administrative Agent to repay any Swingline Loans outstanding.

(b) The Borrower hereby unconditionally promises to pay to the Administrative Agent, for the account of each Term Lender, on the last day of each calendar quarter ending on or after December 31, 2017, an aggregate principal amount equal to $5,000,000 on each such date; provided that, if any date set forth above is not a Business Day, then payment shall be due and payable on the Business Day immediately preceding such date. To the extent not previously paid, all unpaid Term Loans shall be paid in full in dollars in cash by the Borrower on the Term Loan Maturity Date.

Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) Prior to any repayment of any Term Loan Borrowings under this Section, the Borrower shall select the Borrowing or Borrowings of the Term Loans to be repaid and shall notify the Administrative Agent by telephone (confirmed by fax) of such selection not later than 11:00 a.m., New York City time, three (3) Business Days before the scheduled date of such repayment. Each repayment of a Term Loan Borrowing shall be applied ratably to the Loans included in the repaid Term Loan Borrowing. Repayments of Term Loan Borrowings shall be accompanied by accrued interest on the amounts repaid.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, if any, (ii) the amount of any principal or interest due and payable or to become due

and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (b) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the Obligations.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form.

SECTION 2.11. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (f) of this Section and, if applicable, payment of any break funding expenses under Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, (A) the sum of the principal Dollar Amount of the Aggregate Revolving Exposure (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the aggregate Revolving Commitments or (B) the sum of the aggregate principal Dollar Amount of all of the outstanding Revolving Exposures denominated in Foreign Currencies (the "Foreign Currency Exposure") (so calculated), as of the most recent Computation Date with respect to each such Credit Event, exceeds the Foreign Currency Sublimit or (ii) solely as a result of fluctuations in currency exchange rates, (A) the sum of the principal Dollar Amount of the Aggregate Revolving Exposure (so calculated) exceeds 105% of the aggregate Revolving Commitments or (B) the Foreign Currency Exposure, as of the most recent Computation Date with respect to each such Credit Event, exceeds 105% of the Foreign Currency Sublimit, the Borrower shall in each case immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal Dollar Amount sufficient to cause (x) the principal Dollar Amount of the Aggregate Revolving Exposure (so calculated) to be less than or equal to the aggregate Revolving Commitments and (y) the Foreign Currency Exposure to be less than or equal to the Foreign Currency Sublimit, as applicable. All prepayments required to be made pursuant to Section 2.11(b) shall be applied, first to prepay the Swingline Loans if such prepayment is made in Dollars, second to repay Revolving Loans in the applicable Agreed Currency and third to cash collateralize outstanding LC Exposure.

(c) The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (in the case of any prepayment of a Borrowing denominated in dollars, and, in each case, confirmed by telecopy) or through any Electronic System, if arrangements for doing so have been approved by the Administrative Agent, of any prepayment under this Section: (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 10:00 a.m., Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in dollars) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency), in each case before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such

notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Except as set forth in clause (b) above, each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

SECTION 2.12. Fees.

(a) The Borrower agrees to pay to the Administrative Agent a commitment fee for the account of each Revolving Lender, which shall accrue at the Applicable Rate on the daily amount of the undrawn portion of the Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which the Lenders' Revolving Commitments terminate; it being understood that the LC Exposure and the Swingline Exposure of a Lender shall be included in the drawn portion of the Revolving Commitment of such Lender for purposes of calculating the commitment fee; provided that, if such Lender continues to have any Revolving Exposure (excluding Revolving Loans) after its Revolving Commitment terminates, then such commitment fee shall continue to accrue on the daily Dollar Amount of such Lender's Revolving Exposure from and including the date on which its Revolving Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Exposure. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable in dollars for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily Dollar Amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank for its own account a fronting fee, which shall accrue at the rate or rates per annum separately agreed upon between the Borrower and such Issuing Bank on the daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as each Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this

paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of all Letters of Credit shall be paid in dollars.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest.

(a) The Loans comprising each ABR Borrowing (other than any Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each Swingline Loan shall bear interest at (i) the Alternate Base Rate plus the Applicable Rate or (ii) such other rate per annum (but not less than zero) as separately agreed between the Swingline Lender and the Borrower.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan (for ABR Loans, accrued through the last day of the prior calendar month) shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) for Borrowings denominated in Pounds Sterling or Canadian Dollars shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO

Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest.

(a) If at the time that the Administrative Agent shall seek to determine the applicable Screen Rate on the Quotation Day for any Interest Period for any Eurocurrency Borrowing, the applicable Screen Rate shall not be available for such Interest Period and/or for the applicable currency with respect to such Eurocurrency Borrowing for any reason, and the Administrative Agent shall reasonably determine that it is not possible to determine the Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error), then, (i) if such Borrowing shall be requested in dollars, then such Borrowing shall be made as an ABR Borrowing at the Alternate Base Rate and (ii) if such Borrowing shall be requested in any Foreign Currency, the LIBO Rate shall be equal to the rate determined by the Administrative Agent in its reasonable discretion after consultation with the Borrower and consented to in writing by the Revolving Lenders holding more than 50% of the aggregate Revolving Commitments at such time (the "Alternative Rate"); provided, however, that until such time as the Alternative Rate shall be determined and so consented to by such Revolving Lenders, Borrowings shall not be available in such Foreign Currency.

(b) If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for ascertaining (including, without limitation, by means of an Interpolated Rate) the Adjusted LIBO Rate or the LIBO Rate, as applicable, for a Loan in the applicable currency or for the applicable Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for a Loan in the applicable currency or for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders through any Electronic System as provided in Section 9.01 as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing in the applicable currency or for the applicable Interest Period, as the case may be, shall be ineffective, (ii) if any Borrowing Request requests a Eurocurrency Borrowing in dollars, such Borrowing shall be made as an ABR Borrowing and (iii) if any Borrowing Request requests a Eurocurrency Borrowing in a Foreign Currency, then the LIBO Rate for such Eurocurrency Borrowing shall be the Alternative Rate; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, such Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered as reasonably determined by such Lender or such Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender or the applicable Issuing Bank under agreements having provisions similar to this Section 2.15(a) after consideration of such factors as such Lender or such Issuing Bank then reasonably determines to be relevant).

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by any Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered as reasonably determined by such Lender or such Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender or the applicable Issuing Bank under agreements having provisions similar to this Section 2.15(b) after consideration of such factors as such Lender or such Issuing Bank then reasonably determines to be relevant).

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower of

the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19 or 9.02(d), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense (other than any lost profits) attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Eurocurrency Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Eurocurrency Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Eurocurrency Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

SECTION 2.17. Taxes.

(a) Withholding Taxes; Gross-Up; Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document (including, without limitation, the Obligations and Guaranteed Obligations of each Loan Party) shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority

evidencing such payment, a copy of the return reporting such payment, or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Loan Party by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the

Administrative Agent), an executed IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the U.S. is a party (x) with respect to payments of interest under any Loan Document, an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the Beneficial Owner, an executed IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each Beneficial Owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the

applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph (g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.17, the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Allocation of Proceeds; Sharing of Set-offs.

(a) Each Loan Party shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in dollars, 2:00 p.m., New York City time and (ii) in the case of payments denominated in a Foreign Currency, 2:00 p.m., Local Time, in the city of the Administrative Agent's Eurocurrency Payment Office for such currency, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to

have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 10 S. Dearborn St., Chicago IL 60603, or, in the case of a Credit Event denominated in a Foreign Currency, the Administrative Agent's Eurocurrency Payment Office for such currency, except payments to be made directly to any Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. Unless otherwise provided for herein, if any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or the Borrower is not able to make payment to any Issuing Bank or the Administrative Agent for the account of the Lenders in such Original Currency (or any Lender is unable to make a reimbursement obligation denominated in such Original Currency to an Issuing Bank or the Administrative Agent), then all payments to be made by the Borrower (or any such Lender) hereunder in such currency shall instead be made when due in dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower takes all risks of the imposition of any such currency control or exchange regulations and the Borrower agrees to indemnify and hold harmless each Issuing Bank, the Administrative Agent and the Lenders from and against any loss resulting from any Credit Event made to or for the benefit of such Borrower denominated in a Foreign Currency that is not repaid to such Issuing Bank, the Administrative Agent or the Lenders, as the case may be, in the Original Currency.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees, costs and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder, whether made following a request by the Borrower pursuant to Section 2.03 or 2.05 or a deemed request as provided in this Section or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Revolving Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Revolving Loans (including Swingline Loans), and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03 or 2.05, as applicable, and (ii) the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If, except as otherwise expressly provided herein, any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment or sale of a participation in any of its Loans or participations in LC Disbursements or Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the relevant Lenders or the relevant Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders or the relevant Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the relevant Lenders or the relevant Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency).

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent, the Swingline Lender or the applicable Issuing Bank to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under such Sections. Application of amounts pursuant to (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

(g) The Administrative Agent may from time to time provide the Borrower with account statements or invoices with respect to any of the Obligations (the "Statements"). The Administrative Agent is under no duty or obligation to provide Statements, which, if provided, will be solely for the Borrower's convenience. Statements may contain estimates of the amounts owed during the relevant

billing period, whether of principal, interest, fees or other Obligations. If the Borrower pays the full amount indicated on a Statement on or before the due date indicated on such Statement, the Borrower shall not be in default of payment with respect to the billing period indicated on such Statement; provided, that acceptance by the Administrative Agent, on behalf of the Lenders, of any payment that is less than the total amount actually due at that time (including but not limited to any past due amounts) shall not constitute a waiver of the Administrative Agent's or the Lenders' right to receive payment in full at another time.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender becomes a Defaulting Lender or a Declining Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.15 or 2.17) and obligations under this Agreement and other Loan Documents (or, in the case of any such assignment resulting from a Lender having become a Declining Lender solely with respect to a specified Class of Loans, all of its interests, rights and obligations under this Agreement as a Lender of the Class or Classes with respect to which such Lender is a Declining Lender) to an assignee (other than an Ineligible Institution) that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and in circumstances where its consent would be required under Section 9.04, each Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments and (iv) in the case of any assignment resulting from a Lender becoming a Declining Lender, the applicable assignee shall have consented to the applicable Maturity Date Extension Request. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Revolving Commitment and Revolving Exposure and, if applicable, Term Loan Commitment and Term Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder or under any other Loan Document; provided that, except as otherwise provided in Section 9.02, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(c) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender (other than the portion of such Swingline Exposure referred to in clause (b) of the definition of such term) shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only (x) to the extent that the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time) and (y) to the extent that such reallocation does not, as to any non-Defaulting Lender, cause the Dollar Amount of such non-Defaulting Lender's Revolving Exposure to exceed its Revolving Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one (1) Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize, for the benefit of the applicable Issuing Banks, the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Banks until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend, renew, extend or increase any Letter of Credit, unless it is satisfied that the related exposure and such Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the non-

Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.20(c), and Swingline Exposure related to any such newly made Swingline Loan or LC Exposure related to any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to the Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the applicable Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and such Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that each of the Administrative Agent, the Borrower, the Swingline Lender and each Issuing Bank agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on the date of such readjustment such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21. Returned Payments. If, after receipt of any payment which is applied to the payment of all or any part of the Obligations (including a payment effected through exercise of a right of setoff), the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion), then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22. Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any Subsidiary shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Agreement Obligations of such Loan Party or Subsidiary to such Lender or Affiliate (whether matured or unmatured, absolute or contingent). In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Agreement Obligations.

SECTION 2.23. Extension of Maturity Date.

(a) The Borrower may, by delivery of a Maturity Date Extension Request to the Administrative Agent (who shall promptly deliver a copy thereof to each of the Lenders of the applicable Class) not less than thirty (30) days prior to the then existing Maturity Date for the applicable Class of

Commitments and/or Loans hereunder to be extended (the "Existing Maturity Date"), request that the Lenders of such Class extend the Existing Maturity Date in accordance with this Section. Each Maturity Date Extension Request shall (i) specify the applicable Class of Commitments and/or Loans hereunder to be extended, (ii) specify the date to which the applicable Maturity Date is sought to be extended, (iii) specify the changes, if any, to the Applicable Rate to be applied in determining the interest payable on the Loans of, and fees payable hereunder to, Consenting Lenders (as defined below) in respect of that portion of their Commitments and/or Loans extended to such new Maturity Date and the time as of which such changes will become effective (which may be prior to the Existing Maturity Date) and (iv) specify any other amendments or modifications to this Agreement to be effected in connection with such Maturity Date Extension Request; provided that no such changes or modifications requiring approvals pursuant to the provisos to Section 9.02(b) shall become effective prior to the then Existing Maturity Date unless such other approvals have been obtained. In the event that a Maturity Date Extension Request shall have been delivered by the Borrower, each applicable Lender shall have the right to agree to the extension of the Existing Maturity Date and other matters contemplated thereby on the terms and subject to the conditions set forth therein (each Lender of the applicable Class agreeing to the Maturity Date Extension Request being referred to herein as a "Consenting Lender" and, each Lender of the applicable Class not agreeing thereto being referred to herein as a "Declining Lender"), which right may be exercised by written notice thereof, specifying the maximum amount of the Commitment and/or Loans of such Lender with respect to which such Lender agrees to the extension of the Maturity Date, delivered to the Borrower (with a copy to the Administrative Agent) not later than a day to be agreed upon by the Borrower and the Administrative Agent following the date on which the Maturity Date Extension Request shall have been delivered by the Borrower (it being understood and agreed that any Lender that shall have failed to exercise such right as set forth above shall be deemed to be a Declining Lender). If a Lender elects to extend only a portion of its then existing Commitment and/or Loans, it will be deemed for purposes hereof to be a Consenting Lender in respect of such extended portion and a Declining Lender in respect of the remaining portion of its Commitment and/or Loans, and the aggregate principal amount of each Type of Loans of the applicable Class of such Lender shall be allocated ratably among the extended and non-extended portions of the Loans of such Lender based on the aggregate principal amount of such Loans so extended and not extended. If Consenting Lenders shall have agreed to such Maturity Date Extension Request in respect of Commitments and/or Loans held by them, then, subject to paragraph (c) of this Section, on the date specified in the Maturity Date Extension Request as the effective date thereof, (i) the Existing Maturity Date of the applicable Commitments and/or Loans shall, as to the Consenting Lenders, be extended to such date as shall be specified therein, (ii) the terms and conditions of the applicable Commitments and/or Loans of the Consenting Lenders (including interest and fees (including Letter of Credit fees) payable in respect thereof) shall be modified as set forth in the Maturity Date Extension Request and (iii) such other modifications and amendments hereto specified in the Maturity Date Extension Request shall (subject to any required approvals (including those of the Required Lenders) having been obtained) become effective. The Borrower, the Administrative Agent and the Consenting Lenders shall enter into an amendment to this Agreement (an "Extension Agreement") to effect such modifications as may be necessary to reflect the terms of the Maturity Date Extension Request.

(b) If a Maturity Date Extension Request has become effective hereunder:

(i) solely in respect of a Maturity Date Extension Request that has become effective in respect of the Revolving Commitments, not later than the fifth (5th) Business Day prior to the Existing Maturity Date, the Borrower shall make prepayments of Revolving Loans and shall provide cash collateral in respect of Letters of Credit in the manner set forth in Section 2.06(j), such that, after giving effect to such prepayments and such provision of cash collateral, the Aggregate Revolving Exposure as of such date will not exceed the aggregate Revolving Commitments of the Consenting Lenders extended pursuant to this Section (and the Borrower shall not be permitted thereafter to request any Revolving Loan or any issuance, amendment, renewal or extension of a Letter of Credit if, after giving effect thereto,

(A) the Dollar Amount of the aggregate LC Exposure would exceed $60,000,000, (B) any Revolving Lender's Dollar Amount of Revolving Exposure would exceed its Revolving Commitment, (C) the Dollar Amount of the Aggregate Revolving Exposure would exceed the aggregate Revolving Commitments and (D) the Dollar Amount of the total outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, would exceed the Foreign Currency Sublimit);

(ii) solely in respect of a Maturity Date Extension Request that has become effective in respect of the Revolving Commitments, on the Existing Maturity Date, the Revolving Commitment of each Declining Lender shall, to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, terminate, and the Borrower shall repay all the Revolving Loans of each Declining Lender, to the extent such Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder, it being understood and agreed that, subject to satisfaction of the conditions set forth in Section 4.02, such repayments may be funded with the proceeds of new Revolving Borrowings made simultaneously with such repayments by the Consenting Lenders, which such Revolving Borrowings shall be made ratably by the Consenting Lenders in accordance with their extended Revolving Commitments; and

(iii) solely in respect of a Maturity Date Extension Request that has become effective in respect of a Class of Term Loans, on the Existing Maturity Date, the Borrower shall repay all the Loans of such Class of each Declining Lender, to the extent such Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder, it being understood and agreed that, subject to satisfaction of the conditions set forth in Section 4.02, such repayments may be funded with the proceeds of new Revolving Borrowings made simultaneously with such repayments by the Revolving Lenders.

(c) The effectiveness of any Extension Agreement shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) customary legal opinions, board resolutions and officers' certificates of the type delivered on the Effective Date and (ii) reaffirmation agreements and/or such amendments to the Loan Documents as may be reasonably requested by the Administrative Agent in order to ensure that the Commitments and Loans of the Consenting Lenders are provided with the benefit of the applicable Loan Documents.

(d) Notwithstanding any provision of this Agreement to the contrary, it is hereby agreed that no extension of an Existing Maturity Date in accordance with the express terms of this Section, or any amendment or modification of the terms and conditions of the Commitments and the Loans of the Consenting Lenders effected pursuant thereto, shall be deemed to (i) violate the last sentence of Section 2.09(d) or Section 2.18(b) or 2.18(d) or any other provision of this Agreement requiring the ratable reduction of Commitments or the ratable sharing of payments or (ii) require the consent of all Lenders or all affected Lenders under Section 9.02(b); provided that, notwithstanding anything to the contrary in this Section 2.23 or otherwise, except with respect to the termination of the Revolving Commitments of Declining Lenders on the Existing Maturity Date applicable thereto and the repayment of outstanding Revolving Loans in connection therewith, each Revolving Borrowing, each repayment or prepayment of each Revolving Borrowing and each reduction of the Revolving Commitments shall be made on a pro rata basis among the Revolving Lenders in accordance with their respective Revolving Commitments, without regard to whether such Lenders are Consenting Lenders or Declining Lenders.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that (and where applicable, agrees):

SECTION 3.01. Organization and Qualification. Each Loan Party and each Subsidiary of each Loan Party (a) is duly organized, validly existing and in good standing under the Requirements of Law of its jurisdiction of organization, (b) has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct, and (c) is duly licensed or qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it or both makes such licensing or qualification necessary; except in each case referred to clauses (a) (other than with respect to the Loan Parties), (b) or (c) to the extent such failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. [Reserved].

SECTION 3.03. Subsidiaries. Schedule 3.03 states the name of each of the Borrower's Subsidiaries as of the Effective Date, its jurisdiction of organization, the issued and outstanding Equity Interests and the owners thereof. Each of the Loan Parties has good and marketable title to all of the Equity Interests it purports to own, free and clear in each case of any Lien (other than Permitted Liens). All Equity Interests of the Borrower's Subsidiaries have been validly issued, and all such Equity Interests are fully paid and, in the case of each Subsidiary that is a corporation, nonassessable. All capital contributions and other consideration required to be made or paid in connection with the issuance of such Equity Interests have been made or paid, as the case may be. As of the Effective Date, there are no options, warrants or other rights outstanding to purchase any Equity Interests of the Borrower's Subsidiaries except as indicated on Schedule 3.03.

SECTION 3.04. Power and Authority. Each Loan Party has full power to enter into, execute, deliver and carry out this Agreement and the other Loan Documents to which it is a party, to incur the Indebtedness contemplated by the Loan Documents and to perform its Obligations under the Loan Documents to which it is a party, and all such actions have been duly authorized by all necessary proceedings on its part.

SECTION 3.05. Validity and Binding Effect. This Agreement has been duly and validly executed and delivered by each Loan Party, and each other Loan Document to which any Loan Party is a party has been duly executed and delivered by such Loan Party. This Agreement and each other Loan Document constitutes legal, valid and binding obligations of each Loan Party which is a party thereto, enforceable against such Loan Party in accordance with its terms, except to the extent that enforceability of any of such Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Requirements of Law affecting the enforceability of creditors' rights generally or limiting the right of specific performance and by general principles of equity.

SECTION 3.06. No Conflict. Neither the execution and delivery of this Agreement or the other Loan Documents by any Loan Party nor the consummation of the Transactions or compliance with the terms and provisions hereof or thereof by any of them will (a) conflict with, constitute a default under or result in any breach of (i) the terms and conditions of the certificate or articles of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents of any Loan Party, (ii) any Requirement of Law or (iii) any agreement or instrument or order, writ, judgment, injunction or decree to which any Loan Party or any of its Subsidiaries is a party or by which it is bound or to which it or any of its Subsidiaries is

subject, or (b) result in (or require) the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Loan Party or any of its Subsidiaries; except (in the case of clauses (a)(ii) and (iii)), to the extent that such conflict, default or breach would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.07. Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of any Loan Party, threatened against such Loan Party or any of its Subsidiaries at law or equity before any Governmental Authority which individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect. None of the Loan Parties or any Subsidiaries of any Loan Party is in violation of any order, writ, injunction or any decree of any Governmental Authority which would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Title to Properties. Each Loan Party and each Subsidiary of each Loan Party has good and marketable title to (or ownership of) or valid leasehold interest in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all Liens and encumbrances except Permitted Liens, and in the case of property leased by such Loan Party, subject to the terms and conditions of the applicable leases, except where the failure to have such title or other interest would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.09. Financial Statements.

(a) Historical Statements. The Borrower has delivered to the Administrative Agent copies of its (i) audited consolidated year-end financial statements for and as of the end the fiscal year ended December 25, 2016, reported on by Ernst & Young LLP, and (ii) unaudited consolidated financial statements for the fiscal quarter and the portion of the fiscal year ended June 25, 2017, certified by a Financial Officer (collectively, the "Historical Financial Statements"). The Historical Financial Statements were compiled from the books and records maintained by the Borrower's management, fairly present in all material respects the consolidated financial condition of the Borrower and its Subsidiaries as of their dates and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise noted therein, subject to normal year end audit adjustments and the absence of footnotes in the case of the Historical Financial Statements referred to in clause (ii) above.

(b) Financial Projections. The Borrower has delivered prior to the Effective Date to the Administrative Agent financial projections of the Borrower and its Subsidiaries for the period from fiscal year 2017 through fiscal year 2021 derived from various assumptions of the Borrower's management (the "Financial Projections"). The Financial Projections represent the Borrower's good faith estimate of a reasonable range of possible results in light of the history of the business, present and foreseeable conditions and the intentions of the Borrower's management, it being understood that such projections are subject to significant uncertainties and contingencies (such as those described in the Borrower's periodic public financial disclosures), many of which are beyond the Borrower's control, and that no assurance can be given that the projections will be realized and actual results may differ materially. The Financial Projections accurately reflect in all material respects the liabilities of the Borrower and its Subsidiaries upon consummation of the Transactions contemplated hereby as of the Effective Date.

(c) Accuracy of Financial Statements. As of the Effective Date, neither the Borrower nor any Subsidiary of the Borrower has any liabilities, contingent or otherwise, or forward or long-term commitments that are not disclosed in the Historical Financial Statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Effective Date, and except as disclosed therein or disclosed in writing to the Lenders on or prior to the Effective Date there are no

unrealized or anticipated losses from any commitments of the Borrower or any Subsidiary of the Borrower, in each case which would reasonably be expected to result in a Material Adverse Effect. Since December 25, 2016, no Material Adverse Effect has occurred.

SECTION 3.10. Use of Proceeds; Margin Stock.

(a) Use of Proceeds. The Loan Parties intend to use the proceeds of the Loans and Letters of Credit (i) to refinance certain existing Indebtedness of the Borrower and (ii) to finance the working capital needs and general corporate purposes of the Borrower and its Subsidiaries, including but not limited to transaction costs and expenses, capital expenditures, permitted stock repurchases, dividends and distributions (including, for the avoidance of doubt, any repurchase of Equity Interests of the Borrower pursuant to the Specified Share Repurchase Program), Permitted Acquisitions and Permitted Investments.

(b) Margin Stock. None of the Loan Parties or any Subsidiaries of any Loan Party engages in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U). No part of the proceeds of any Loan has been or will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or to refund Indebtedness originally incurred for such purpose, or for any other purpose, in any such case, which entails a violation of or which is inconsistent with the provisions of Regulation U. None of the Loan Parties or any Subsidiary of any Loan Party holds or will hold following application of the proceeds of the Loans, margin stock in such amounts that more than twenty five percent (25%) of the reasonable value of the assets of such Loan Party or Subsidiary are or will be represented by margin stock. For purposes of this Section, “assets” of the Loan Parties and any Subsidiary of any Loan Party includes, without limitation, treasury stock that has not been retired.

SECTION 3.11. Full Disclosure. Neither this Agreement nor any other Loan Document, nor any certificate, statement, agreement or other documents furnished in writing (other than information of a general economic or industry nature) to the Administrative Agent or any Lender in connection herewith or therewith, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time prepared (it being understood that the projected financial information is not to be viewed as facts or guaranties of future performance, that actual results may vary materially from the projected financial information and that the Loan Parties make no representation that the projected financial information will in fact be realized). As of the Effective Date, there is no fact known to any Loan Party which materially adversely affects the business, property, assets, financial condition, or results of operations of any Loan Party or any Subsidiary of any Loan Party which has not been set forth in this Agreement, in the certificates, statements, agreements or other documents furnished in writing to the Administrative Agent and the Lenders prior to or at the Effective Date in connection with the Transactions contemplated hereby or publically disclosed prior to the Effective Date by the Borrower pursuant to its filings with the SEC.

SECTION 3.12. Taxes. All federal, state, and material local and other tax returns required to have been filed with respect to each Loan Party or any Subsidiary of any Loan Party have been filed, and payment or adequate provision has been made for the payment of all material taxes, fees, assessments and other governmental charges which have or may become due pursuant to said returns or to assessments received, except to the extent (i) that such taxes, fees, assessments and other charges are being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made or (ii) other than with

regard to any federal or state tax return, the failure to file or pay would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.13. Consents and Approvals. No consent, approval, exemption, order or authorization of, or a registration or filing with, any Governmental Authority or any other Person is required by any Requirement of Law or any agreement in connection with the execution, delivery and carrying out of this Agreement and the other Loan Documents by any Loan Party, except (i) any that shall have been obtained or made on or prior to the Effective Date or the execution of such Loan Document or (ii) any the failure of which to obtain or make would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.14. No Event of Default; Compliance with Instruments. No event has occurred and is continuing and no condition exists after giving effect to the borrowings or other extensions of credit to be made on the Effective Date under or pursuant to the Loan Documents which constitutes an Event of Default or Default. None of the Loan Parties or any Subsidiary of any Loan Party is in violation of (i) any term of its, as applicable, certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents or (ii) any agreement or instrument to which it is a party or by which it or any of its properties may be subject or bound where such violation would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.15. Patents, Trademarks, Copyrights, Licenses, Etc. Each Loan Party and each Subsidiary of each Loan Party owns or possesses all the material patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights necessary to own and operate its properties and to carry on its business as presently conducted and planned to be conducted by such Loan Party or Subsidiary, without, to the knowledge of the Loan Parties, alleged or actual conflict with the rights of others, except to the extent such failure or conflict, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.16. Insurance. All insurance policies and other bonds to which any Loan Party is a party provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each Loan Party and each Subsidiary of any Loan Party in accordance with customary business practice in the industry of the Loan Parties and their Subsidiaries and owning similar properties in localities where the Loan Parties and their Subsidiaries are located.

SECTION 3.17. Compliance with Laws. The Loan Parties and their Subsidiaries are in compliance with all applicable Requirements of Law (other than Environmental Laws or Safety Laws which are specifically addressed in Section 3.21) in all jurisdictions in which any Loan Party or any Subsidiary of any Loan Party is presently or will be doing business, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.18. Investment Company Act; Regulated Entities; Commodity Exchange Act. None of the Loan Parties or any Subsidiary of any Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940 as such terms are defined in the Investment Company Act of 1940. None of the Loan Parties or any Subsidiary of any Loan Party is subject to any other federal or state statute or regulation limiting its ability to incur Indebtedness for borrowed money. The Borrower is a Qualified ECP Guarantor.

SECTION 3.19. Plans and Benefit Arrangements. Except as set forth on Schedule 3.19 or as would not reasonably be expected to have a Material Adverse Effect:

(a) The Borrower and each other member of the ERISA Group are in compliance with any applicable provisions of ERISA with respect to all Benefit Arrangements, Plans and Multiemployer Plans. There has been no Prohibited Transaction with respect to any Benefit Arrangement or any Plan or, to the best knowledge of the Borrower and each member of the ERISA Group, with respect to any Multiemployer Plan, which could result in any liability of the Borrower or any other member of the ERISA Group. The Borrower and all other members of the ERISA Group have made when due any and all payments required to be made under any agreement relating to a Multiemployer Plan or a Multiple Employer Plan or any Requirement of Law pertaining thereto. With respect to each Plan and Multiemployer Plan, the Borrower and each other member of the ERISA Group (i) have fulfilled their obligations under the minimum funding standards of ERISA and the Code, (ii) have not incurred any liability to the PBGC that remains outstanding, and (iii) have not had asserted against them any penalty for failure to fulfill the minimum funding requirements of ERISA or the Code.

(b) To the best of the Borrower's knowledge and to the best knowledge of each member of the ERISA Group, each Multiemployer Plan and Multiple Employer Plan is able to pay benefits thereunder when due and no Multiemployer Plan is or expected to be insolvent (within the meaning of Section 4245 of ERISA).

(c) None of the assets of the Borrower or any member of the ERISA Group is subject to any lien arising under Section 303(k)(1) or Section 4068 of ERISA or Section 430(k) of the Code, and, to the knowledge of the Loan Parties, no fact or event exists which would give rise to any such lien.

(d) No Plan is, or is expected to be, in "at risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code) and no Multiemployer Plan is, or expected to be, in "endangered status" or "critical status" (as defined in Section 305(b) of ERISA and Section 432(b) of the Code).

(e) Neither the Borrower nor any other member of the ERISA Group has incurred any withdrawal liability that remains outstanding or reasonably expects to incur any withdrawal liability under ERISA to any Multiemployer Plan or Multiple Employer Plan. Neither the Borrower nor any other member of the ERISA Group has been notified by any Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan has been terminated within the meaning of Title IV of ERISA and, to the best knowledge of the Borrower and each member of the ERISA Group, no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be terminated, within the meaning of Title IV of ERISA.

(f) All Plans, Benefit Arrangements and Multiemployer Plans have been administered in accordance with their terms and applicable Requirements of Law.

SECTION 3.20. Employment Matters. Each of the Loan Parties and each of their Subsidiaries is in compliance with the Labor Contracts and all applicable federal, state and local labor and employment Requirements of Law including those related to equal employment opportunity and affirmative action, labor relations, minimum wage, overtime, child labor, medical insurance continuation, worker adjustment and relocation notices, immigration controls and worker and unemployment compensation, where the failure to comply would reasonably be expected to result in a Material Adverse Effect. There are no outstanding grievances, arbitration awards or appeals therefrom arising out of the Labor Contracts or current or threatened strikes, picketing, handbilling or other work stoppages or slowdowns at facilities of any of the Loan Parties or any of their Subsidiaries which in any case would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.21. Environmental Matters and Safety Matters. Except as disclosed on Schedule 3.21:

(a) None of the Loan Parties and none of the Subsidiaries of any Loan Party has received any Environmental Complaint, whether directed or issued to any Loan Party or relating or pertaining to any predecessor of any Loan Party or Subsidiary or to any prior owner, operator or occupant of the Property which has caused or would reasonably be expected to result in a Material Adverse Effect, and none of such Loan Parties or Subsidiaries have reason to believe that it might receive an Environmental Complaint which has caused or would reasonably be expected to result in a Material Adverse Effect.

(b) No activity of any Loan Party or any Subsidiary of any Loan Party at the Property is being or has been conducted in violation of any Environmental Law or Environmental Permit which has caused or would reasonably be expected to result in a Material Adverse Effect and to the knowledge of any such Loan Party of Subsidiary no activity of any predecessor of any Loan Party or Subsidiary or any prior owner, operator or occupant of the Property was conducted in violation of any Environmental Law which has caused or would reasonably be expected to result in a Material Adverse Effect.

(c) There are no Regulated Substances present on, in, under, or emanating from, or to any Loan Party's or Subsidiary of any Loan Party's knowledge, emanating to, the Property or any portion thereof which result in Contamination and which would reasonably be expected to result in a Material Adverse Effect.

(d) Each Loan Party and each Subsidiary of each Loan Party has all Environmental Permits and all such Environmental Permits are in full force and effect except for those Environmental Permits which the failure to have would not reasonably be expected to result in a Material Adverse Effect.

(e) Each Loan Party and each Subsidiary of each Loan Party has submitted to a Governmental Authority and/or maintains, as appropriate, all Environmental Records except for those Environmental Records which the failure to submit or maintain would not reasonably be expected to result in a Material Adverse Effect.

(f) No portion of the Property is identified or to the knowledge of each Loan Party and each Subsidiary of each Loan Party proposed to be identified on any list of contaminated properties or other properties which pursuant to Environmental Laws are the subject of a Remedial Action by a Governmental Authority or any other Person (including any such Loan Party or Subsidiary) except for Remedial Action that would not reasonably be expected to result in a Material Adverse Effect.

(g) No portion of the Property constitutes an Environmentally Sensitive Area except for those portions of the Property constituting an Environmentally Sensitive Area which would not reasonably be expected to result in a Material Adverse Effect.

(h) No lien or other encumbrance authorized by Environmental Laws exists against the Property and none of the Loan Parties nor any Subsidiary of any Loan Party has any reason to believe that such a lien or encumbrance may be imposed, in each case, other than Permitted Liens.

(i) The activities and operations of the Loan Parties and the Subsidiaries of the Loan Parties are being conducted in compliance with applicable Safety Laws except where the failure to comply would not reasonably be expected to result in a Material Adverse Effect.

(j) The Loan Parties and the Subsidiaries of the Loan Parties have not received any Safety Complaints which have or would reasonably be expected to result in a Material Adverse Effect, and to the

knowledge of the Loan Parties and Subsidiaries, no Safety Complaints are being threatened which have or would reasonably be expected to result in a Material Adverse Effect and the Loan Parties and Subsidiaries have no reason to believe that a Safety Complaint might be received or instituted which have or would reasonably be expected to result in a Material Adverse Effect.

Each Loan Party and each Subsidiary of each Loan Party has submitted to a Governmental Authority and/or maintains in its files, as applicable, all Safety Filings and Records except for those Safety Filings and Records which the failure to submit or maintain would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.22. Senior Debt Status. The Obligations of each Loan Party under this Agreement, and each of the other Loan Documents to which any Loan Party is a party rank at least pari passu in priority of payment with all other Indebtedness of such Loan Party, except Indebtedness of such Loan Party, to the extent secured by Permitted Liens. There is no Lien upon or with respect to any of the properties or income of any Loan Party or any Subsidiary of any Loan Party which secures Indebtedness or other obligations of any Person except for Permitted Liens.

SECTION 3.23. Anti-Corruption Laws and Sanctions. Each Loan Party has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and such Loan Party, its Subsidiaries and their respective officers and employees and to the knowledge of such Loan Party its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in any Loan Party being designated as a Sanctioned Person. None of (a) any Loan Party, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of any such Loan Party or Subsidiary, any agent of such Loan Party or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds, Transaction or other transaction contemplated by this Agreement or the other Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

SECTION 3.24. Solvency. After giving effect to the Transactions contemplated by this Agreement and the Loan Documents and the making of each Loan and each issuance of a Letter of Credit hereunder, the Loan Parties, taken as a whole, are Solvent.

SECTION 3.25. EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request

in connection with the Transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested prior to the Effective Date by a Lender pursuant to Section 2.10 payable to the order of each such requesting Lender and written opinions of the Loan Parties' counsel (it being acknowledged and agreed that opinions may be provided by internal counsel of the Loan Parties as to certain corporate capacity and authorization matters and non-New York, non-federal and non-Delaware law matters), addressed to the Administrative Agent, the Issuing Banks and the Lenders, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(b) Financial Statements and Projections. The Lenders shall have received (i) audited consolidated financial statements of the Borrower and its Subsidiaries for the 2015 and 2016 fiscal years, (ii) unaudited interim consolidated financial statements of the Borrower and its Subsidiaries for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and such financial statements shall not, in the reasonable judgment of the Administrative Agent, reflect any material adverse change in the consolidated financial condition of the Borrower and its Subsidiaries, as reflected in the audited, consolidated financial statements described in clause (i) of this paragraph and (iii) satisfactory Financial Projections.

(c) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Effective Date and executed by its Secretary or Assistant Secretary, or to the extent not available or applicable, any authorized officer, director, manager or member, which shall (A) certify the resolutions of its Board of Directors, members or other governing body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the officers of such Loan Party authorized to sign the Loan Documents to which it is a party and, in the case of the Borrower, its Financial Officers, and (C) contain appropriate attachments, including the charter, articles or certificate of organization or incorporation of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its bylaws or operating, management or partnership agreement, or other organizational or governing documents, and (ii) a good standing certificate for each Loan Party from its jurisdiction of organization.

(d) No Default Certificate. The Administrative Agent shall have received a certificate, signed by a Financial Officer of the Borrower, dated as of the Effective Date (i) stating that no Default has occurred and is continuing as of such date, (ii) stating that the representations and warranties contained in the Loan Documents are true and correct shall be true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect) on such date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect) only as of such specified date), and (iii) certifying as to any other factual matters as may be reasonably requested by the Administrative Agent.

(e) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all reasonable out-of-pocket expenses required to be reimbursed for which invoices have been presented (including the reasonable fees and expenses of legal counsel), before the Effective Date. All such amounts may be paid with proceeds of Loans made on the Effective Date and if paid with such proceeds, will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Effective Date.

(f) Pay-Off and Release Letter. The Administrative Agent shall have received satisfactory pay-off letters for all existing Indebtedness required to be repaid (including, without limitation, the credit facility evidenced by the Existing Credit Agreement, but other than the Existing Letters of Credit).

(g) Funding Account. The Administrative Agent shall have received a notice (which notice may be in the form of a Borrowing Request or such other form or method as approved by the Administrative Agent) setting forth the deposit account of the Borrower (the "Funding Account") to which the Administrative Agent is authorized by the Borrower to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(h) Solvency. The Administrative Agent shall have received a solvency certificate signed by a Financial Officer dated the Effective Date in form and substance reasonably satisfactory to the Administrative Agent.

(i) Due Diligence. The Administrative Agent and its counsel shall have completed all legal due diligence, the results of which shall be reasonably satisfactory to Administrative Agent in its sole discretion.

(j) USA PATRIOT Act, Etc. The Administrative Agent and Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including USA PATRIOT Act to the extent reasonably requested in writing at least five (5) Business Days prior to the Effective Date, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party.

(k) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent, any Issuing Bank, any Lender or their respective counsel may have reasonably requested (including, without limitation, a properly completed letter of credit application (whether standalone or pursuant to a master agreement, as applicable) if the issuance of a Letter of Credit will be required on the Effective Date, together with an executed copy of the applicable Issuing Bank's master agreement for the issuance of commercial Letters of Credit).

The Administrative Agent shall notify the Borrower, the Lenders and the Issuing Banks of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 3:00 p.m., New York City time, on September 30, 2017 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect) with the same effect as though made on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect) only as of such specified date).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing made and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Payment in Full of the Obligations, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the other Loan Parties, with the Lenders that:

SECTION 5.01. Preservation of Existence, Etc. Each Loan Party shall and shall cause each of its Subsidiaries to maintain its legal existence and its license or qualification and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary, except (i) as otherwise permitted in Section 6.06 and (ii) (other than as to the legal existence and good standing in its jurisdiction of organization of each Loan Party) as would not reasonably be expect to result in a Material Adverse Effect.

SECTION 5.02. Payment of Liabilities, Including Taxes, Etc. Each Loan Party shall, and shall cause each of its Subsidiaries to, duly pay and discharge all liabilities to which it is subject or which are asserted against it, as and when the same shall become due and payable, including all taxes, assessments and governmental charges upon it or any of its properties, assets, income or profits, prior to the date on which penalties attach thereto, except (i) to the extent that such liabilities, including taxes, assessments or charges, are being contested in good faith and by appropriate and lawful proceedings diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made, or (ii) to the extent that failure to discharge any such liabilities would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.03. Maintenance of Insurance. Each Loan Party shall, and shall cause each of its Subsidiaries to, insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers' compensation, public liability and business interruption insurance) and against other risks (including errors and omissions) in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses and owning properties in similar localities, and with reputable and financially sound insurers, including self-insurance to the extent customary.

SECTION 5.04. Maintenance of Properties and Leases. Except if the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Loan Party shall, and shall cause each of its Subsidiaries to, maintain in good repair, working order and condition (ordinary wear and tear and casualty and condemnation events excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties useful or necessary to its business, and from time to time, such Loan Party will make or cause to be made all necessary repairs, renewals or replacements thereof as appropriate in the exercise of its commercially reasonable judgment.

SECTION 5.05. Maintenance of Patents, Trademarks, Etc. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain in full force and effect all patents, trademarks, service marks, trade names, copyrights, licenses, franchises, permits and other authorizations necessary for the ownership and operation of its properties and business if the failure so to maintain the same would reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06. Visitation Rights. Each Loan Party shall, and shall cause each of its Subsidiaries to permit any of the officers or authorized employees or representatives of the Administrative Agent or any of the Lenders to visit, during normal business hours and inspect any of its properties and to examine and make excerpts from its books and records and discuss its business affairs, finances and accounts with its officers, all in such detail and at such times and as often as any of the Lenders may reasonably request, provided that each Lender shall provide the Borrower and the Administrative Agent with reasonable notice prior to any visit or inspection (it being acknowledged and agreed that (i) so long as no Default or Event of Default has occurred and is continuing, the Loan Parties shall not be obligated to pay costs or expenses incurred by the Administrative Agent or any Lender in connection with any visit or inspection and (ii) during the occurrence and continuation of an Event of Default, the Loan Parties shall be obligated to pay costs or expenses incurred by the Administrative Agent or any Lender in connection with each such inspection or visit). In the event any Lender desires to visit and inspect any Loan Party, such Lender shall make a reasonable effort to conduct such visit and inspection contemporaneously with any visit and inspection to be performed by the Administrative Agent. Notwithstanding the foregoing, no Loan Party nor any of their respective Subsidiaries shall be required to disclose (a) any materials subject to, to the extent not created in contemplation of the Loan Parties obligations under the Loan Documents, a confidentiality obligation binding upon such Loan Party or such Subsidiary to the extent such disclosure would violate such obligations, (b) any communications protected by attorney-client privilege the disclosure or inspection of which would waive such privilege, or (c) non-financial trade secrets or non-financial proprietary information.

SECTION 5.07. Keeping of Records and Books of Account. The Borrower shall, and shall cause each Subsidiary of the Borrower to, maintain and keep proper books of record and account which enable the Borrower and its Subsidiaries to issue financial statements in accordance with GAAP and as otherwise required by applicable Requirements of Law of any Governmental Authority having jurisdiction over the Borrower or any Subsidiary of the Borrower, and in which full, true and correct entries shall be made in all material respects of all its dealings and business and financial affairs covered thereby.

SECTION 5.08. Plans and Benefit Arrangements. The Borrower shall, and shall cause each other member of the ERISA Group to, comply with ERISA, the Code and other applicable Requirements of Law applicable to Plans and Benefit Arrangements except where such failure, alone or in conjunction with any other failure, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.09. Compliance with Laws . Each Loan Party shall, and shall cause each of its Subsidiaries to, comply with all applicable Requirements of Law, including all Environmental Laws, in all respects, provided that it shall not be deemed to be a violation of this Section 5.09 if any failure to comply with any Requirement of Law would not result in fines, penalties, remediation costs, other similar liabilities or injunctive relief which in the aggregate would reasonably be expected to result in a Material Adverse Effect. Each Loan Party will maintain in effect and enforce policies and procedures reasonably designed to ensure compliance by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.10. Use of Proceeds. The Loan Parties will use the Letters of Credit and the proceeds of the Loans for the purposes stated in Section 3.10. No Loan Party shall use the Letters of

Credit or the proceeds of the Loans for any purposes which contravenes any applicable Requirement of Law or any provision hereof. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent that such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or the European Union, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.11. Reporting Requirements. The Borrower will furnish to the Administrative Agent (who shall promptly deliver to each Lender):

(a) Quarterly Financial Statements. As soon as available and in any event within forty-five (45) calendar days after the end of each of the first three fiscal quarters in each fiscal year of the Borrower (commencing with the fiscal quarter ending on or about September 24, 2017), financial statements of the Borrower, consisting of: (i) a consolidated balance sheet as of the end of such fiscal quarter and as of the end of the prior fiscal year; (ii) a consolidated statement of operations for such fiscal quarter and the year-to-date period of the then-current fiscal year, and for the corresponding fiscal quarter and year-to-date period of the prior fiscal year; (iii) a consolidated statement of stockholders' equity as of the end of such fiscal quarter, as of the end of the corresponding fiscal quarter of the prior fiscal year, and as of the end of the prior fiscal year; and (iv) a consolidated statement of cash flows for the year-to-date period of the then-current fiscal year and the corresponding year-to-date period of the prior fiscal year. Each of the aforementioned financial statements shall be in reasonable detail and certified (subject to normal year-end audit adjustments and the absence of footnotes) by a Financial Officer of the Borrower as having been prepared in accordance with GAAP, consistently applied throughout the periods covered thereby, except as otherwise noted therein. The Loan Parties will be deemed to have complied with the delivery requirements of this Section 5.11(a) on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System (or any successor system) if (x) such date of public filing is within forty-five (45) calendar days after the end of each of the first three fiscal quarters in each fiscal year of the Borrower (commencing with the fiscal quarter ending September 24, 2017) and (y) the financial statements contained therein meet the requirements described in this Section.

(b) Annual Financial Statements. As soon as available and in any event within ninety (90) days after the end of each fiscal year of the Borrower (commencing with the fiscal year ending on or about December 31, 2017), financial statements of the Borrower consisting of a consolidated balance sheet as of the end of such fiscal year, and related consolidated statements of operations, stockholders' equity and cash flows for the fiscal year then ended, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year, and audited by independent certified public accountants of nationally recognized standing. The certificate or report of accountants shall be free of qualifications (other than any consistency qualification that may result from a change in the method used to prepare the financial statements as to which such accountants concur or any going concern qualification or exception that is solely with respect to, or resulting solely from, an upcoming maturity date under this Agreement occurring within one year from the time such report is delivered). The Loan Parties will be deemed to have complied with the delivery requirements of this Section 5.11(b) on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System (or any successor system) if (x) such date of public filing is within ninety (90) days after the end of each fiscal year of the Borrower (commencing with the fiscal year ending on or about December 31, 2017) and (y) the financial statements contained therein meet the requirements described in this Section.

(c) Certificate of the Borrower. Concurrently with the financial statements of the Borrower furnished to the Administrative Agent pursuant to Sections 5.11(a) and 5.11(b), a certificate (each a "Compliance Certificate") of the Borrower signed by an Financial Officer of the Borrower, in the form of Exhibit E, to the effect that, pursuant to Section 5.11(d), (i) no Event of Default or Default exists and is continuing on the date of such certificate and (ii) containing calculations in sufficient detail to demonstrate compliance as of the date of such financial statements with all financial covenants contained in Sections 6.14 and 6.15.

(d) Notice of Default. Promptly after any Responsible Officer of any Loan Party has learned of the occurrence of an Event of Default or Default, a certificate signed by any Responsible Officer setting forth the details of such Event of Default or Default and the action which such Loan Party proposes to take with respect thereto.

(e) Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, proceedings or investigations before or by any Governmental Authority or any other Person against any Loan Party or Subsidiary of any Loan Party or which if adversely determined would reasonably be expected to result in a Material Adverse Effect.

(f) Budgets, Forecasts, Other Reports and Information. Promptly upon their becoming available to the Borrower:

(i) the annual budget of the Borrower, to be supplied not later than February 15th of the fiscal year to which any of the foregoing may be applicable;

(ii) any reports, notices or proxy statements generally distributed by the Borrower to its stockholders on a date no later than the date supplied to such stockholders;

(iii) regular or periodic reports, including Forms 10-K, 10-Q and 8-K, registration statements and prospectuses, filed by the Borrower with the SEC;

(iv) a copy of any order in any proceeding to which the Borrower or any of its Subsidiaries is a party issued by any Governmental Authority which would reasonably be expected to result in a Material Adverse Effect; and

(v) such other reports and information as any of the Lenders may from time to time reasonably request to the extent (a) the confidentiality of such information is not required by (i) Requirement of Law, (ii) to the extent not created in contemplation of any Loan Party's obligations under the Loan Documents, a contractual obligation to which the Borrower or any of its Subsidiaries is bound, (iii) the maintenance of attorney-client privilege with respect to communications protected by such privilege or (b) such reports or information do not constitute non-financial trade secrets or non-financial proprietary information.

(g) Notices Regarding Plans and Benefit Arrangements.

(i) Certain Events. Promptly upon becoming aware of the occurrence thereof, notice (including the nature of the event and, when known, any action taken or threatened by the IRS or the PBGC with respect thereto) of:

(A) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to any Plan of the Borrower or any other member of the ERISA Group

(other than “reportable events” where the obligation to report said “reportable event” to the PBGC has been waived);

(B) any Prohibited Transaction which could subject the Borrower or any other member of the ERISA Group to a material civil penalty assessed pursuant to Section 502(i) of ERISA or a material tax imposed by Section 4975 of the Code in connection with any Plan, any Benefit Arrangement or any trust created thereunder;

(C) any assertion of material withdrawal liability with respect to any Multiemployer Plan or Multiple Employer Plan;

(D) any partial or complete withdrawal from a Multiemployer Plan or Multiple Employer Plan by the Borrower or any other member of the ERISA Group (or assertion thereof), where such withdrawal is likely to result in material withdrawal liability;

(E) any event that will subject the assets of the Borrower or any member of the ERISA Group to a Lien under Section 303(k)(1) or 4068 of ERISA or Section 430(k) of the Code;

(F) any Plan is determined to be in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 403(i)(4) of the Code); and

(G) any Multiemployer Plan is determined to be in “endangered status” or “critical status” (as defined in Section 305(b) of ERISA or Section 432(b) of the Code).

(h) Notices of Involuntary Termination and Annual Reports. Promptly after receipt thereof, copies of (a) all notices received by the Borrower or any other member of the ERISA Group of the PBGC’s intent to terminate any Plan administered or maintained by the Borrower or any member of the ERISA Group, or to have a trustee appointed to administer any such Plan; and (b) at the request of the Administrative Agent or any Lender each annual report (IRS Form 5500 series) and all accompanying schedules, the most recent actuarial reports, the most recent financial information concerning the financial status of each Plan administered or maintained by the Borrower or any other member of the ERISA Group, and schedules showing the amounts contributed to each such Plan by or on behalf of the Borrower or any other member of the ERISA Group in which any of their personnel participate or from which such personnel may derive a benefit, and each Schedule B (Actuarial Information) to the annual report filed by the Borrower or any other member of the ERISA Group with the IRS with respect to each such Plan.

(i) Notice of Voluntary Termination. Promptly upon the filing thereof, copies of any Form 5310, or any successor or equivalent form to Form 5310, filed with the PBGC in connection with the termination of any Plan.

(j) Delivery of Certain Documents. Without limiting anything contained in this Section 5.11, the Loan Parties will be deemed to have complied with the delivery requirements of this Section 5.11 on the date, (i) in the case of Section 5.11(f)(ii), and (f)(iii) (or as provided in Section 5.11(a) and (b)), on the date on which such documents are filed for public availability on the SEC’s Electronic Data Gathering and Retrieval System (or any successor system), (ii) on which the Borrower posts such documents, or provides a link thereto on the Borrower’s website on the Internet or (iii) on which such documents are posted on the Borrower’s behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access , in each case, if (x) such date of filing or posting is within the time periods required by this Section and (y) the financial statements, documents or other information contained therein meets the applicable requirements described in this Section.

SECTION 5.12. Further Assurances. As promptly as possible but in any event within ten (10) days following the delivery of the then due Compliance Certificate (or such later date as may be agreed upon by the Administrative Agent) after any Person becomes a Material Domestic Subsidiary, or any Subsidiary qualifies independently as, or is designated by the Borrower as, a Material Domestic Subsidiary pursuant to the definition of "Material Domestic Subsidiary" during such fiscal quarter, then, in each case, the Borrower shall (i) provide the Administrative Agent with written notice thereof setting forth information in reasonable detail describing the material assets of such Person and (ii) cause each such Material Domestic Subsidiary to execute and deliver to the Administrative Agent a Joinder Agreement, which Joinder Agreement shall be accompanied by appropriate organizational resolutions, other organizational documentation and, to the extent requested by the Administrative Agent, legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel (it being agreed that legal opinions in form and substance substantially consistent with such opinions delivered on the Effective Date shall be satisfactory for this purpose). Each such Person delivering a Joinder Agreement shall automatically become a Subsidiary Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents.

ARTICLE VI

Negative Covenants

Until the Payment in Full of the Obligations, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the other Loan Parties, with the Lenders that:

SECTION 6.01. Indebtedness. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) existing Indebtedness as set forth on Schedule 6.01 (including any extensions or renewals thereof, provided there is no increase in the principal amount thereof, or an earlier maturity date for any payment payable thereunder, or the provision of any additional security or guaranties therefor or other significant change in the terms thereof (except fees and interest rates) that are materially less favorable to the obligor thereunder than the original terms);

(c) Indebtedness in the form of capitalized leases or secured by Purchase Money Security Interests in an aggregate outstanding principal amount not to exceed at any time the greater of (i) $25,000,000 and (ii) an amount equal to 7.5% of Consolidated Net Tangible Assets (based on the financial statements for the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 5.11(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.11(a) or (b), the most recent financial statements referred to in Section 3.09(a))) (including any extensions or renewals thereof, provided there is no increase in the principal amount thereof, or an earlier maturity date for any payment payable thereunder, or the provision of any additional security or guaranties therefor or other significant change in the terms thereof (except fees and interest rates) that are materially less favorable to the obligor thereunder than the original terms);

(d) Indebtedness of the Borrower or any Subsidiary to the Borrower or another Subsidiary;

(e) Banking Services Obligations;

(f) Indebtedness (including Swap Agreement Obligations) arising from Swap Agreements entered into in the ordinary course of business and not for speculative purposes;

(g) Guarantees permitted under Section 6.03;

(h) Indebtedness under the Jeffersontown IRB, including Indebtedness arising in respect of the sale and leaseback of property located at 2002 Papa John's Boulevard, Jeffersontown, Kentucky, provided that the principal amount is not subsequently increased (such Jeffersontown IRB shall continue to be permitted Indebtedness hereunder if DEPZZA should subsequently sell its rights thereunder to a Person which is not an Affiliate of the Borrower);

(i) unsecured Indebtedness of any Loan Party, provided that (i) such Indebtedness is pari passu in right of payment with the Indebtedness hereunder, (ii) such Indebtedness does not mature prior to 181 days following the latest Maturity Date then in effect, (iii) the financial maintenance covenants governing such debt shall not be more numerous or more restrictive than the financial maintenance covenants set forth in Sections 6.14 and 6.15 (as determined by the Borrower in good faith), (iv) immediately prior to and after giving effect (including giving effect on a pro forma basis) to the incurrence of such Indebtedness (A) no Default or Event of Default exists or would result therefrom and (B) the Borrower is in compliance with the financial covenants set forth in Sections 6.14 and 6.15 and (v) at the time of incurrence of such Indebtedness, a Financial Officer of the Borrower shall have delivered to the Administrative Agent a certificate certifying compliance with the foregoing clauses (i) through (iv);

(j) Indebtedness of any Person that becomes a Subsidiary of the Borrower as a result of a Permitted Acquisition or other investment permitted by Section 6.04 existing on the date of such acquisition or investment, provided that (i) such Indebtedness was not created in anticipation of such Permitted Acquisition or investment, (ii) neither the Borrower nor any Subsidiary other than such new Subsidiary shall have any liability or other obligation with respect to such Indebtedness and (iii) immediately prior to and after giving effect (including giving effect on a pro forma basis) to such Permitted Acquisition or such investment and such Indebtedness of such acquired Subsidiary (A) no Default or Event of Default exists or would result therefrom and (B) the Borrower is in compliance with the financial covenants set forth in Sections 6.14 and 6.15;

(k) Indebtedness in respect of performance bonds, surety bonds, appeal bonds, completion guarantees or like instruments or with respect to workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, in each case incurred in the ordinary course of business;

(l) Indebtedness of Foreign Subsidiaries in an aggregate outstanding principal amount not to exceed at any time the greater of (i) $15,000,000 and (ii) an amount equal to 3.5% of Consolidated Net Tangible Assets (based on the financial statements for the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 5.11(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.11(a) or (b), the most recent financial statements referred to in Section 3.09(a)));

(m) secured Indebtedness not otherwise permitted by any of the foregoing in an aggregate outstanding principal amount not to exceed $5,000,000 at any time;

(n) unsecured Indebtedness not otherwise permitted by any of the foregoing in an aggregate outstanding principal amount not to exceed at any time the greater of (i) $20,000,000 and (ii) an amount equal to 5.0% of Consolidated Net Tangible Assets (based on the financial statements for the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section

5.11(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.11(a) or (b), the most recent financial statements referred to in Section 3.09(a)));

(o) Indebtedness arising under the Cherokee County Transactions, including Indebtedness in respect of the sale leaseback of equipment located in Cherokee County, Georgia, in an aggregate outstanding principal amount not to exceed $16,500,000.

SECTION 6.02. Liens. Each of the Loan Parties shall not and shall not permit any of their Subsidiaries to at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except Permitted Liens.

SECTION 6.03. Guarantees. Each of the Loan Parties shall not and shall not permit any of their Subsidiaries to at any time, directly or indirectly, become or be liable in respect of any Guaranty, or assume, guarantee, become surety for, endorse or otherwise agree, become or remain directly or contingently liable upon or with respect to any obligation or liability of any other Person, except for (i) endorsements of checks and other negotiable instruments for deposit or collection in the ordinary course of business, (ii) Guarantees of Indebtedness of the Borrower and its Subsidiaries that is permitted under Section 6.01 (other than Section 6.01(g)), (iii) Guarantees constituting Investments permitted by Section 6.04 (other than 6.04(h)), and (iv) Guarantees that are in existence on the Effective Date and set forth on Schedule 6.03.

SECTION 6.04. Loans and Investments. Each of the Loan Parties shall not and shall not permit any of their Subsidiaries to, at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire or own any stock, bonds, notes or securities of, or any partnership interest (whether general or limited) or limited liability company interest in, or any other investment or interest in, or make any capital contribution to, any other Person, except:

(a) (i) trade credit extended on usual and customary terms in the ordinary course of business, (ii) bank deposits in the ordinary course of business, (iii) endorsement of negotiable instruments held for collection in the ordinary course of business and (iv) lease, utility and other similar deposits in the ordinary course of business;

(b) advances to employees to meet expenses incurred by such employees in the ordinary course of business;

(c) (i) cash and Permitted Investments, (ii) investments by any Loan Party in Equity Interests in their respective Subsidiaries existing as of the Effective Date, and (iii) other investments, advances and loans existing on the date of this Agreement and described on Schedule 6.04;

(d) loans, advances and investments to, or in, the Borrower or any Subsidiary;

(e) investments in Swap Agreements as permitted by Section 6.01(f);

(f) Permitted Acquisitions, including Subsidiaries acquired pursuant to Permitted Acquisitions and investments of such Subsidiaries at the time of their respective Acquisition pursuant to Permitted Acquisitions;

(g) ownership of equity interests or securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or any of its Subsidiaries in the ordinary course of business or as security for any such Indebtedness or claim;

(h) Guarantees permitted by Section 6.03;

(i) any other investment, loan or advance (other than Acquisitions) so long as the aggregate amount of all such investments, loans and advances does not exceed $20,000,000 during the term of this Agreement;

(j) loans, advances and investments (other than Acquisitions) not otherwise permitted by any of the foregoing, provided that immediately prior to and after giving effect (including giving effect on a pro forma basis) to any such loan, advance or investment (i) no Default or Event of Default exists or would result therefrom and (ii) the Borrower is in compliance with the financial covenants set forth in Sections 6.14 and 6.15; and

(k) loans, advances and investments made to Cherokee County Development Authority in connection with the Cherokee County Transactions in an aggregate amount not to exceed $16,500,000.

SECTION 6.05. Dividends and Related Distributions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, make or pay, or agree to become or remain liable to make or pay, any dividend or other distribution of any nature (whether in cash, property, securities or otherwise) on account of or in respect of its Equity Interests, including any sinking fund or similar deposit, or on account of the purchase, redemption, retirement, cancellation, termination or acquisition of its Equity Interests (or warrants, options or rights therefor) (any of the foregoing being referred to as a "Restricted Payment"), except (a) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries and (d) the Borrower and its Subsidiaries may make any other Restricted Payment (including, for the avoidance of doubt, any repurchase of Equity Interests of the Borrower pursuant to the Specified Share Repurchase Program) so long as immediately prior to and after giving effect (including giving effect on a pro forma basis) to such Restricted Payment (i) no Default or Event of Default exists or would result therefrom and (ii) the Borrower is in compliance with the financial covenants set forth in Sections 6.14 and 6.15.

SECTION 6.06. Liquidations, Mergers, Consolidations, Acquisitions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, dissolve, liquidate or wind-up its affairs, or become a party to any merger or consolidation, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any other Person, provided that:

(a) any Loan Party may consolidate or merge into another Loan Party; provided for any merger or consolidation with the Borrower, the Borrower shall be the survivor thereof;

(b) any Subsidiary of a Loan Party which is not a Loan Party may consolidate or merge into another Subsidiary of a Loan Party or any Loan Party; provided that, for any merger or consolidation with any Loan Party, such Loan Party shall be the survivor thereof;

(c) the Borrower may dissolve, liquidate or wind-up any of its Subsidiaries that (i) are not Loan Parties or (ii) are Loan Parties if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders and such Loan Parties are being released from their obligations under the Loan Guaranty pursuant to Section 9.16 prior to or substantially concurrently with such dissolution, liquidation or wind-up; and

(d) the Borrower or any Subsidiary may acquire in one or a series of transactions, whether by purchase, lease or otherwise or by merger or consolidation, (A) all or substantially all of the ownership interests of another Person or (B) all or substantially all of the assets of another Person or of a business or division of another Person (each such transaction, an "Acquisition"), provided that, each of the following requirements is met (each such Acquisition meeting the requirements of this Section 6.06(d), a "Permitted Acquisition"):

(i) if the Person so acquired shall become a Material Domestic Subsidiary, such Person shall execute a Joinder Agreement and deliver such other documents required by Section 5.12 and join this Agreement as a Subsidiary Guarantor pursuant to Section 5.12 before or within five (5) Business Days of such Acquisition (and without giving effect to any other grace periods provided therein);

(ii) such Acquisition is not a Hostile Acquisition;

(iii) the business or division acquired, or the business conducted by the Person whose ownership interests are being acquired, as applicable, is engaged in the same or similar line or lines of business conducted by the Borrower and its Subsidiaries or businesses reasonably related thereto and shall comply with Section 6.10;

(iv) in the case of a merger or consolidation involving the Borrower or a Subsidiary, the Borrower or such Subsidiary is the surviving entity; provided that any merger or consolidation involving the Borrower shall result in the Borrower as the surviving entity, and any merger or consolidation involving a Loan Party other than the Borrower shall result in a Loan Party as the surviving entity; and

(v) immediately prior to and after giving pro forma effect to such Acquisition, (A) no Default or Event of Default exists or would result therefrom and (B) the Borrower is in compliance with the financial covenants set forth in Sections 6.14 and 6.15.

SECTION 6.07. Dispositions of Assets or Subsidiaries. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, sell, convey, assign, lease, abandon or otherwise transfer or dispose of, voluntarily or involuntarily, any of its properties or assets, tangible or intangible, (including sale, assignment, discount or other disposition of accounts, contract rights, chattel paper, equipment or general intangibles, with or without recourse, or of capital stock, shares of beneficial interest, partnership interests or limited liability company interests of a Subsidiary of such Loan Party), except:

(a) transactions involving the sale of inventory in the ordinary course of business;

(b) any sale, transfer or lease of properties or assets in the ordinary course of business which are no longer necessary or required in the conduct of such Loan Party's or its Subsidiary's business;

(c) subject to Section 6.08, any sale, transfer or lease of properties or assets by any Loan Party or its Subsidiary to a Loan Party or to another Subsidiary;

(d) any sale, transfer or lease of properties or assets in the ordinary course of business which are replaced by substitute properties or assets acquired or leased and not otherwise prohibited by the terms of this Agreement;

(e) transfers and dispositions of cash and cash equivalents as consideration for a transaction permitted by the terms of this Agreement;

(f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary;

(g) the termination of Swap Agreements permitted by Section 6.01(f);

(h) transactions permitted under Section 6.06, transactions constituting Restricted Payments made pursuant to and in accordance with the provisions of Section 6.05, and transactions constituting investments permitted under Section 6.04;

(i) forgiveness or discounting, on a non-recourse basis and in the ordinary course of business, of past due accounts in connection with the collection or compromise thereof or the settlement of delinquent accounts or in connection with the bankruptcy or reorganization of suppliers or customers;

(j) the abandonment of intellectual property rights which, in the reasonable good faith determination of the Borrower, are no longer used or useful to the business of any Loan Party or their respective Subsidiaries;

(k) sales or disposals or Equity Interests of any Foreign Subsidiary in order to qualify a member of the board of directors (or equivalent governing body) of such Person if required and to the extent in accordance with Requirements of Law;

(l) sale or disposition of the Borrower-owned, directly or indirectly through one of its Subsidiaries, restaurants located in China and the China quality control center; and

(m) any sale, transfer, lease or other disposition of properties or assets, other than those excepted pursuant to clauses (a) through (l) above, provided that:

(i) there shall not exist any Event of Default or Default immediately prior to and after giving effect to such sale, transfer, lease or other disposition;

(ii) the aggregate value of such assets sold, transferred, leased or otherwise disposed of by the Borrower and its Subsidiaries during the term of this Agreement shall not exceed the greater of (A) $80,000,000 and (B) an amount equal to 20.0% of Consolidated Net Tangible Assets (based on the financial statements for the most recent fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 5.11(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.11(a) or (b), the most recent financial statements referred to in Section 3.09(a))); and

(n) any sale or disposition of property pursuant to the Cherokee County Transactions, including in respect of the sale leaseback of equipment located in Cherokee County, Georgia.

SECTION 6.08. Affiliate Transactions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, enter into or carry out any transaction with a fair market value (as determined by the Borrower in good faith) in excess of $1,000,000 with any Affiliate of any Loan Party (including purchasing property or services from or selling property or services to any Affiliate of any Loan Party) unless such transaction (a) is not otherwise prohibited by this Agreement, (b) is upon fair and reasonable terms substantially as favorable to such Loan Party or such Subsidiary as would be obtainable by such Loan Party or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate and (c) is in accordance with Requirements of Law; provided, that the foregoing restriction shall not apply to (i) transactions between or among the Loan Parties and their respective

wholly-owned Subsidiaries, (ii) Restricted Payments permitted to be made pursuant to Section 6.05, (iii) issuances of securities or other payments pursuant to, or the funding of, employment arrangements, indemnification agreements, stock options and stock ownership plans approved by the board of directors or the compensation committee of the board of directors of such Loan Party or such Subsidiary, (iv) the grant of stock options or similar rights to employees and directors of the Borrower and its Subsidiaries pursuant to plans approved by the board of directors of the Borrower, (v) Investments permitted pursuant to Section 6.04, (vi) Guarantees permitted pursuant to Section 6.03, (vii) the payment of reasonable fees and expenses and the provision of customary indemnities to directors of the Borrower and its Subsidiaries who are not employees of the Borrower or its Subsidiaries and (viii) transactions approved pursuant to the Borrower's "Related Person Transaction Policies and Procedures" dated effective October 30, 2015.

SECTION 6.09. [Intentionally Omitted].

SECTION 6.10. Continuation of or Change in Business. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to engage in any business other than the operation and franchising of pizza delivery, dine in and carryout restaurants, together with production, manufacturing, printing, promotion and all other services in support of such business and all reasonably similar, incidental or complementary thereto and reasonable extensions thereof.

SECTION 6.11. Plans and Benefit Arrangements. Each of the Loan Parties shall not:

(a) fail to satisfy the minimum funding requirements of ERISA and the Code with respect to any Plan;

(b) request a minimum funding waiver from the IRS with respect to any Plan;

(c) engage in a Prohibited Transaction with or with respect to any Plan, Benefit Arrangement, Multiemployer Plan or Multiple Employer Plan which, alone or in conjunction with any other circumstances or set of circumstances resulting in liability under ERISA, would reasonably be expected to result in a Material Adverse Effect;

(d) permit any Plan to be in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code);

(e) fail to make when due any contribution to any Multiemployer Plan or Multiple Employer Plan that the Borrower or any member of the ERISA Group may be required to make under any agreement relating to such Multiemployer Plan or Multiple Employer Plan, or any Requirement of Law pertaining thereto where such failure would reasonably be expected to result in a Material Adverse Effect;

(f) withdraw (completely or partially) from any Multiemployer Plan or withdraw (or be deemed under Section 4062(e) of ERISA to withdraw) from any Multiple Employer Plan, where any such withdrawal would reasonably be expected to result in a Material Adverse Effect;

(g) terminate, or institute proceedings to terminate, any Plan, where such termination would reasonably be expected to result in a Material Adverse Effect;

(h) provide any form of security under Code Section 436(f) in order to avoid funding-based limits on benefits and benefit accruals under any Plan, as required under Code Section 436, or make any amendment to a Plan for which contributions (in addition to contributions required under ERISA Section 303) are required under Section 206(g)(2) of ERISA;

(i) fail to give any and all notices and make all disclosures and governmental filings required under ERISA or the Code, where such failure would reasonably be expected to result in a Material Adverse Effect; or

(j) fail to pay any required premiums or contributions with respect to any Benefit Arrangement when due, where such failure would reasonably be expected to result in a Material Adverse Effect.

SECTION 6.12. Fiscal Year. The Borrower shall not, and shall not permit any Subsidiary of the Borrower (other than RSC) to, unless it shall have provided thirty (30) days' prior written notice to the Administrative Agent (or such shorter period as may be approved by the Administrative Agent in its sole discretion), change its fiscal year from the fifty-two (52)/fifty-three (53) week fiscal year beginning on the Monday closest to December 31 of each calendar year and ending on the last Sunday in December of each calendar year; provided, however that if during any calendar year December 31 is a Sunday such fifty-two (52)/fifty-three (53) week period shall begin on January 1 of the immediately following calendar year.

SECTION 6.13. Changes in Organizational Documents. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, amend in any material respect its applicable certificate or articles of incorporation, by-laws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents without, in the case of the Loan Parties only, providing prompt, but in any event on or prior to the date of the delivery of the next Compliance Certificate, notice to the Administrative Agent and, in the event such change would be materially adverse to the enforcement rights of the Lenders under the Loan Documents, obtaining the prior written consent of the Required Lenders.

SECTION 6.14. Maximum Leverage Ratio. The Loan Parties shall not permit the Leverage Ratio, calculated as of the end of each fiscal quarter for the period equal to the four (4) fiscal quarters then ended, to exceed the maximum Leverage Ratio set forth opposite the date of each fiscal quarter of the Borrower set forth below:

Fiscal Quarter of the Borrower Ending On or About:	Maximum Leverage Ratio:
9/24/2017 through and including 7/1/2018	4.50 to 1.00
9/30/2018 through and including 12/29/2019	4.25 to 1.00
3/29/2020 through and including 12/27/2020	4.00 to 1.00
3/28/2021 and each fiscal quarter ending thereafter	3.75 to 1.00

SECTION 6.15. Minimum Interest Coverage Ratio. The Loan Parties shall not permit the Interest Coverage Ratio, calculated as of the end of each fiscal quarter for the period equal to the four (4) fiscal quarters then ended, to be less than 2.75 to 1.00.

SECTION 6.16. Negative Pledges; Restrictive Agreements. No Loan Party shall directly or indirectly enter into or assume or become bound by, or permit any Subsidiary to enter into or assume or become bound by, any agreement (other than this Agreement and the other Loan Documents), or any provision of any certificate of incorporation, bylaws, partnership agreement, operating agreement or other

organizational formation or governing document prohibiting (a) the creation or assumption of any Lien or encumbrance upon any such Loan Party's or Subsidiary's properties, whether now owned or hereafter created or acquired, (b) prohibiting or restricting the payment of dividends or distributions to the Borrower or to make or repay Loans to the Borrower or to Guaranty Indebtedness of the Borrower or (c) otherwise prohibiting or restricting the Transactions contemplated hereby and repayment and performance by the Loan Parties of its obligations under the Loan Documents; provided that the foregoing shall not apply to (i) restrictions and conditions imposed by any Requirement of Law or by any Loan Document, (ii) with respect to clause (a) only, restrictions or conditions imposed by any agreement relating to secured Indebtedness or other obligations permitted by this Agreement but only to the extent such restriction or condition is limited to the specific assets subject to a Permitted Lien, (iii) customary provisions in leases, licenses or other agreements restricting assignment thereof, (iv) customary restrictions and conditions contained in agreements relating to the sale of any property pending such sale, provided such restrictions and conditions apply only to such property that is to be sold and such sale is permitted hereunder, (v) with respect to clause (a) only, with respect to software and other intellectual property licenses pursuant to which the borrower or any Subsidiary is the licensee of the relevant software or intellectual property, as the case may be (in which case, any such prohibition or limitation shall relate only to the assets subject to the applicable licenses), (vi) with respect to clauses (a) and (b), agreements relating to Indebtedness permitted hereunder provided such restrictions are no more restrictive in any material respect than those contained in this Agreement, (vii) with respect to clauses (a) and (b) of the foregoing, provisions contained in joint venture agreements or similar agreements entered into in the ordinary course of business and permitted by the terms of this Agreement, so long as in each case such provisions are applicable only to such joint venture, its assets and any Equity Interests therein, and (viii) agreements relating to Indebtedness of any Foreign Subsidiary (in which case any such prohibition or limitation shall relate only to such Foreign Subsidiary and its assets).

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay (i) any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity) or LC Disbursement when such principal or LC Disbursement is due hereunder or (ii) any interest on any Loan or any other Obligation owing hereunder or under the other Loan Documents within five (5) Business Days after such interest or other Obligation becomes due in accordance with the terms hereof or thereof (whether at stated maturity, by acceleration or otherwise);

(b) any representation or warranty made at any time by any of the Loan Parties herein or by any of the Loan Parties in any other Loan Document, or in any certificate, other instrument or statement furnished pursuant to the provisions hereof or thereof, shall prove to have been false or misleading in any material respect as of the time it was made or furnished;

(c) any of the Loan Parties shall default in the observance or performance of any covenant contained in Section 5.03, Section 5.06, Section 5.10 or Article VI;

(d) any of the Loan Parties shall default in the observance or performance of any other covenant, condition or provision hereof or of any other Loan Document and such default shall continue unremedied for a period of thirty (30) days after any Responsible Officer of any Loan Party, as the case may be, becomes aware of the occurrence thereof (such grace period to be applicable only in the event such default can be remedied by corrective action of the Loan Parties);

(e) a default or event of default or breach shall occur at any time under the terms of any other agreement involving Indebtedness under which any Loan Party or any Subsidiary of any Loan Party may be obligated as a borrower or guarantor in excess of $20,000,000 in the aggregate, and such breach, default or event of default consists of the failure to pay (beyond any period of grace permitted with respect thereto, whether waived or not) any Indebtedness when due (whether at stated maturity, by acceleration or otherwise) or if such breach or default (after giving effect to any applicable period of grace) permits or causes the acceleration of any Indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend; provided, that this paragraph (e) shall not apply to (x) Indebtedness that becomes due as a result of customary non-default mandatory prepayments events, such as asset dispositions, casualty and condemnation events, or issuances of debt or equity, if such transaction is permitted hereunder and under the documents providing for such Indebtedness or (y) Indebtedness that becomes due as a result of the exercise by any holder thereof of conversion, exchange or similar rights related to the value of the Borrower's equity securities, in the case of each of clause (x) and clause (y), as long as such Indebtedness is paid when due, redeemed for cash or converted into or exchanged for equity securities of the Borrower pursuant to the terms of such Indebtedness;

(f) any final judgments or orders for the payment of money in excess of $20,000,000 in the aggregate shall be entered against any Loan Party by a court having jurisdiction in the premises, which judgment is not discharged, vacated, bonded or stayed pending appeal within a period of sixty (60) days from the date of entry;

(g) any of the Loan Documents shall cease to be legal, valid and binding agreements enforceable against the Loan Party executing the same or such Loan Party's successors and assigns (as permitted under the Loan Documents) in accordance with the respective terms thereof or shall in any way be terminated (except in accordance with its terms) or become or be declared ineffective or inoperative or shall in any way be challenged or contested by a Loan Party or cease to give or provide the remedies, powers or privileges intended to be created thereby in favor of the Administrative Agent and the Lenders;

(h) any Loan Party or any Subsidiary of any Loan Party shall generally become unable, admit in writing its inability or publicly declare its intention not to, or fail generally, to pay its debts as they become due;

(i) any of the following occurs, the occurrence of which would reasonably be expected to result in a Material Adverse Effect: (i) any Reportable Event which constitutes grounds for the termination of any Plan by the PBGC or the appointment of a trustee to administer or liquidate any Plan, shall have occurred and be continuing; (ii) proceedings shall have been instituted or other action taken to terminate any Plan, or a termination notice shall have been filed with respect to any Plan; (iii) a trustee shall be appointed to administer or liquidate any Plan; (iv) the PBGC shall give notice of its intent to institute proceedings to terminate any Plan or Plans or to appoint a trustee to administer or liquidate any Plan; and, in the case of the occurrence of (i), (ii), (iii), or (iv) above, the Administrative Agent determines in good faith that the amount of the Loan Parties' liability is likely to exceed ten percent (10%) of its consolidated tangible net worth; (v) the Borrower or any member of the ERISA Group shall fail to make any contributions when due to a Plan, Multiemployer Plan or Multiple Employer Plan; (vi) any Loan Party or any Subsidiary provides any form of security under Code Section 436(f) in order to avoid funding-based limits on benefits and benefit accruals under any Plan, as required under Code Section 436, or make any amendment to a Plan for which contributions (in addition to contributions required under ERISA Section 303) are required under Section 206(g)(2) of ERISA; (vii) the Borrower or any other member of the ERISA Group shall withdraw completely or partially from a Multiemployer Plan; or (viii) the Borrower or any other member of the ERISA Group shall withdraw (or shall be deemed under Section 4062(e) of ERISA to withdraw) from a Multiple Employer Plan and, with respect to any of

the events specified in (v), (vi), (vii), or (viii), the occurrence of which would reasonably be expected to result in a Material Adverse Effect;

(j) any person or group of persons (within the meaning of Section 13(d) or Section 14(a) of the Securities Exchange Act of 1934, as amended) other than John H. Schnatter (or his estate or beneficiaries) shall have acquired beneficial ownership of (within the meaning of Rule 13d-3 promulgated by the SEC under said Act) thirty-five percent (35%) or more of the voting capital stock of the Borrower, or (ii) within a period of twelve (12) consecutive calendar months, individuals who were directors of the Borrower on the first day of such period, together with any directors whose election by such board of directors or whose nomination for election by the shareholders was approved by a vote of the majority of the directors then in office shall cease to constitute a majority of the board of directors of the Borrower;

(k) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of any Loan Party or Subsidiary of a Loan Party in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar Requirement of Law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party of Subsidiary of a Loan Party for any substantial part of its property, or for the winding-up or liquidation of its affairs, and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days or such court shall enter a decree or order granting any of the relief sought in such proceeding; or

(l) any Loan Party or Subsidiary of a Loan Party shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator, conservator (or other similar official) of itself or for any substantial part of its property or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing;

then, and in every such event (other than an event with respect to the Borrower described in (k) or (l) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, whereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, but ratably as among the Classes of Loans and the Loans of each Class at the time outstanding, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and (iii) require cash collateral for the LC Exposure in accordance with Section 2.06(j) hereof; and in the case of any event with respect to the Borrower described in clause (k) or (l) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding and cash collateral for the LC Exposure, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, increase the rate of interest applicable to the Loans and other Obligations as set forth in this Agreement and exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment. Each of the Lenders and each of the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders (including the Swingline Lender and the Issuing Banks), and the Loan Parties shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

SECTION 8.02. Rights as a Lender. The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any Subsidiary or any Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03. Duties and Obligations. The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and, (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any Subsidiary that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 8.04. Reliance. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument,

document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05. Actions through Sub-Agents. The Administrative Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

SECTION 8.06. Resignation. Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Required Lenders shall have the right subject to the consent of the Borrower (except during the existence of an Event of Default), which such consent shall not be unreasonably withheld or delayed, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by its successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor, unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article, Section 2.17(d) and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above.

SECTION 8.07. Non-Reliance. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder and in deciding whether or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

SECTION 8.08. Other Agency Titles. None of the Lenders, if any, identified in this Agreement as a Co-Syndication Agent, Documentation Agent, Senior Managing Agent or any similar title shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Co-Syndication Agent, Documentation Agent, Senior Managing Agent or any similar title, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

SECTION 8.09. Not Partners or Co-Venturers.

(a) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

(b) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and LC Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.16, 2.17 and 9.03) allowed in such judicial proceeding;

(ii) collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(iii) and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent

to the making of such payments directly to the Lenders, the Issuing Banks, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone or Electronic Systems (and subject in each case to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Loan Party, to it in care of the Borrower at:

Papa John's International, Inc.
2002 Papa John's Blvd.
Louisville, Kentucky 40299
Attention: Lance Tucker and Connie Houston
Fax No: (502) 261-4190

In each case, with a copy to:

Papa John's International, Inc.
2002 Papa John's Blvd.
Louisville, Kentucky 40299
Attention: General Counsel
Fax No: (502) 261-4190

(ii) if to the Administrative Agent, to Chase at:

In the case of any Borrowing denominated in dollars:

JPMorgan Chase Bank, N.A.
Middle Market Servicing
10 South Dearborn, Floor L2
Suite IL1-0480
Chicago, IL, 60603-2300
Attention: Briahna Amos
Fax No.: 844-490-5663
E-Mail: jpm.agency.cri@jpmorgan.com

In the case of Borrowings denominated in Foreign Currencies:

J.P. Morgan Europe Limited
25 Bank Street
Canary Wharf, London E14 5JP
Attention: Loan and Agency, London
Fax No.: 44 207 777 2360

E-Mail: loan_and_agency_london@jpmorgan.com

In each case, with a copy to:

JPMorgan Chase Bank, N.A.
416 W Jefferson Street, Floor 3
Louisville, KY 40202-3202
Suite KY1-2204
Attention: Sherry Matthews
Fax No.: 502-566-8200
E-Mail: sherry.matthews@chase.com

(iii) if to Chase in its capacity as an Issuing Bank, to Chase at:

JPMorgan Chase Bank, N.A.
10 South Dearborn Street, Floor L2
Suite IL1-0480
Chicago, IL 60603-2300
Attention: Chicago LC Agency Activity Team
Fax No.: 214-307-6874
E-Mail: Chicago.LC.Agency.Activity.Team@JPMChase.com

(iv) if to Chase in its capacity as the Swingline Lender, to Chase at:

If to Chase in its capacity as the Swingline Lender, to Chase at:
JPMorgan Chase Bank, N.A.
10 South Dearborn Street, Floor L2
Suite IL1-0480
Chicago, IL 60603-2300
Attention: Briahna Amos
Fax No.: 844-490-5663
E-Mail: jpm.agency.cri@jpmorgan.com

(v) if to any other Lender or Issuing Bank, to it at its address or fax number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail shall be deemed to have been given when received, (ii) sent by telecopy shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day of the recipient, or (iii) delivered through Electronic Systems to the extent provided in paragraph (b) below shall be effective as provided in such paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Default certificates delivered pursuant to Section 5.11(d) unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by Electronic Systems pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise

proscribes, all such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day of the recipient.

(c) Any party hereto may change its address, facsimile number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Electronic Systems.

(i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Banks and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower or the other Loan Parties, any Lender, any Issuing Bank or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Communications through an Electronic System. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the

generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.09 or 2.23 with respect to any Incremental Term Loan Amendment, Extension Agreement or modification of the Commitment Schedule, and subject to the other provisions of this Section 9.02, neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto; provided that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender),

(ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby (except that any amendment, waiver or modification of (x) the financial covenants in this Agreement (or defined terms used in the financial covenants in this Agreement) or (y) the default rate payable under Section 2.13(d), in each case, shall only require the approval of the Required Lenders),

(iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement (excluding voluntary prepayments), or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby (other than any reduction of the amount of, or any extension of the payment date for, the mandatory prepayments required under Section 2.11, in each case which shall only require the approval of the Required Lenders),

(iv) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender (other than any Defaulting Lender) directly or adversely affected thereby,

(v) change any of the provisions of this Section or the definition of “Required Lenders” or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (other than any Defaulting Lender) directly affected thereby (it being understood that, solely with the consent of the parties prescribed by Section 2.09 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the initial Commitments and Loans are included on the Effective Date), or

(vi) release the Borrower or release all or substantially all of the Loan Guarantors from their obligations under its Loan Guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender);

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lender or any Issuing Bank hereunder without the prior written consent of the Administrative Agent, the Swingline Lender or such Issuing Bank, as the case may be (it

being understood that any amendment to Section 2.20 shall require the consent of the Administrative Agent, the Swingline Lender and each Issuing Bank); provided further that no such agreement shall amend or modify the provisions of Section 2.06 or any letter of credit application and any bilateral agreement between the Borrower and any Issuing Bank regarding such Issuing Bank's Issuing Bank Sublimit or the respective rights and obligations between the Borrower and such Issuing Bank in connection with the issuance of Letters of Credit without the prior written consent of the Administrative Agent and such Issuing Bank, respectively. The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04. Any amendment, waiver or other modification of this Agreement or any other Loan Document that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class), may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite number or percentage in interest of each affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time.

(c) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity (other than any Ineligible Institution) which is reasonably satisfactory to the Borrower, the Administrative Agent, the Swingline Lender and each Issuing Bank shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(d) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency; provided that any such amendment, modification or supplement shall not be materially adverse to the Lenders.

(e) Notwithstanding the foregoing or any other provision in this Agreement or any other Loan Document to the contrary, the Administrative Agent, the Borrower and each Lender participating in any Incremental Term Loans or additional Revolving Commitments, may, without the input or consent of the Required Lenders or any other Lender, execute any Incremental Term Loan Amendment or otherwise effect amendments to this Agreement or any other Loan Document as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect any such Incremental Term Loans or additional Revolving Commitments in connection with the provisions of Sections 2.09(e) through (h).

(f) Notwithstanding the foregoing or any other provision in this Agreement or any other Loan Document to the contrary, the Administrative Agent and the Borrower, may, without the input or consent of the Required Lenders or any other Lender, effect amendments to this Agreement or any other Loan Document, as may be necessary or appropriate, in the opinion of the Administrative Agent, in

connection with the addition or replacement of an Issuing Bank or the addition or replacement of the Swingline Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Loan Parties, jointly and severally, shall pay all (i) reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and documented out-of-pocket fees, charges and disbursements of one primary counsel and one local counsel in each specialty or relevant jurisdiction for the Administrative Agent) in connection with the syndication and distribution (including, without limitation, via the internet or through an Electronic System) of the credit facilities provided for herein, the preparation and administration of the Loan Documents and any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) reasonable and documented out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender (including the fees, charges and disbursements of one primary counsel and one local counsel in each specialty or relevant jurisdiction for the Administrative Agent, the Issuing Banks and the Lenders, taken as a whole, and in the case of an actual or perceived conflict of interest, one or more additional counsel of the applicable type for each group of Lenders similarly situated, taken as a whole) in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Loan Parties, jointly and severally, shall indemnify the Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, incremental taxes, liabilities and related expenses, including the reasonable and documented out-of-pocket fees, charges and disbursements of one primary counsel and one local counsel in each specialty or relevant jurisdiction for the Indemnitees, taken as a whole, and in the case of an actual or perceived conflict of interest, one or more additional counsel of the applicable type for each group of Indemnitees similarly situated, taken as a whole, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Contamination of Regulated Substances on or from any property owned or operated by a Loan Party or a Subsidiary, or any Environmental Liability related in any way to a Loan Party or a Subsidiary, (iv) the failure of a Loan Party to deliver to the Administrative Agent the required receipts or other required documentary evidence with respect to a payment made by such Loan Party for Taxes pursuant to Section 2.17, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing (each a "Proceeding"), whether or not such claim, litigation, investigation or proceeding is brought by any Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee, (y)

material breach in bad faith by such Indemnitee or any of its Affiliates of its express obligations under this Agreement pursuant to a claim initiated by the Borrower or (z) any dispute solely among Indemnitees (other than (A) any claims directly resulting from an act or omission by the Borrower or any of its Affiliates or (B) any claims against any Indemnitee acting in its capacity or in fulfilling its role as an arranger, Administrative Agent, Swingline Lender, an Issuing Bank or any similar role in respect of the credit facilities evidenced by this Agreement).

(c) To the extent that any Loan Party fails to pay any amount required to be paid by it to the Administrative Agent (or any sub-agent thereof), the Swingline Lender or any Issuing Bank (or any Related Party of any of the foregoing) under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent and each Revolving Lender severally agrees to pay to the Swingline Lender or such Issuing Bank (or any Related Party of any of the foregoing), as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that any such payment by the Lenders shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Swingline Lender or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), except for damages that are determined by final and nonappealable judgment of a court of competent jurisdiction to have arisen or resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee, or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this paragraph (d) shall relieve any Loan Party of any obligation it may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable promptly but not later than ten (10) Business Days after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (1) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower, provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof, and provided further that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default under clause (a), (c) (but solely in respect of Section 6.14 or 6.15), (h), (k) or (l) of Article VII has occurred and is continuing, any other assignee;

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund;

(C) each Issuing Bank; provided that no consent of any Issuing Bank shall be required for an assignment of all or any portion of a Term Loan; and

(D) the Swingline Lender; provided that no consent of the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 (in the case of a Revolving Commitment or Revolving Loans) or $1,000,000 (in the case of a Term Loan Commitment or Term Loans) unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under clause (a), (c) (but solely in respect of Section 6.14 or 6.15), (h), (k) or (l) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the other Loan Parties and their Related Parties or their respective securities) will be made available and who

may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means a (a) natural person, (b) a Defaulting Lender or its Parent, (c) company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided that, such company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than $25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business or (d) a Loan Party or a Subsidiary or other Affiliate of a Loan Party.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and

Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Swingline Lender or any Issuing Bank, sell participations to one or more banks or other entities (a "Participant") other than an Ineligible Institution in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged; (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Sections 2.17(f) and (g) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17 with respect to any participation than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to (i) fees payable to the Administrative Agent and (ii) increases or reductions of the Issuing Bank Sublimit of any Issuing Bank constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR,

CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Loan Party against any of and all Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall notify the Borrower and the Administrative Agent of such set-off or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws of the State of New York, but giving effect to federal laws applicable to national banks.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan, and of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan, and any appellate court thereof, in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OR OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by any Requirement of Law or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) on a confidential basis to (1) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower, (i) to any Person providing a Guarantee of all or any portion of the Obligations, or (j) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower that is not, to the knowledge of the Administrative Agent, the Issuing Banks or any Lender, subject to contractual or fiduciary confidentiality obligations owing to the Borrower any of its Subsidiaries. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower from a source other than the Borrower that is not, to the knowledge of the Administrative Agent, the Issuing Banks or any Lender, subject to contractual or fiduciary confidentiality obligations owing to the Borrower or any of its Subsidiaries and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS

AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.13. Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U) for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, no Issuing Bank nor any Lender shall be obligated to extend credit to the Borrower in violation of any Requirement of Law.

SECTION 9.14. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the USA PATRIOT Act.

SECTION 9.15. Disclosure. Each Loan Party, each Lender and each Issuing Bank hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with, any of the Loan Parties and their respective Affiliates.

SECTION 9.16. Releases of Loan Guarantors.

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Loan Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section 9.16, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Borrower, release any Subsidiary Guarantor from its obligations under the Loan Guaranty if such Subsidiary Guarantor is no longer a Material Domestic Subsidiary.

(c) Upon Payment in Full of all Obligations, the Loan Guaranty and all obligations (other than those expressly stated to survive such termination) of each Loan Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.17. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which it may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights

in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower or its Subsidiaries may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower, confidential information obtained from other companies.

SECTION 9.19. Marketing Consent. The Borrower hereby authorizes Chase and its affiliates, at their respective sole expense, but without any prior approval by the Borrower, to publish such tombstones and give such other publicity to this Agreement as each may from time to time determine in its sole discretion. The foregoing authorization shall remain in effect unless the Borrower notifies Chase in writing that such authorization is revoked.

SECTION 9.20. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

SECTION 9.21. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Loan Party hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day preceding that on which final, non appealable judgment is given. The obligations of the Borrower and any other

Loan Party in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Loan Party agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to the applicable Loan Party.

ARTICLE X

Loan Guaranty

SECTION 10.01. Guaranty. Each Loan Guarantor hereby agrees that it is jointly and severally liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to the Lenders, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Guaranteed Obligations of such Loan Guarantor. Each Loan Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

SECTION 10.02. Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require the Administrative Agent, any Issuing Bank or any Lender to sue the Borrower, any Loan Guarantor, any other guarantor of, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 10.03. No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Obligated Party, the Administrative Agent, any Issuing Bank, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or

unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of the Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, any Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

SECTION 10.04. Defenses Waived. To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of the Borrower or any Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Borrower, any Loan Guarantor or any other Obligated Party, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Each Loan Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty, except to the extent the Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

SECTION 10.05. Rights of Subrogation. No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Administrative Agent, the Issuing Banks and the Lenders.

SECTION 10.06. Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guaranteed Obligations (including a payment effected through exercise of a right of setoff) is rescinded, or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise (including pursuant to any settlement entered into by any Lender or its Affiliate in its discretion), each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Issuing Banks and the Lenders are in possession of this Loan Guaranty.

If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07. Information. Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that none of the Administrative Agent, any Issuing Bank or any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08. Termination. Each of the Loan Guarantors' obligations under this Loan Guaranty shall remain in full force and effect until termination of any such Loan Guarantor's obligations pursuant to Section 9.16.

SECTION 10.09. Payments Generally. The parties hereto acknowledge and agree that each of the Guaranteed Obligations shall be due and payable in the same currency as such Guaranteed Obligation is denominated, but if currency control or exchange regulations are imposed in the country which issues such currency with the result that such currency no longer exists or the relevant Loan Guarantor is not able to make payment in such currency, then all payments to be made by such Loan Guarantor hereunder in such currency shall instead be made when due in dollars in an amount equal to the Dollar Amount (as of the date of payment) of such payment due, it being the intention of the parties hereto that each Loan Guarantor takes all risks of the imposition of any such currency control or exchange regulations.

SECTION 10.10. Maximum Liability. Notwithstanding any other provision of this Loan Guaranty, the amount guaranteed by each Loan Guarantor hereunder shall be limited to the extent, if any, required so that its obligations hereunder shall not be subject to avoidance under Section 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law. In determining the limitations, if any, on the amount of any Loan Guarantor's obligations hereunder pursuant to the preceding sentence, it is the intention of the parties hereto that any rights of subrogation, indemnification or contribution which such Loan Guarantor may have under this Loan Guaranty, any other agreement or applicable law shall be taken into account.

SECTION 10.11. Contribution.

(a) To the extent that any Loan Guarantor shall make a payment under this Loan Guaranty (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Loan Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Loan Guarantor if each Loan Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Loan Guarantor's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Loan Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Guarantor Payment and the Guaranteed Obligations (other than Unliquidated Obligations that have not yet arisen), and all Commitments and Letters of Credit have terminated or expired or, in the case of all Letters of Credit, are fully collateralized on terms reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, and this Agreement, the Swap Agreement Obligations and the Banking Services Obligations have terminated, such Loan Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Loan Guarantor for the amount of such

excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "Allocable Amount" of any Loan Guarantor shall be equal to the excess of the fair saleable value of the property of such Loan Guarantor over the total liabilities of such Loan Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities, calculated, without duplication, assuming each other Loan Guarantor that is also liable for such contingent liability pays its ratable share thereof), giving effect to all payments made by other Loan Guarantors as of such date in a manner to maximize the amount of such contributions.

(c) This Section 10.11 is intended only to define the relative rights of the Loan Guarantors, and nothing set forth in this Section 10.11 is intended to or shall impair the obligations of the Loan Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Loan Guaranty.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Loan Guarantor or Loan Guarantors to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Loan Guarantors against other Loan Guarantors under this Section 10.11 shall be exercisable upon the full and indefeasible payment of the Guaranteed Obligations in cash (other than Unliquidated Obligations that have not yet arisen) and the termination or expiry (or, in the case of all Letters of Credit, full cash collateralization), on terms reasonably acceptable to the Administrative Agent and the applicable Issuing Bank (in the case of Letters of Credit), of the Commitments and all Letters of Credit issued hereunder and the termination of this Agreement, the Swap Agreement Obligations and the Banking Services Obligations.

SECTION 10.12. Liability Cumulative. The liability of each Loan Party as a Loan Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Issuing Banks and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

SECTION 10.13. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guarantee in respect of a Swap Obligation (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.13 or otherwise under this Loan Guaranty voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Except as otherwise provided herein, the obligations of each Qualified ECP Guarantor under this Section 10.13 shall remain in full force and effect until the termination of all Swap Obligations. Each Qualified ECP Guarantor intends that this Section 10.13 constitute, and this Section 10.13 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

PAPA JOHN'S INTERNATIONAL, INC.,
as the Borrower

By: /s/ Lance F. Tucker
Name: Lance F. Tucker
Title: Senior Vice President, Chief Financial Officer, Chief Administrative Officer, and Treasurer

PAPA JOHN'S USA, INC.,
as a Subsidiary Guarantor

By: /s/ Lance F. Tucker
Name: Lance F. Tucker
Title: Senior Vice President, Chief Financial Officer, Chief Administrative Officer, and Treasurer

PREFERRED MARKETING SOLUTIONS, INC.,
as a Subsidiary Guarantor

By: /s/ Lance F. Tucker
Name: Lance F. Tucker
Title: Treasurer

CAPITAL DELIVERY, LTD.,
as a Subsidiary Guarantor

By: /s/ Lance F. Tucker
Name: Lance F. Tucker
Title: President and Treasurer

PJ FOOD SERVICE, INC.,
as a Subsidiary Guarantor

By: /s/ Lance F. Tucker
Name: Lance F. Tucker
Title: Treasurer

TRANS PAPA LOGISTICS, INC.,
as a Subsidiary Guarantor

By: /s/ Lance F. Tucker
Name: Lance F. Tucker
Title: Treasurer

JPMORGAN CHASE BANK, N.A., individually as a Lender, and as Administrative Agent, Swingline Lender and an Issuing Bank

By: /s/ James Duffy Baker, Jr.
Name: James Duffy Baker, Jr.
Title: Managing Director

PNC BANK, NATIONAL ASSOCIATION,
individually as a Lender, an Issuing Bank and
Co-Syndication Agent

By: /s/ Gerald L. Kopp
Name: Gerald L. Kopp
Title: Executive Vice President

U.S. BANK NATIONAL ASSOCIATION, individually
as a Lender, an Issuing Bank and Co-Syndication Agent

By: /s/ David A. Wombwell
Name: David A. Wombwell
Title: Senior Vice President

BANK OF AMERICA, N.A., a Documentation Agent and individually as a Lender

By: /s/ Thomas C. Kilcrease, Jr.
Name: Thomas C. Kilcrease, Jr.
Title: SVP

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Senior Managing Agent and individually as a Lender

By: /s/ Maureen S. Malphus
Name: Maureen S. Malphus
Title: Vice President

BRANCH BANKING & TRUST COMPANY, as a Lender

By: /s/ Ryan T. Hamilton
Name: Ryan T. Hamilton
Title: Vice President

BMO HARRIS BANK N.A., as a Lender

By: /s/ Katherine K. Robinson
Name: Katherine K. Robinson
Title: Director

COOPERATIEVE RABOBANK U.A., NEW YORK BRANCH, as a Lender

By: /s/ Chris Grimes
Name: Chris Grimes
Title: Executive Director

By: /s/ David Vernon
Name: David Vernon
Title: Vice President

BARCLAYS BANK PLC, as a Lender

By: /s/ Wendy Esaw
Name: Wendy Esaw
Title: Director

COMMITMENT SCHEDULE

Lender	Revolving Commitment	Term Loan Commitment
JPMorgan Chase Bank, N.A.	$105,000,000	$70,000,000
PNC Bank, National Association	$99,000,000	$66,000,000
U.S. Bank National Association	$99,000,000	$66,000,000
Bank of America, N.A.	$99,000,000	$66,000,000
Wells Fargo Bank, National Association	$66,000,000	$44,000,000
Branch Banking & Trust Company	$39,000,000	$26,000,000
BMO Harris Bank N.A.	$39,000,000	$26,000,000
Coöperatieve Rabobank U.A., New York Branch	$39,000,000	$26,000,000
Barclays Bank plc	$15,000,000	$10,000,000
Total	**$600,000,000**	**$400,000,000**

Excluded VIE's

None.

Permitted Liens

1. Liens of record associated with the Jeffersontown IRB, including all right, title, and interest of Papa John's USA, Inc., in and to the personal properties, operating equipment and machinery, furniture and fixtures acquired from the proceeds thereof and situated on the following property:

   Being Residual Tract 2, as shown on the Minor Subdivision Plat approved by the Louisville and Jefferson County Planning Commission on October 18, 1999, attached to Deed of record in Deed Book 7344, page 813, in the Office of the Clerk of Jefferson County, Kentucky.

   Being the same property acquired by the City of Jeffersontown, Kentucky by Deed dated December 1, 1997, of record in Deed Book 6979, page 111, as corrected by Deed of Correction dated September 15, 1999, of record in Deed Book 7344, Page 813, both in the aforesaid Clerk's Office.

Existing Letters of Credit

Issuing Bank	L/C No.	Face Amount	Currency	Issuance Date	Termination Date
PNC Bank	00233542	$225,000	USD	10/1/17	9/30/17
PNC Bank	18100688	$4,296,689	USD	11/3/16	11/2/17
PNC Bank	18103675	$43,000	USD	8/31/16	8/30/17
PNC Bank	18103676	$35,000	USD	8/31/16	8/30/17
PNC Bank	18118506	$26,225,000	USD	12/12/16	12/11/17

Subsidiaries

Company Name	Jurisdiction of Organization	Authorized Capital Stock	Issued and Outstanding Shares	LLC or LP Ownership Percentage	Owner (100% unless otherwise noted in previous column)
Capital Delivery, Ltd.	Kentucky	1,000	100		Papa John's International, Inc.
Colonel's Limited, LLC	Virginia			70	Papa John's USA, Inc.
DEPZZA, Inc.	Delaware	3,000	1,000		Papa John's International, Inc.
Equipo Papa John's, SRL de CV	Mexico			99	Papa John's Capital, SRL de CV
				1	Papa John's Mexico, Inc.
P J Food Service, Inc.	Kentucky	1,000	237		Papa John's International, Inc.
P J Holdings, LLC	Delaware			100	Papa John's International, Inc.
P J Minnesota, LLC	Delaware			70	Papa John's International, Inc.
Papa Cares, LLC	Kentucky			100	Papa John's USA, Inc.
Papa John's (GB) Holdings, Ltd.	UK	1,354	1,198		Papa John's Pizza, Ltd.
Papa John's (GB), Ltd.	UK	100	14		Papa John's (GB) Holdings, Ltd.
Papa John's 10 Miler, LLC	Kentucky			100	Papa John's International, Inc.
Papa John's Beijing Co., Ltd.	China	100	100		Papa John's China, LLC
Papa John's (Beijing) Commercial Management Company Limited	China			100	PJ Asia, LLC
Papa John's Capital, SRL de CV	Mexico			99	Papa John's Mexico, Inc.
				1	Papa John's USA, Inc.
Papa John's China, LLC	Delaware			100	Papa John's International, Inc.
Papa John's EUM, SRL de CV	Mexico			99	Papa John's Capital, SRL de CV
				1	Papa John's Mexico, Inc.
Papa John's Mexico, Inc.	Delaware	3,000	1		Papa John's International, Inc.
Papa John's Pizza, Ltd.	UK	10,240	10,240		Papa John's International, Inc.
Papa John's Singapore, LLC	Delaware			100	Papa John's International, Inc.
Papa John's USA, Inc.	Kentucky	1,000	100		Papa John's International, Inc.

Company Name	Jurisdiction of Organization	Authorized Capital Stock	Issued and Outstanding Shares	LLC or LP Ownership Percentage	Owner (100% unless otherwise noted in previous column)
PJ Asia, LLC	Kentucky			100	Papa John's International, Inc.
PJ Chile, LLC	Kentucky			100	Papa John's International, Inc.
PJ Denver LLC	Delaware			60	Papa John's International, Inc.
PJ Mexico Franchising SRL de CV	Mexico			99	Papa John's Capital, SRL de CV
				1	Papa John's Mexico, Inc.
PJ North Georgia, LLC	Kentucky			70	Papa John's USA, Inc.
PJFS Canada LLC	Kentucky			100	Papa John's International, Inc.
PJI Chile, SpA	Chile			100	PJ Chile, LLC
Preferred Marketing Solutions, Inc.	Kentucky	1,000	100		Papa John's International, Inc.
Risk Services Corporation	Kentucky	1,000	100		Papa John's International, Inc.
RSC Insurance Services, Ltd.	Bermuda	120,000	120,000		Papa John's International, Inc.
South OBT Corporation	Florida	100	100		Papa John's USA, Inc.
Star Papa, LP	Delaware			1	Papa John's USA, Inc.
				50	P J Holdings, LLC
Tianjin Bangyuehan Catering Management Co., Ltd.	China			100	Papa John's China, LLC
Trans Papa Logistics, Inc.	Kentucky	1,000	100		PJ Food Service, Inc.

Employee Benefit Disclosures

None.

Environmental Matters

None.

Existing Indebtedness

None.

Existing Guarantees

Borrower has provided a loan guarantees to certain lenders in an aggregate amount of $5.3 million, as of July 23, 2017, relating to the following:

- Lease obligations for divested corporate stores to franchisees - $4.8 million (based on a percentage of the lease amount)
- Franchisee loan guarantees – $499,000 (based on 10% of the total loan amount)

Existing Investments

Equity Interests:

Investments made by the Borrower in respect of 8% of the equity interests in Downtown Housing Assistance Fund in an amount equal to $269,3336.

Loans:

The Borrower has provided loans to certain franchisees and other entities of approximately $15.8 million as of July 23, 2017, including the following:

	Gross Amount
Loans to Papa John's franchisees (a)	$8,801,487
Loans to UK franchisees (b)	7,044,882
Total	$15,846,369

(a) Loans issued by Capital Delivery

(b) Loans issued by PJUK

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and other rights of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	_____
2.	Assignee:	_____ [and is an Affiliate/Approved Fund of [*identify Lender*][2]]
3.	Borrower:	Papa John's International, Inc.
4.	Administrative Agent:	JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5.	Credit Agreement:	The Credit Agreement dated as of August 30, 2017 among Papa John's International, Inc., the other Loan Parties party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent

[2] Select as applicable.

6. Assigned Interest:

Facility Assigned[3]	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans
$	$	$	%
$	$	$	%
$	$	$	%

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

[3] Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Revolving Commitment", "Term Loan Commitment", etc.).

[Consented to and][4] Accepted:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent, Issuing Bank and Swingline Lender

By: _____
Name: _____
Title: _____

[OTHER ISSUING BANKS], as
Issuing Bank

By: _____
Name: _____
Title: _____

[Consented to:][5]

PAPA JOHN'S INTERNATIONAL, INC.

By: _____
Name: _____
Title: _____

[4] To be added only if the consent of the Administrative Agent, any Issuing Bank and/or Swingline Lender, as applicable, is required by the terms of the Credit Agreement.

[5] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1 to
ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any Subsidiary or Affiliate or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any Subsidiary or Affiliate, or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.11(a) and 5.11(b) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Assumption by the Assignee and the Assignor by Electronic Signature (as defined in the Credit Agreement) or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Electronic System (as defined

in the Credit Agreement) shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

[FORM OF] MATURITY DATE EXTENSION REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
for the Lenders referred to below
10 South Dearborn
Chicago, Illinois 60603
Attention:
Facsimile:

Re: PAPA JOHN'S INTERNATIONAL, INC.

[Date][6]

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

In accordance with Section 2.23 of the Credit Agreement, the undersigned hereby requests [(a)] an extension of the [*insert applicable Class*] Maturity Date from [____] to [____][, (b) the Applicable Rate to be applied in determining the interest payable on [*insert applicable Class*] Loans of[, and fees payable under the Credit Agreement to,] Consenting Lenders in respect of that portion of their [[*insert applicable Class*] Loans] extended to the new Maturity Date to be [__]%, which changes shall be effective as of [•_____ and (c) the amendments to the terms of the Credit Agreement set forth below, which amendments will become effective on [____]:]

[*Insert amendments to Credit Agreement, if any*]

[Signature Pages Follow]

[6] To be delivered no less than 30 days from the then existing Maturity Date for the applicable Class.

Very truly yours,

PAPA JOHN'S INTERNATIONAL, INC.,
as Borrower

By: _____
Name: _____
Title: _____

EXHIBIT C-1

FORM OF BORROWING REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
for the Lenders referred to below
10 South Dearborn
Chicago, Illinois 60603
Attention:
Facsimile:

Re: PAPA JOHN'S INTERNATIONAL, INC.

[Date]

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to such Borrowing requested hereby:

1. Aggregate principal amount and Agreed Currency of Borrowing:[7] _____

2. Date of Borrowing (which shall be a Business Day): _____

3. Type and Class of Borrowing (ABR or Eurocurrency and Revolving or Term Loan): _____

4. Interest Period and the last day thereof (if a Eurocurrency Borrowing):[8] _____

5. Location and number of the Borrower's account or any other account agreed upon by the Administrative Agent and the Borrower to which proceeds of Borrowing are to be disbursed: _____

[Signature Page Follows]

[7] Not less than applicable amounts specified in Section 2.02(c).
[8] Which must comply with the definition of "Interest Period" and end not later than the applicable Maturity Date.

The undersigned hereby represents and warrants that the conditions to lending specified in Section[s] [4.01 and][9] 4.02 of the Credit Agreement are satisfied as of the date hereof.

Very truly yours,

PAPA JOHN'S INTERNATIONAL, INC.,
as the Borrower

By: _____
Name: _____
Title: _____

[9] To be included only for Borrowings on the Effective Date.

EXHIBIT C-2

INTEREST ELECTION REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
for the Lenders referred to below
10 South Dearborn
Chicago, Illinois 60603
Attention:
Facsimile:

Re: PAPA JOHN'S INTERNATIONAL, INC.

[Date]

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.08 of the Credit Agreement that it requests to [convert][continue] an existing Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to such [conversion][continuation] requested hereby:

1. List date, Type, Class, principal amount, Agreed Currency and Interest Period (if applicable) of existing Borrowing: _____

2. Aggregate principal amount of resulting Borrowing: _____

3. Effective date of interest election (which shall be a Business Day): _____

4. Type of Borrowing (ABR or Eurocurrency): _____

5. Interest Period and the last day thereof (if a Eurocurrency Borrowing):[10] _____

[Signature Page Follows]

[10] Which must comply with the definition of "Interest Period" and end not later than the applicable Maturity Date.

Very truly yours,

PAPA JOHN'S INTERNATIONAL, INC.,
as Borrower

By: _____
Name: _____
Title: _____

EXHIBIT D-1

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties party thereto, each lender from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and Beneficial Owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____ __, 20[ ]

EXHIBIT D-2

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties party thereto, each lender from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and Beneficial Owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____ __, 20[ ]

EXHIBIT D-3

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties party thereto, each lender from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole Beneficial Owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's Beneficial Owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____ __, 20[ ]

EXHIBIT D-4

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of August 30, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties party thereto, each lender from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole Beneficial Owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's Beneficial Owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____ __, 20[ ]

EXHIBIT E

COMPLIANCE CERTIFICATE

[For the Fiscal Year Ended _____, 20___]

Or

[For the Fiscal Quarter Ended _____, 20___]

JPMorgan Chase Bank, N.A.,
as Administrative Agent
10 South Dearborn
Chicago, Illinois 60603

Ladies and Gentlemen:

We refer to the Credit Agreement dated as of August 30, 2017 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein with the same meanings.

I, the _____, [Chief Executive Officer/President/Chief Financial Officer/Vice President of Accounting and Treasury] of the Borrower, do hereby certify in such capacity, and not individually, on behalf of the Borrower as of the [quarter/year ended _____, _____] 20[_] (the "Report Date"), as follows:

1. CHECK ONE:

_____ The audited annual financial statements of the Borrower being delivered to the Agent with this Compliance Certificate (a) present fairly in all material respects the financial position of the Borrower and its Subsidiaries and their results of operations and cash flows for the fiscal year set forth above determined and consolidated for the Borrower and its Subsidiaries in accordance with GAAP consistently applied, except as noted therein and (b) comply with the reporting requirements for such financial statements as set forth in Section 5.11(b) of the Credit Agreement.

OR

_____ The quarterly financial statements of the Borrower being delivered to the Agent with this Compliance Certificate (a) present fairly in all material respects the financial position of the Borrower and its Subsidiaries and their results of operations and cash flows for the fiscal quarter set forth above determined and consolidated for the Borrower and its Subsidiaries in accordance with GAAP consistently applied, except as noted therein, subject to normal year-end audit adjustments (except that such statements do not contain all of the footnotes required by GAAP) and (b) comply with the reporting requirements for such financial statements as set forth in Section 5.11(a) of the Credit Agreement.

2. No Event of Default or Default exists on the Report Date; no Event of Default or Default has occurred or is continuing since the date of the previously delivered Compliance Certificate; no Material Adverse Effect has occurred since the date of the previously delivered Compliance Certificate; and no event has occurred or is continuing since the date of the previously delivered Compliance Certificate that may reasonably be expected to result in a Material Adverse Effect.

[NOTE: If any Event of Default, Default, Material Adverse Effect or event which may reasonably be expected to result in a Material Adverse Effect has occurred or is continuing, set forth on an attached sheet the nature thereof and the action which the Loan Parties have taken, are taking or propose to take with respect thereto.]

3. Maximum Leverage Ratio (Section 6.14). The ratio of (a) the sum of (i) Consolidated Total Indebtedness (excluding (i) Indebtedness under the Jeffersontown IRB so long as such Indebtedness is owed to a Subsidiary of the Borrower, (ii) Indebtedness outstanding under the Cherokee County Transactions on such date and (iii) Indebtedness constituting contingent reimbursement under any Swap Agreement in an aggregate amount not to exceed $10,000,000 as of any date of determination), to (b) Consolidated EBITDA is ____ to 1.00 for the four (4) fiscal quarters of the Borrower ending as of the Report Date, which is not greater than the permitted ratio for the relevant period as set forth below:

Fiscal Quarter of the Borrower Ending On or About:	Maximum Leverage Ratio:
9/24/2017 through and including 7/1/2018	4.50 to 1.00
9/30/2018 through and including 12/29/2019	4.25 to 1.00
3/29/2020 through and including 12/27/2020	4.00 to 1.00
3/28/2021 and each fiscal quarter ending thereafter	3.75 to 1.00

(A) Consolidated Total Indebtedness (excluding (i) Indebtedness under the Jeffersontown IRB so long as such Indebtedness is owed to a Subsidiary of the Borrower, (ii) Indebtedness outstanding under the Cherokee County Transactions on such date, (iii) Indebtedness constituting contingent reimbursement under any Swap Agreement in an aggregate amount not to exceed $10,000,000 as of any date of determination and (iv) the Excluded VIE's) for the four (4) fiscal quarters ending as of the Report Date equals $_____, the numerator of the Leverage Ratio.

(B) Consolidated EBITDA (excluding the Excluded VIE's) for the four (4) fiscal quarters ending as of the Report Date equals $_____, and is computed as follows:

(i)	Consolidated Net Income	$_____
(ii)	depreciation	$_____
(iii)	amortization	$_____
(iv)	Consolidated Interest Expense	$_____
(v)	income tax expense	$_____

(vi) other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period, including any non-cash compensation expense, impairment charges, the impact of purchase accounting or unrealized foreign currency translation losses (excluding any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period) $_____

(vii) nonrecurring, unusual or extraordinary losses, expenses or charges (including restructuring and severance costs and litigation and settlement costs) in an aggregate amount not to exceed 15% of Consolidated EBITDA for such period (as determined prior to the application of this clause 3(B)(vii)) $_____

(viii) sum of items 3(B)(i) through 3(B)(vii) $_____

(ix) non-cash items of income or gains increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period and including, for the avoidance of doubt, the impact of purchase accounting or unrealized foreign currency translation gains) $_____

(x) nonrecurring, unusual or extraordinary gains (other than any such cash gains directly resulting from the refranchising of stores) $_____

(xi) item 3(B)(viii) less items 3(B)(ix) and 3(B)(x) equals Consolidated EBITDA, the denominator of the Leverage Ratio $_____

(C) The ratio of item 3(A) to item 3(B)(xi) equals the Leverage Ratio. to 1.00

4. Minimum Interest Coverage Ratio (Section 6.15). The ratio of (a) the sum of (i) Consolidated EBITDA and (ii) Consolidated Rental Expense to (b) the sum of (i) Consolidated Interest Expense and (ii) Consolidated Rental Expense is _____ to 1.00 for the four (4) fiscal quarters of the Borrower ending as of the Report Date, which is not less than the permitted ratio of 2.75 to 1.00 for the relevant period:

(A) Consolidated EBITDA (excluding the Excluded VIE's) (from item 3(B)(xi) above) for the four (4) most recently completed fiscal quarters equals $_____.

(B) Consolidated Rental Expense (excluding the Excluded VIE's) for the four (4) most recently completed fiscal quarters equals $_____.

(C) The sum of item 4(A) plus item 4(B) equals $_____, the numerator of the Interest Coverage Ratio.

(D) Consolidated Interest Expense (excluding the Excluded VIE's) for the four (4) most recently completed fiscal quarters equals $_____.

(E) The sum of item 4(B) plus item 4(D) equals $_____, the denominator of the Interest Coverage Ratio.

(F) The ratio of item 4(C) to item 4(E) equals the Interest Coverage Ratio. _____to 1.00.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has executed this Certificate this _____ day of _____, 20___.

Papa John's International, Inc.

By: _____(Seal)
Name: _____
Title: _____

EXHIBIT F

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Agreement"), dated as of [____], is entered into between [_____], a [_____] (the "New Subsidiary") and JPMORGAN CHASE BANK, N.A., in its capacity as administrative agent (the "Administrative Agent") under that certain Credit Agreement dated as of August 30, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Papa John's International, Inc. (the "Borrower"), the other Loan Parties party thereto, the lenders party thereto and the Administrative Agent. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a Loan Party under the Credit Agreement and a "Loan Guarantor" for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party and a Loan Guarantor thereunder as if it had executed the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement, (b) all of the covenants set forth in Articles V and VI of the Credit Agreement and (c) all of the guaranty obligations set forth in Article X of the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the New Subsidiary, subject to the limitations set forth in Section 10.10 and 10.13 of the Credit Agreement, hereby guarantees, jointly and severally with the other Loan Guarantors, to the Administrative Agent and the Lenders, as provided in Article X of the Credit Agreement, the prompt payment and performance of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the Guaranteed Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Loan Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2. The address of the New Subsidiary for purposes of Section 9.01 of the Credit Agreement is as follows:

_____
_____
_____

3. The New Subsidiary hereby waives acceptance by the Administrative Agent and the Lenders of the guaranty by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

4. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument.

5. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____
Name: _____
Title: _____

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT G

EXCLUDED VIE APPROVAL FORM

Papa John's International, Inc.
2002 Papa John's Boulevard
Louisville, Kentucky 40299

_____, ____ 20___

JPMorgan Chase Bank, N.A.,
as Administrative Agent
for the Lenders referred to below
10 South Dearborn
Chicago, Illinois 60603
Attention:
Facsimile:

each of the Lenders identified
on the signature page hereto

Re: Request for Approval of Additional Excluded VIE

Ladies and Gentlemen:

This letter constitutes a formal request for approval by the Required Lenders as defined in and pursuant to the that certain Credit Agreement dated as of August 30, 2017 (as it may be amended, restated, supplemented or modified from time to time, the "Credit Agreement"), among Papa John's International, Inc., as Borrower, the other Loan Parties party hereto, the Lenders party hereto and the Administrative Agent, for the entities identified below to be deemed to be Excluded VIEs effective as of the ____day of _____, 20___. The entity or entities for which approval as Excluded VIE is being requested are as follows:

Legal Name of Entity	Jurisdiction of Formation

If you are in agreement with our request, kindly so indicate by having a duly authorized representative of your institution sign this letter where provided below and send a copy of the same to the Administrative Agent. By your signature below you agree that the signatures to this letter shall be effective notwithstanding that this letter is executed in counterpart and that facsimile signature of any

signatory to this letter shall be effective to the same extent as the manual signature of such signatory.

Sincerely,

PAPA JOHN'S INTERNATIONAL, INC.

By: _____
Name: _____
Title: _____

Acknowledged and accepted
on the ____ day of _____, 20___.

JPMORGAN CHASE BANK, N.A.,
as a Lender and as Administrative Agent

By: _____
Name: _____
Title: _____

[OTHER LENDERS],
as a Lender

By: _____
Name: _____
Title: _____

Exhibit 21

Subsidiaries of the Company:

- Papa John's USA, Inc., a Kentucky corporation
- PJ Food Service, Inc., a Kentucky corporation
- Trans Papa Logistics, Inc., a Kentucky corporation
- Preferred Marketing Solutions, Inc., a Kentucky corporation
- Risk Services Corp., a Kentucky corporation
- Capital Delivery, Ltd., a Kentucky corporation
- DEPZZA, Inc., a Delaware corporation
- Colonel's Limited, LLC, a Virginia limited liability company
- PJ Holdings, LLC, a Delaware limited liability company
- Star Papa, LP, a Delaware limited partnership company
- Papa John's Pizza, Ltd., a United Kingdom corporation
- Papa John's (GB) Holdings Ltd., a United Kingdom corporation
- Papa John's (GB), Ltd., a United Kingdom corporation
- Papa John's Mexico, Inc., a Delaware corporation
- Papa John's Capital, SRL de CV, a Mexican corporation
- Equipo Papa John's, SRL de CV, a Mexican corporation
- Papa John's EUM, SRL de CV, a Mexican corporation
- PJ Mexico Franchising SRL de CV, a Mexican corporation
- Papa John's China, LLC, a Delaware limited liability company
- Papa John's Beijing Co., Ltd., a Chinese corporation
- Tianjin Bangyuehan Catering Management Co., Ltd., a Chinese corporation
- PJ Minnesota, LLC, a Delaware limited liability company
- PJ Denver, LLC, a Delaware limited liability company
- PJ Chile, LLC, a Kentucky limited liability company
- PJI Chile, SpA, a Chilean corporation
- PJ North Georgia, LLC, a Kentucky limited liability company
- PJFS Canada, LLC, a Kentucky limited liability company
- PJ Asia, LLC, a Kentucky limited liability company

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(i) Registration Statement (Form S-8 No. 333-173893) pertaining to the Papa John's International, Inc. 2011 Omnibus Incentive Plan filed May 3, 2011,

(ii) Registration Statement (Form S-8 No. 333-165154, No. 333-168562 and No. 333-221218) pertaining to the Papa John's International, Inc. Nonqualified Deferred Compensation Plan filed March 2, 2010, August 5, 2010 and October 30, 2017, respectively,

(iii) Registration Statement (Form S-8 No. 333-150762) pertaining to the Papa John's International, Inc. 2008 Omnibus Incentive Plan filed May 5, 2008,

(iv) Registration Statement (Form S-8 No. 333-149468) pertaining to the Papa John's International, Inc. Deferred Compensation Plan filed February 29, 2008, and

(v) Registration Statement (Form S-8 No. 333-168561) pertaining to the Papa John's International, Inc. 401(k) Plan filed August 5, 2010,

of our reports dated February 27, 2018, with respect to the consolidated financial statements and schedule of Papa John's International, Inc. and Subsidiaries and the effectiveness of internal control over financial reporting of Papa John's International, Inc. and Subsidiaries included in this Annual Report (Form 10-K) of Papa John's International, Inc. and Subsidiaries for the year ended December 31, 2017.

/s/ Ernst & Young LLP

Louisville, Kentucky
February 27, 2018

EXHIBIT 31.1

SECTION 302
CERTIFICATION

I, Steve M. Ritchie, certify that:

1. I have reviewed this annual report on Form 10-K of Papa John's International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2018

/s/ Steve M. Ritchie
Steve M. Ritchie
President and
Chief Executive Officer

EXHIBIT 31.2

SECTION 302
CERTIFICATION

I, Lance F. Tucker, certify that:

1. I have reviewed this annual report on Form 10-K of Papa John's International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2018

/s/ Lance F. Tucker
Lance F. Tucker
Senior Vice President, Chief Financial Officer
and Chief Administrative Officer

EXHIBIT 32.1

SECTION 906
CERTIFICATION

I, Steve M. Ritchie, President and Chief Executive Officer of Papa John's International, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Report on Form 10-K of the Company for the annual period ended December 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2018

/s/ Steve M. Ritchie
Steve M. Ritchie
President and
Chief Executive Officer

EXHIBIT 32.2

SECTION 906
CERTIFICATION

I, Lance F. Tucker, Senior Vice President, Chief Financial Officer and Chief Administrative Officer of Papa John's International, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Report on Form 10-K of the Company for the annual period ended December 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2018

/s/ Lance F. Tucker
Lance F. Tucker
Senior Vice President, Chief Financial Officer
and Chief Administrative Officer