PAPA JOHNS INTERNATIONAL INC
Form DEF 14A
March 25, 2013

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

Papa John's International, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(2) Aggregate number of securities to which transaction applies:

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Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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(3) Filing Party:

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Notice of Annual Meeting
and Proxy Statement

March 25, 2013

To our Stockholders:

The Annual Meeting of Stockholders of Papa John's International, Inc. will be held on Wednesday, May 1, 2013 at 11:00 a.m. local time at the Company's corporate offices located at 2002 Papa John's Boulevard, Louisville, Kentucky, to consider and vote on:

1. Election of the directors nominated by the Board of Directors and set forth in this Proxy Statement;
2. Ratification of the selection of Ernst & Young LLP as the Company's independent auditors for 2013;
3. An advisory approval of the Company's executive compensation;
4. A shareholder proposal contained in this Proxy Statement, if properly presented at the annual meeting; and
5. Such other business as may properly come before the meeting or any adjournment or postponement thereof.

A Proxy Statement describing matters to be considered at the Annual Meeting is attached to this Notice. Only stockholders of record at the close of business on March 6, 2013, are entitled to receive notice of and to vote at the meeting or any adjournment or postponement thereof.

Stockholders are cordially invited to attend the meeting. Following the formal items of business to be brought before the meeting, we will discuss our 2012 results and answer your questions. After the meeting, we hope you will join us for a slice of Papa John's pizza!

Thank you for your continued support of Papa John's. We look forward to seeing you on May 1.

By Order of the Board of Directors,

John H. Schnatter
Founder, Chairman and Chief Executive Officer

YOU CAN VOTE IN ONE OF FOUR WAYS:

(1)

Visit the Web site noted on your proxy card to vote via the Internet;

(2)
Use the toll-free telephone number on your proxy card to vote by telephone;

(3)
Sign, date and return your proxy card in the enclosed envelope to vote by mail; or

(4)
Attend the meeting in person.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 1, 2013 this Proxy Statement and the Papa John's 2012 Annual Report are available at www.papajohns.com/investor.

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PAPA JOHN'S INTERNATIONAL, INC.
P.O. Box 99900
Louisville, Kentucky 40269-0900

PROXY STATEMENT

The Board of Directors of Papa John's International, Inc. (the "Company") is soliciting proxies for use at the Annual Meeting of Stockholders to be held on May 1, 2013, and at any adjournment or postponement of the meeting. This Proxy Statement and the enclosed proxy card are first being mailed or given to stockholders on or about March 25, 2013.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders. These include the election of two directors to the Board of Directors; ratification of the selection of the Company's independent auditors for 2013; an advisory approval of the Company's executive compensation, and a vote on a shareholder proposal if properly presented at the meeting.

Who is entitled to vote at the Annual Meeting?

The Board has set March 6, 2013, as the record date ("Record Date") for the Annual Meeting. If you were a stockholder of record at the close of business on March 6, 2013, you are entitled to vote at the meeting. As of the Record Date, 22,458,372 shares of common stock, representing all of our voting stock, were issued and outstanding and eligible to vote at the meeting.

What are my voting rights?

Holders of the Company's common stock are entitled to one vote per share. There are no cumulative voting rights.

How many shares must be present to hold the Annual Meeting?

In accordance with the Company's amended and restated bylaws, shares equal to a majority of the voting power of the outstanding shares of common stock entitled to vote as of the Record Date must be present at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the meeting if:

- you are present and vote in person at the meeting; or
- you have properly and timely submitted your proxy as described below under "How can I submit my proxy?"

Abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining whether a quorum exists. A broker "non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee has not received voting instructions from the beneficial owner and does not have discretionary voting power with respect to that item.

What is the difference between a stockholder of record and a "street name" holder?

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In that case, your shares are said to be held in "street name." Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the method described below under "How can I submit my proxy?"

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How can I submit my proxy?

You can designate a proxy to vote stock you own. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. Two Company officers, S. Caroline Oyler and Clara M. Passafiume, have been designated as proxies for the Company's 2013 Annual Meeting of Stockholders.

If you are a stockholder of record, you can submit a proxy to be voted at the Annual Meeting in any of the following ways:

- electronically, using the Internet;
- over the telephone by calling a toll-free number; or
- by completing, signing and mailing the enclosed proxy card.

The Internet and telephone voting procedures have been set up for your convenience. These procedures have been designed to authenticate your identity, allow you to give voting instructions, and confirm that those instructions have been recorded properly. When you vote by Internet or telephone, you reduce the Company's mailing and handling expenses. If you are a stockholder of record and would like to submit your proxy by Internet or telephone, please refer to the specific instructions provided on the enclosed proxy card. If you wish to vote using a paper proxy card, please return your signed proxy card promptly to ensure we receive it before the Annual Meeting.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trust or other nominee. Your broker, bank, trust or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker, bank, trust or other nominee how to vote your shares. In many cases, you may be permitted to submit your voting instructions by Internet or telephone.

How do I vote if I hold shares in the Papa John's International, Inc. 401(k) Plan?

If you hold shares of the Company's common stock in the Papa John's International, Inc. 401(k) Plan, please refer to the voting instructions provided by the plan's trustee. Your voting instructions must be received by the plan trustee at least three days prior to the Annual Meeting in order to be counted. If you do not timely direct the plan trustee how to vote, the trustee will vote your shares in the same proportion as those shares for which the trustee received direction.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials or multiple control numbers for use in submitting your proxy, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card or voting instruction card you receive or, if you submit your proxy by Internet or telephone, vote once for each card or control number you receive.

Can I vote my shares in person at the Annual Meeting?

If you are a stockholder of record, you may vote your shares in person at the Annual Meeting by completing a ballot at the Annual Meeting. Even if you currently plan to attend the Annual Meeting, the Company recommends that you also submit your proxy as described above so your vote will be counted if you later decide not to attend the Annual Meeting. If you submit your vote by proxy and later decide to vote in person at the Annual Meeting, the vote you submit at the Annual Meeting will override your proxy vote.

If you are a street name holder, you may vote your shares in person at the Annual Meeting only if you obtain and bring to the Annual Meeting a signed letter or other form of proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the Annual Meeting.

If you are a participant in the Company's 401(k) Plan, you may submit voting instructions as described above, but you may not vote your shares held in the Company's 401(k) Plan in person at the Annual Meeting.

How does the Board recommend that I vote?

The Board of Directors recommends a vote:

FOR each of the nominees for director;

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- **FOR** the ratification of the selection of Ernst & Young LLP as the independent auditors of the Company for the fiscal year ending December 29, 2013;
- **FOR** the advisory approval of the Company's executive compensation; and
- **AGAINST** the shareholder proposal regarding polled cattle.

What if I do not specify how I want my shares voted?

If you are a stockholder of record and submit a signed proxy card or submit your proxy by Internet or telephone but do not specify how you want to vote your shares on a particular item, your shares will be voted by the proxies as follows:

- **FOR** each of the nominees for director;
- **FOR** the ratification of the selection of Ernst & Young LLP as the independent auditors of the Company for the fiscal year ending December 29, 2013;
- **FOR** the advisory approval of the Company's executive compensation; and
- **AGAINST** the shareholder proposal regarding polled cattle.

If you are a street name holder and hold your shares with a broker, and do not instruct your broker as to how to vote, your shares may be voted by your broker in its discretion on the proposal to ratify the independent auditors. As described below, your broker does not have discretion to vote your uninstructed shares on the remaining proposals.

Your vote is important. The Company urges you to vote, or to instruct your broker, bank, trust or other nominee how to vote, on all matters before the Annual Meeting.

Can I change my vote after submitting my proxy?

If you are a stockholder of record, you may revoke your proxy and change your vote at any time before your proxy is voted at the Annual Meeting, in any of the following ways:

- by submitting a later-dated proxy by Internet or telephone before the deadline stated on the enclosed proxy card;
- by submitting a later-dated proxy to the Corporate Secretary of the Company, which must be received by the Company before the time of the Annual Meeting;
- by sending a written notice of revocation to the Corporate Secretary of the Company, which must be received by the Company before the time of the Annual Meeting; or
- by voting in person at the Annual Meeting.

If you are a street name holder, you may change your vote only if you comply with the procedures contained in the voting instructions provided to you by your broker, bank, trust or other nominee.

If you are a participant in the Company's 401(k) Plan, you may change your vote only if you comply with the procedures contained in the voting instructions provided by the plan's trustee.

What vote is required to approve each item of business included in the Notice of Annual Meeting?

A majority of votes cast at the meeting is required to elect directors. A majority of the votes cast means that the number of shares voted "FOR" a director must exceed the number of votes cast "AGAINST" that director (with abstentions and broker non-votes not counted as a vote cast with respect to that director) in order for the director to be elected. The affirmative vote of a majority of the shares present in person or by proxy and entitled to vote on the matter is required to ratify the selection of our independent auditors, for the advisory approval of the Company's executive compensation and for the shareholder proposal regarding polled cattle. In determining whether these proposals have received the requisite number of affirmative votes, abstentions will not be counted and will have the same effect as a vote against the proposal.

If your shares are held by a broker, bank, trust or other nominee, that entity will ask you how you want your shares to be voted. If you give instructions, your shares will be voted as you direct. If you do not give instructions, one of two things can happen, depending on the type of proposal. For the ratification of the independent auditors, the broker, bank, trust or other nominee may vote your shares in its

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discretion. For all other proposals, the broker, bank, trust or other nominee may not vote your shares at all.

What is householding?

The Securities and Exchange Commission (SEC) has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement or annual report, as applicable, addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. Brokers household our proxy materials and annual reports, delivering a single proxy statement and annual report to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders.

If at any time you no longer wish to participate in householding and would prefer to receive a separate proxy statement or annual report, or if you are receiving multiple copies of either document and wish to receive only one, please contact the bank, broker or nominee directly or contact us at P. O. Box 99900, Louisville, Kentucky 40269-0900, Attention: Corporate Secretary (502-261-7272). We will deliver promptly upon written or oral request a separate copy of our annual report and/or proxy statement to a stockholder at a shared address to which a single copy of either document was delivered.

Who pays for the cost of proxy preparation and solicitation?

The accompanying proxy is solicited by the Board of Directors of the Company. This Proxy Statement is being mailed to the stockholders on or about March 25, 2013 concurrently with the mailing of the Company's 2012 Annual Report to Stockholders. We have also retained the firm of Georgeson, Inc. to aid in the solicitation of brokers, banks, institutional and other stockholders for a fee of approximately $6,500, plus reimbursement of expenses. All costs of the solicitation of proxies will be borne by the Company. The Company pays for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders. The Company is soliciting proxies primarily by mail. In addition, the Company's directors, officers and regular employees may solicit proxies by telephone or facsimile or personally. The Company's directors, officers and regular employees will receive no additional compensation for these services other than their regular compensation.

CORPORATE GOVERNANCE

Principles of corporate governance that guide the Company are set forth in the Company's Board of Director committee charters, the Company's Corporate Governance Guidelines and the Company's Code of Ethics and Business Conduct, all of which are available at www.papajohns.com by first clicking "Investor Relations" and then "Corporate Governance." (The information on the Company's website is not part of this Proxy Statement and is not soliciting material.) The principles set forth in those governance documents were adopted by the Board to ensure that the Board is independent from management, that the Board adequately oversees management, and to help ensure that the interests of the Board and management align with the interests of the stockholders. The Board annually reviews its corporate governance documents.

Majority Voting Standard for Director Elections

Our amended and restated bylaws provide for a majority voting standard for uncontested director elections and a mechanism for consideration of the resignation of an incumbent director who does not receive a majority of the votes cast in an uncontested election. Under the majority voting standard, a majority of the votes cast means that the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that director nominee. In contested elections where the number of nominees exceeds the number of directors to be elected, the vote standard will be a plurality of votes cast. In addition, if an incumbent director is nominated in an uncontested election, the director nominee is required, as a condition of the director's nomination, to submit an irrevocable letter of resignation to the Chairman of the Board. If an incumbent director nominee does not receive a majority of the votes cast, the Corporate Governance and Nominating Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Committee's recommendation and publicly disclose its decision within 90 days from the date of certification of the election results. The director whose resignation is being considered will not participate in the recommendation of the Committee or the Board's decision.

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Code of Ethics and Business Conduct

The Company's Code of Ethics and Business Conduct, which is the Company's code of ethics applicable to all directors, officers and employees worldwide, embodies the Company's global principles and practices relating to the ethical conduct of the Company's business and its longstanding commitment to honesty, fair dealing and full compliance with all laws affecting the Company's business.

The Board has established a means for employees, customers, suppliers, stockholders and other interested parties to submit confidential and anonymous reports of suspected or actual violations of the Company's Code of Ethics and Business Conduct relating, among other things, to:

- violations of the federal securities laws;
- fraud or weakness in the Company's accounting, audit or internal controls, financial statements and records; or
- misconduct by any member of the Company's senior management.

Any employee, stockholder, or interested party may contact the Company's Senior Vice President, Legal Affairs, or submit a confidential, anonymous report by following procedures established by the Company, approved by the Corporate Governance and Nominating Committee of the Company's Board of Directors and communicated to team members from time to time. Any employee, stockholder or interested party may also learn about these procedures for reporting issues and concerns by visiting our website at www.papajohns.com, by first clicking "Investor Relations" and then "Corporate Governance."

Director Independence

The Board of Directors has determined that the following seven of the Company's eight current directors are "independent" as defined by applicable law and NASDAQ listing standards: Ms. Olivia F. Kirtley and Messrs. Norborne P. Cole, Jr., Christopher L. Coleman, Philip Guarascio, Mark S. Shapiro, William M. Street, and W. Kent Taylor. Each of our Audit, Compensation, and Corporate Governance and Nominating committees is comprised only of independent directors, as identified below under the heading "Committees of the Board of Directors."

Based on such standards, John H. Schnatter is not independent because he is an executive officer of the Company.

Ms. Kirtley, Chairman of the Audit Committee and a member of the Compensation Committee, is a member of the board of directors of U.S. Bancorp. We have a banking relationship with U.S. Bancorp that predates Ms. Kirtley's appointment to the U.S. Bancorp board of directors. Ms. Kirtley is also a member of the board of directors of Delta Dental. Based on a comprehensive request for proposal in 2009, the Company chose Delta Dental as its dental insurance carrier. The Board reviewed these relationships and determined that they do not impact Ms. Kirtley's independence.

As discussed below under Related Party Transactions, the Board of Directors has determined that marketing services provided by Dick Clark Productions, whose former Chief Executive Officer and current Executive Producer is our director Mark Shapiro, is immaterial to Mr. Shapiro and does not impact his independence.

Board Leadership Structure and Risk Management

Our Board of Directors is committed to the highest standards of corporate governance. As stated in our Corporate Governance Guidelines, our Board has determined that it is in the best interests of the Company and our stockholders for both the positions of Chairman and Chief Executive Officer to be held by our Founder, John Schnatter, at this time. If circumstances change in the future, the Board may determine that these positions should be separated. This policy allows the Board to evaluate regularly whether the Company is best served at any particular time by having the Founder and Chief Executive Officer or another director hold the position of Chairman. Our Board considers this issue carefully in light of the structure the Board believes will be in the best interest of the Company and our stockholders. The positions are currently combined, but were separate during the years of 2005 through 2008.

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The Board of Directors believes that Mr. Schnatter is best suited to serve as Chairman because, as our Founder, he is the director most familiar with our business, industry and our franchise system, and can lead the Board in identifying and prioritizing our strategies and initiatives. The combined role facilitates communication between the Board and management, and facilitates development and implementation of our Board approved corporate strategy. We believe this current leadership structure is effective. Our non-management directors and management have different perspectives and roles in business and strategy development. Our independent directors bring experience, oversight and expertise from outside the Company and industry, while Mr. Schnatter offers specific Company and industry experience and expertise.

Under our Corporate Governance Guidelines, our independent directors elect a lead independent director. The Board believes the combined role of Chairman and Chief Executive Officer, together with an independent lead director having the duties described below, is in the best interests of stockholders at this time because it provides the appropriate balance between strategy development and independent oversight of management.

Our Board has three standing committees Audit, Compensation, and Corporate Governance and Nominating. Each of the Board committees is comprised solely of independent directors, with each of the three committees having a separate chair. See "Committees of the Board of Directors" below for a description of each of these Board committees and its members. One of the key responsibilities of the Board is to develop strategic direction for the Company, and provide management oversight for the execution of that strategy. The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's financial, strategic and operational issues, as well as the risks associated with each. At the committee level, risks are reviewed and addressed as follows:

- The Audit Committee oversees management of financial risks and the Company's Enterprise Risk Management program, reporting on such matters to the full Board. The Audit Committee's agendas include discussions of individual risk areas throughout the year, and through its oversight of Enterprise Risk Management, the Audit Committee monitors management's responsibility to identify, assess, manage and mitigate risks. Our Enterprise Risk Management program, with oversight of the Audit Committee and a management level Enterprise Risk Management team, helps establish a culture of managing risk and coordination of risk management between our executive team and the Board.

- The Compensation Committee is responsible for overseeing the management of risks relating to the Company's compensation plans and arrangements. The Compensation Committee reviews our compensation policies and practices to determine whether they subject us to unnecessary or excessive risk. As a result of that evaluation, the Compensation Committee concluded that the risks arising from those policies and practices are not reasonably likely to have a material adverse effect on the Company.

- The Corporate Governance and Nominating Committee manages risks associated with potential conflicts of interest, and reviews governance and compliance issues with a view to managing associated risks, including oversight of our compliance program with respect to our Code of Ethics and Business Conduct.

While each committee is responsible for evaluating and overseeing the management of such risks, the Board of Directors is regularly informed through committee reports about such risks. In addition, the Board and the committees receive regular reports from the Chief Executive Officer, Chief Financial Officer, Senior Vice President, Legal Affairs and other Company officers with roles in managing risks.

Lead Independent Director

The Board of Directors has appointed Norborne P. Cole, Jr. to serve as the lead independent director of the Board. The lead independent director has the duties and responsibilities, as approved by the Board's Corporate Governance and Nominating Committee, to perform the following functions:

- preside at meetings of the Board in the absence of or when requested to do so by the Chairman;

- serve as ex officio member of all standing Board Committees;

serve formally as liaison between the non-management Board members and the Founder, Chairman and Chief Executive Officer;

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- establish the dates, agendas and schedules for each Board meeting, in consultation with the Founder, Chairman and Chief Executive Officer;
- monitor information sent to the Board for quality, quantity and timeliness and discuss this information with the Founder, Chairman and Chief Executive Officer;
- as needed, call sessions of the independent directors and work with the other independent directors to establish the agenda for those sessions; and
- as deemed appropriate by the Board, make himself available for consultation with and direct communication from stockholders.

Meetings of the Board of Directors

The Board held six meetings in 2012. Each director attended at least 75% of the meetings of the Board and the Board committees on which he or she served during the period of service in 2012.

Meetings of the Independent Directors

At both the Board and committee levels, the Company's independent directors meet in regular executive sessions in which members of management do not participate. These sessions typically occur in conjunction with each regularly scheduled Board or committee meeting. The lead independent director chairs these executive sessions.

Annual Meetings of Stockholders

The Company strongly encourages each of its directors to attend each Annual Meeting of the Company's stockholders whenever attendance does not unreasonably conflict with the director's other business and personal commitments. All of the Company's directors attended the 2012 Annual Meeting of Stockholders.

Committees of the Board of Directors

The Board has three standing committees to facilitate and assist the Board in the execution of its responsibilities: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. In accordance with NASDAQ listing standards, all of the committees are comprised solely of independent directors. Charters for each of our committees are available on the Company's website at www.papajohns.com by first clicking on "Investor Relations" and then "Corporate Governance." The charter of each committee is also available in print to any stockholder who requests it.

Audit Committee

Members:	Olivia F. Kirtley, Chairman
	Christopher L. Coleman[(1)]
	Mark S. Shapiro
	William M. Street[(2)]

(1) Mr. Coleman became a member of the Audit Committee upon his appointment to the Board on October 18, 2012.

(2)

Mr. Street has reached the age of retirement under our Corporate Governance Guidelines and is not standing for re-election at the Annual Meeting.

The Audit Committee's purpose is to assist the Board in fulfilling its oversight responsibilities for the accounting, financial reporting and internal control functions of the Company and its subsidiaries. The Audit Committee is responsible for the appointment, compensation and retention of the independent auditors, and oversees the performance of the internal auditing function and the Company's compliance program with respect to legal and regulatory requirements and risk management. The Audit Committee meets with management and the independent auditors to review and discuss the annual audited and quarterly unaudited financial statements, reviews the integrity of our accounting and financial reporting processes and audits of our financial statements, and prepares the Audit Committee Report included in this Proxy Statement. The responsibilities of the Audit Committee are more fully described in the Audit Committee's Charter. The Audit Committee met five times during 2012.

As previously noted, each member of the Audit Committee is independent as determined by the Company's Board of Directors, based upon applicable laws and regulations and NASDAQ listing

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standards. In addition, the Board has determined that Ms. Kirtley is an "audit committee financial expert" as defined by SEC rules.

Compensation Committee

Members: Norborne P. Cole, Jr., Chairman
Olivia F. Kirtley
W. Kent Taylor

The Compensation Committee oversees the Company's compensation programs and is responsible for overseeing and making recommendations to the Board of Directors regarding the Company's overall compensation strategies. Specifically, the Compensation Committee reviews and approves annually the compensation of the Company's executive officers, including the executive officers named in the Summary Compensation Table (our "named executive officers" or "NEOs"). The Committee has the authority to administer our equity plans and is responsible for all determinations with respect to participation, the form, amount and timing of any awards to be granted to any such participants, and the payment of any such awards. In addition, the Committee is responsible for recommending stock ownership guidelines for the executive officers and directors, for recommending the compensation and benefits to be provided to non-employee directors, and for reviewing and approving the establishment of broad-based incentive compensation, equity-based, and retirement or other material employee benefit plans. The Committee also reviews risks, if any, created by the Company's compensation policies and practices and provides recommendations to the Board on compensation-related proposals to be considered at the Annual Meeting.

The Committee has the authority to retain compensation consultants, outside counsel and other advisers. During 2012, the Committee engaged Mercer Human Resource Consulting to advise it and to prepare market studies of the competitiveness of components of the Company's compensation program for its senior executive officers, including the named executive officers. With the approval of the Compensation Committee, management has also engaged a separate office of Mercer to provide both compensation and benefits consulting; however, management did not engage this office of Mercer in any consulting specific to decisions made for the named executive officers. Specifically, in 2012, Mercer provided consulting services to management on the Company's 2012 benefit programs, advised us on the Affordable Care Act, and equity plan administration. We paid this Mercer consultant utilized by management approximately $288,000 to perform these services, while the Committee paid its consultant approximately $65,000. The Committee performed an assessment of Mercer's independence to determine whether the consultant is independent, and based on that assessment determined that the firm's work has not raised any conflict of interest and the firm is independent.

See "Compensation Discussion and Analysis" for a further description of the Compensation Committee's use of Mercer during 2012, as well as the role of our executive officers in determining or recommending the amount or form of compensation paid to our named executive officers during 2012, and the Committee's process in setting compensation.

The responsibilities of the Compensation Committee are more fully described in the Committee's Charter. The Compensation Committee met six times during 2012.

Corporate Governance and Nominating Committee

Members: William M. Street, Chairman
Christopher L. Coleman[1]
Philip Guarascio
Mark S. Shapiro

(1) Mr. Coleman became a member of the Corporate Governance and Nominating Committee upon his appointment to the Board on October 18, 2012.

The Corporate Governance and Nominating Committee assists the Board in identifying qualified individuals for service as directors of the Company and as Board committee members. In addition, the Committee develops and monitors the process for evaluating Board effectiveness and oversees the development and administration of the Company's corporate governance policies. The Corporate Governance and Nominating Committee recommended the nomination of two directors for election to the Board at the 2013 Annual Meeting.

As provided in its charter, the Corporate Governance and Nominating Committee leads the search for qualified candidates to serve as new directors, evaluates incumbent directors before recommending

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renomination, and recommends all such approved candidates to the Board for appointment or nomination to the Company's stockholders. The Corporate Governance and Nominating Committee selects as candidates for appointment or nomination individuals of high personal and professional integrity and ability who can contribute to the Board's effectiveness in serving the interests of the Company's stockholders. The Corporate Governance and Nominating Committee oversees the Company's compliance program with respect to the Company's Code of Ethics and Business Conduct and also reviews and approves matters pertaining to possible conflicts of interest and related person transactions. See the discussion under "Approval of Related Person Transactions" below.

The responsibilities of the Corporate Governance and Nominating Committee are more fully described in the Committee's Charter. The Committee met five times during 2012.

Communications with the Board

Stockholders of the Company may communicate with the Board in writing addressed to:

Board of Directors
c/o Corporate Secretary
Papa John's International, Inc.
P.O. Box 99900
Louisville, Kentucky 40269-0900

The Secretary will review each stockholder communication. The Secretary will forward to the entire Board (or to members of a Board committee, if the communication relates to a subject matter clearly within that committee's area of responsibility) each communication that (a) relates to the Company's business or governance, (b) is not offensive and is legible in form and reasonably understandable in content, and (c) does not merely relate to a personal grievance against the Company or a team member or further a personal interest not shared by the other stockholders generally.

Nominations for Directors

Identifying Candidates

The Corporate Governance and Nominating Committee assists the Board in identifying qualified persons to serve as directors of the Company. The Committee evaluates all proposed director nominees, evaluates incumbent directors before recommending renomination, and recommends all approved candidates to the Board for appointment or nomination to the Company's stockholders.

Our Corporate Governance and Nominating Committee considers diversity in its nomination of directors to the Board, and in its assessment of the effectiveness of the Board and its committees. In considering diversity, the Corporate Governance and Nominating Committee looks at a range of different personal factors in light of the business, customers, suppliers and employees of the Company. The range of factors includes diversity of personal and business backgrounds and prior board service, financial expertise, international experience, industry experience, leadership skills, including prior management experience, and a variety of subjective factors. The Corporate Governance and Nominating Committee reports regularly to the full Board on its assessment of the composition and functioning of the Board.

The Company has focused on assembling a group of Board members who collectively possess the skills and experience necessary to oversee the business of the Company, structure and oversee implementation of the Company's strategic plan and maximize stockholder value in a highly competitive environment. In particular, the Company relies on the skills of its Board members described under Item 1, Election of Directors, below.

The Corporate Governance and Nominating Committee will consider candidates for election to the Board recommended by a stockholder in accordance with the Company's Certificate of Incorporation, and will do so in the same manner as the Committee evaluates any other properly recommended nominee. Any nomination by a stockholder of a person for election to the Board at an annual meeting of stockholders, or a special meeting of stockholders called by the Board for the purpose of electing directors, must be received at the Company's principal offices not less than 60 days nor more than 90 days prior to the scheduled date of the meeting, and must comply with certain other requirements set forth in the Company's Certificate of Incorporation.

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Nominations must be addressed to the Chairman of the Corporate Governance and Nominating Committee in care of the Secretary of the Company at the Company's headquarters address listed below, and must be received on a timely basis in order to be considered for the next annual election of directors:

Chairman of the Corporate Governance and Nominating Committee
c/o Corporate Secretary
Papa John's International, Inc.
P.O. Box 99900
Louisville, Kentucky 40269-0900

Director Qualifications

The Corporate Governance and Nominating Committee expects qualified candidates will have high personal and professional integrity and ability, and will be able to contribute to the Board's effectiveness in serving the interests of the Company's stockholders. In addition to the factors described above, when considering the diversity of the Board, the Committee also considers qualifications that include: business experience and skills, independence, judgment, integrity, the ability to commit sufficient time and attention to Board activities, and the absence of potential conflicts with the Company's interests. The Committee considers these criteria in the context of the perceived needs of the Board as a whole and seeks to achieve and maintain the diversity of the Board.

ITEM 1, ELECTION OF DIRECTORS

The Company's Certificate of Incorporation provides for a classified board of directors, with three classes of directors each nearly as equal in number as possible. Each class serves for a three-year term and one class is elected each year. The Board of Directors is authorized to fix from time to time the number of directors within the range of three to fifteen members, and currently the Board size is set at eight members. William M. Street has reached the age of retirement under our Corporate Governance Guidelines and is not standing for re-election at the Annual Meeting. The Board has reduced the size of the Board to seven members effective immediately prior to the Annual Meeting.

Upon the recommendation of the Corporate Governance and Nominating Committee, Messrs. Cole and Coleman have been nominated as directors in the class to serve a term expiring at the 2016 Annual Meeting and until their successors are elected or appointed. Mr. Coleman was appointed to the Board in October 2012. His appointment to the Board was recommended by a non-management director. The remaining five directors will continue to serve in accordance with their previous election.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES FOR DIRECTOR.

Set forth below is information concerning the nominees for election and each director whose term will continue after the 2013 Annual Meeting, and their ages as of the date of this Proxy Statement.

NOMINEES FOR ELECTION TO THE BOARD: TERM EXPIRING IN 2016

Name	Age	Company Position or Office	Director Since
Term Expiring in 2016			
Norborne P. Cole, Jr.	71	Director	2003
Christopher L. Coleman	44	Director	2012

Norborne P. Cole, Jr. Mr. Cole currently serves as Vice Chairman of the Board for Silver Eagle Distributors, L.P. of Houston, Texas, which distributes Anheuser-Busch InBev and other products. He also serves as the senior independent director of Randgold Resources Limited, Isle of Jersey, U.K. (including as chairman of its remuneration committee and as a member of its nominating and governance committee). Mr. Cole retired in 1998 after a 32-year career with the Coca-Cola Company and its bottlers, most recently serving as Managing Director and Chief Executive Officer of Coca-Cola Amatil in Sydney, Australia, and previously as President and Chief Executive Officer of Coca-Cola Bottling S.A. in Paris, France. Mr. Cole also served as a director of Lancer Corporation from 1999 until it was acquired by Hoshizaki Electric Co., Ltd. in 2006, including service as chairman of its compensation committee and on its audit and nominating and corporate governance committees. Mr. Cole's career with the Coca-Cola Company and its bottlers brings extensive experience in management, distribution

and marketing to the

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Board. This experience, together with his additional service on other public company boards and committees, has provided him with the leadership, business and governance skills and background to serve as our lead independent director.

Christopher L. Coleman. Mr. Coleman was appointed to the Board of Directors in October, 2012. Mr. Coleman is based in the UK where he is Head of Banking at Rothschild. He is a Managing Director of Rothschild, Chairman of Rothschild Bank International and also serves on a number of other boards and committees of the Rothschild Group, which he joined in 1989. He is also a non-executive director on the board of Randgold Resources Limited. Mr. Coleman's extensive financial experience and international business acumen provide additional insight and expertise to the Board.

DIRECTORS CONTINUING IN OFFICE

Name	Age	Company Position or Office	Director Since
Term Expiring in 2014			
John H. Schnatter	51	Founder, Chairman and Chief Executive Officer	1990
Mark S. Shapiro	43	Director	2011
Term Expiring in 2015			
Philip Guarascio	71	Director	2003
Olivia F. Kirtley	62	Director	2003
W. Kent Taylor	57	Director	2011

John H. Schnatter. Mr. Schnatter founded Papa John's in 1984 and opened the first Company restaurant in 1985. He currently serves as Founder, Chairman and Chief Executive Officer. He previously served as Co-Chief Executive Officer from April 2010 to April 2011, Chief Executive Officer from April 2009 to April 2010, Interim Chief Executive Officer from December 2008 to April 2009, Executive Chairman of the Company from 2005 until May 2007, as Chairman of the Board and Chief Executive Officer from 1990 until 2005, and as President from 1985 to 1990 and from 2001 until 2005. Mr. Schnatter's role as our Founder and brand spokesperson makes him uniquely qualified to chair the Board of Directors while also acting as our Chief Executive Officer. Mr. Schnatter's experience and entrepreneurial skills offer vision in leading the Board and building our brand, with a consistent focus on maintaining product quality and providing a superior customer service experience. His experience in research and development, quality assurance and supply chain management are critical to our business and our franchise business model.

Mark S. Shapiro. Mr. Shapiro serves as an Executive Producer at Dick Clark Productions (dcp), overseeing several of the company's most prolific television series and specials. From 2010 to 2012, Mr. Shapiro was Chief Executive Officer of dcp. Previously, he served as a Director, President and Chief Executive Officer of Six Flags, Inc., the world's largest regional theme park company, from 2005 to 2010. Six Flags filed a voluntary petition to restructure its debt obligations under Chapter 11 of the U.S. Bankruptcy Code in June 2009 and emerged from Chapter 11 in May 2010. Prior to joining Six Flags in 2005, Mr. Shapiro spent 12 years at ESPN, Inc. where he served as executive vice president, programming and production and in various other capacities for both ESPN and ABC Sports. Mr. Shapiro has served as a director of Live Nation since 2008 (including service on its compensation committee); as a director of Frontier Communications Corporation since March 2010 (including service on its nominating and governance committee); and as a trustee of Equity Residential since 2010 (including service on its audit committee). Coupling his board service with experience in executive level positions at large organizations facing complex business challenges, Mr. Shapiro brings business acumen and operational expertise to many of the issues and challenges facing public companies, along with innovation and insight in the areas of content creation, marketing and branding.

Philip Guarascio. Since 2000, Mr. Guarascio has been Chairman and Chief Executive Officer of PG Ventures LLC, a marketing consulting firm, and from 2000 to 2006, he served in a senior advisory capacity with the National Football League. Mr. Guarascio retired in 2000 as Vice President, Advertising and Corporate Marketing, of General Motors. He is Chairman of the Board of Arbitron, Inc., and has served on Arbitron's board since 2001 (including service on its compensation committee and chairman of its executive and governance committees). Mr. Guarascio's career with General Motors and in the advertising business brings experience in strategic advertising, marketing, public relations and media

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buying to our Board. His service and leadership on other boards provide the Board valuable insight into strategic marketing issues.

Olivia F. Kirtley. Ms. Kirtley, a certified public accountant, is a business consultant on strategic and corporate governance issues. She has served in this capacity during the past five years. Ms. Kirtley brings extensive experience, expertise and insight to our Board in the areas of audit, risk management and corporate governance. In addition to her expertise in audit and tax issues developed in part as a senior manager at Ernst & Whinney (predecessor to Ernst & Young LLP), Ms. Kirtley also brings corporate management experience from her tenure at Vermont American Corporation, including the positions of Treasurer, Vice President Finance and Chief Financial Officer at that company. She has served as Chairman of the American Institute of Certified Public Accountants, Chairman of the AICPA Board of Examiners, and is a U.S. member of the Board of the International Federation of Accountants. Ms. Kirtley has served as a director of U.S. Bancorp since 2006 (including as the chairman of its audit committee and a member of its governance and executive committees) and as a director of ResCare, Inc. since 1998 (including as the chairman of its audit committee). Ms. Kirtley also served as a director of Alderwoods Group, Inc. from 2002 until its merger with Service Corporation International in 2006, including service as chairman of its audit committee, and as a director of Lancer Corporation from 1999 until it was acquired by Hoshizaki Electric Co., Ltd. in 2006, including service on its compensation committee and as chairman of its audit committee.

W. Kent Taylor. W. Kent Taylor was appointed to the Board in May 2011. Mr. Taylor is the founder and Chief Executive Officer of Texas Roadhouse, Inc. a full-service, casual dining restaurant chain with locations across the U.S. He served as Chief Executive Officer of Texas Roadhouse from 2000 until 2004, and from August 2011 to the present, and has served as its executive Chairman since 2004. Before founding the Texas Roadhouse concept in 1993, Mr. Taylor founded and co-owned Buckhead Bar and Grill in Louisville, Kentucky. His more than 25 years of experience in the restaurant industry provides the Board with additional expertise in the Company's industry, and he also brings to the Board experience in founding and serving as a chief executive officer and director of a public company.

DIRECTOR NOT CONTINUING IN OFFICE

William M. Street. Mr. Street, age 74, has served on our Board since 2003. He is scheduled to retire from our Board at the expiration of his current term and as such will not stand for re-election at the 2013 Annual Meeting of Stockholders. Mr. Street served as Chair of our Corporate Governance and Nominating Committee since 2008 and also provided service on that Committee and the Audit Committee throughout his time on our Board. His extensive background in sales, marketing and executive management provided extensive knowledge in audit and finance, management and corporate governance issues. The Board of Directors deeply appreciates the extensive contributions made by Mr. Street to the Board and our Company.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of March 6, 2013 (except as noted otherwise), with respect to the beneficial ownership of common stock by (i) each of the named executive officers identified in the Summary Compensation Table in this Proxy Statement, (ii) each director or nominee for

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director of the Company, (iii) all directors and executive officers as a group and (iv) each person known to the Company to be the beneficial owner of more than five percent of the outstanding common stock.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)(2)	Percent of Common Stock Outstanding
John H. Schnatter P.O. Box 991339 Louisville, Kentucky 40269	6,179,603(3)	26.9%
Norborne P. Cole, Jr.	50,920	*
Christopher L. Coleman	1,335	*
Philip Guarascio	25,515	*
Olivia F. Kirtley	87,907(4)	*
Timothy C. O'Hern	18,674(5)	
Mark S. Shapiro	10,958	*
William M. Street	93,084	*
W. Kent Taylor	6,669	*
Anthony N. Thompson	68,819(6)	*
Lance F. Tucker	29,043(7)	*
Andrew M. Varga	38,658	*
All directors and current executive officers as a group (14 persons, including those named above)	6,654,717(8)	28.7%

* Represents less than one percent of class.

Other 5% Beneficial Owners	Amount and Nature of Beneficial Ownership(1)	Percent of Common Stock Outstanding
FMR LLC(9) 82 Devonshire Street Boston, Massachusetts 02109	3,219,862	13.92%
BlackRock, Inc.(10) 40 East 52nd Street New York, NY 10022	1,550,220	6.7%
The Vanguard Group(11) 100 Vanguard Blvd. Malvern, PA 19355	1,220,921	5.27%

(1) Based upon information furnished to the Company by the named persons and information contained in filings with the SEC. Under SEC rules, a person is deemed to beneficially own shares over which the person has or shares voting or investment power or of which the person has the right to acquire beneficial ownership within 60 days. Unless otherwise indicated, the named persons have sole voting and investment power with respect to their shares and such shares are not subject to any pledge.

(2) Includes the following shares subject to options exercisable within 60 days after March 6, 2013, and time-based restricted stock over which the named persons have sole voting power.

Name	Options exercisable within 60 days	Restricted Stock	Name	Options exercisable within 60 days	Restricted Stock

John H. Schnatter	**493,838**	**19,838**	**Mark S. Shapiro**	**5,310**	**2,804**
Norborne P. Cole, Jr	**24,273**	**5,070**	**William M. Street**	**17,345**	**2,682**
Christopher L. Coleman	**0**	**1,335**	**W. Kent Taylor**	**2,698**	**3,015**
Philip Guarascio	**10,613**	**3,422**	**Anthony N. Thompson**	**42,598**	**16,604**
Olivia F. Kirtley	**30,621**	**3,422**	**Lance F. Tucker**	**9,888**	**14,184**
Timothy C. O'Hern	**2,951**	**11,128**	**Andrew M. Varga**	**18,702**	**14,123**

(3)

Includes 1,268,052 shares held in a family limited partnership and 81,000 shares held in a 501(c)(3) charitable foundation of which Mr. Schnatter has both voting and investment power.

(4)

Ms. Kirtley also holds units deemed invested in 29,466 shares of common stock through a deferred compensation plan provided by the Company, 20,884 of which are distributable in an equivalent number of shares of common stock within

60 days of termination of service on the Board and are included in the shares reported, and 8,582 of which are not included in the shares reported.

(5) Includes 1,489 shares owned by Mr. O'Hern's spouse of which 412 are options exercisable within 60 days after March 6, 2013, 415 are restricted stock and 115 are held in the 401k Plan. Mr. O'Hern also holds units deemed invested in 456 shares of common stock through a deferred compensation plan provided by the Company, which are not included in the shares reported.

(6) Mr. Anthony Thompson also holds units deemed invested in 2,898 shares of common stock through a deferred compensation plan provided by the Company, which are not included in the shares reported.

(7) Mr. Lance Tucker also holds units deemed invested in 1,539 shares of common stock through a deferred compensation plan provided by the Company, which are not included in the shares reported.

(8) Includes 686,711 shares subject to options exercisable within 60 days, 109,867 shares of unvested restricted stock and 20,884 shares which may be acquired within 60 days of termination of service under the deferred compensation plan, held by all directors and executive officers. Holders of units deemed invested in common stock under the deferred compensation plan have no voting or investment power over any of these units.

(9) All information regarding FMR LLC and its affiliates is based on an amendment to Schedule 13G filed with the SEC on February 14, 2013, by FMR LLC and Edward C. Johnson 3d. As of December 31, 2012, FMR LLC and Edward C. Johnson 3d each had sole dispositive power over all of the shares indicated, and sole power to vote 259,640 shares. Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 2,960,222 of the shares indicated, 1,850,000 of which were attributable to Fidelity Low-Priced Stock Fund, an investment company. Pyramis Global Advisors Trust Company, an indirect wholly-owned subsidiary of FMR LLC and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 259,640 shares.

(10) All information regarding BlackRock, Inc. and affiliates is based on a Schedule 13G filed with the SEC on February 5, 2013 by BlackRock, Inc.

(11) All information regarding The Vanguard Group and affiliates is based on a Schedule 13G filed with the SEC on February 13, 2013 by The Vanguard Group, which has sole power to vote 27,238 shares, sole dispositive power of 1,194,783 shares, and shared dispositive power over 26,138 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than ten percent of the Company's common stock, to file stock ownership reports and reports of changes in ownership with the SEC. Based on a review of those reports and written representations from the reporting persons, the Company believes that all applicable Section 16(a) reporting requirements were complied with in 2012, except for the following. Due to administrative errors, Thomas V. Sterrett inadvertently omitted 236 shares from his original Form 3 which was timely filed in August 2010, for which an amended Form 3 was subsequently filed to correct the number of shares; and Timothy C. O'Hern inadvertently omitted the indirect acquisition of a stock option award by his wife in 2010, which was subsequently reported on Form 4.

EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS

2012 Compensation Philosophy and Objectives

The Compensation Committee of the Board is responsible for establishing compensation programs that focus our executives on short-term and long-term financial, strategic and operational goals established by the Board to create value for our stockholders. Our executive compensation programs are designed to measure and reward the successful achievement of these goals without promoting excessive or unnecessary risk taking. We believe this is best accomplished by structuring our executive compensation programs to (1) be competitive, allowing us to attract, motivate and retain qualified executives and (2) emphasize pay for performance with both cash compensation that rewards achievement of short-term performance and equity-based compensation that encourages focus and results over a longer-term period. The Company also requires our executives to achieve and maintain a designated level of ownership in the Company's stock, to further align the interests of our executives with those of our stockholders.

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Company Performance for 2012

In 2012, we achieved significant growth in units, revenue, stock price and earnings per share despite an environment of continued aggressive competitor pricing and promotional strategies. We believe our 2012 executive compensation programs contributed to our strong 2012 results and increased stockholder value. In 2012, our management team executed our corporate strategy, which included achieving solid sales and profitability while maintaining our quality position in the pizza category. We achieved:

- a 19.4% increase in diluted earnings per share ($2.58 for 2012 compared to $2.16 for 2011, as restated);
- an increase of 3.6% in system-wide North American comparable sales;
- an increase of 7.1% in system-wide international comparable sales;
- a net increase of 143 system-wide North American restaurants; and
- a net increase of 137 system-wide international restaurants.

Tying Pay to 2012 Performance

We believe that our performance based compensation awards which were above target are aligned with our 2012 performance and paralleled growth in stockholder value. This alignment was achieved through the following key compensation decisions:

- For 2012, the Compensation Committee approved changes to the 2012 Short-Term Management Incentive Plan ("MIP") to ensure focus on strategic goals and to ensure that payouts were aligned with our financial, strategic and operational success. We increased our weighting on the pre-tax income metric of the MIP to 45% while continuing to reward management for focusing on the non-income measures of net unit development, combined comparables (comparable sales + comparable transactions) and online comparable sales that are each important drivers to the success of our Company. Additionally, we added an international net unit development measure to ensure focus on the importance of international development to the Company's long-term growth and success.
- Annual cash incentive awards under the MIP were approved in February 2013 in amounts above target consistent with our strong 2012 results. Under the MIP, which is a formula based annual cash incentive plan, this outperformance versus performance targets resulted in a 2012 MIP payment of 205% of target.
- Consistent with past practice, the Compensation Committee granted both stock option and restricted stock awards to management in 2012. In 2012, the Committee established a closer relationship between executive pay and Company performance by introducing a performance component to our long-term incentive compensation program. We granted performance-based restricted stock units (which we refer to as performance share units) to our executive leadership team (including the NEOs) utilizing long-term performance metrics (EPS growth, North American system comparable sales and global unit openings). We believe these metrics are critical value drivers of the Company's business and will further enhance the alignment between senior management and stockholder interests.
- In recognition of the significant experience, contributions and cohesiveness of our executive leadership team, and the importance of their focus on long-term performance goals, the Compensation Committee approved employment agreements with the executive leadership team, including the NEOs other than the CEO. (Refer to the "Change in Control and Termination Payments" below for more detailed information on the terms of the employment agreements).

Compensation Best Practices

In setting compensation programs that we believe will align compensation with Company performance, we also focus on including sound governance features in our programs, including the following:

- The new employment agreements with our executive officers entered into in 2012 did not include any tax "gross-ups" or any material perquisites.
- Our equity incentive plan prohibits the repricing of stock options.
- Our annual long term incentive plan equity awards for executives and employees provide for a three-year graded vesting period.

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Our executive compensation includes a number of features to mitigate risk, including stock ownership requirements and limits on quarterly payouts under the MIP as further described below.

The Committee utilized an independent compensation consultant in 2012.

Competitive Comparisons

The Company desires to provide its executives with competitive compensation packages, considering a variety of factors, including as one consideration the pay levels for a select peer group (see "Annual Compensation Peer Group Review"). The Company believes that targeting executive compensation at competitive levels helps attract and retain highly qualified senior leaders, which the Company believes is necessary to its success in a competitive environment.

Our executive compensation program for 2012 consisted of the following components: (1) base salary; (2) short-term cash incentives (which may be realized to the extent that performance targets are met), to focus our executives on the key business objectives for the year; and (3) long-term compensation, consisting of equity-based incentives (a combination of time-based restricted stock, stock options and performance share units) to encourage executives to focus on the long-term success and enhanced wealth of the Company and its stockholders. We refer to these three elements as "total direct compensation."

The 2012 target total direct compensation approved by the Compensation Committee for each NEO was generally below the median range of our peer group. Actual total cash compensation paid was dependent on the achievement of certain financial performance goals, as discussed in detail below, while the ultimate value of long-term equity awards will depend on future stock performance, and in the case of performance share units, achievement of performance goals.

Significant Percentage of Compensation is Variable or "At Risk"

The Company's short-term cash and long-term incentive programs support its "pay for performance" compensation philosophy. Generally, those executives with the potential to have the most impact on the Company's success receive a greater proportion of variable compensation. The Company believes that placing heavier emphasis on "at risk" variable, performance-based and/or equity-based compensation focuses the NEOs on achieving the Company's strategic and performance objectives. As such, a significant percentage of our NEOs' compensation is tied to incentives or appreciation in our stock price, making the majority of pay for our NEOs variable or at risk. The following represents the approximate portion of target variable pay "at risk" compared to base salary for our CEO and other NEOS for 2012:

CEO Variable Pay as a % of Total Compensation	**Other NEOs (Average) Variable Pay as a % of Total Compensation**

Annual Compensation Peer Group Review

In 2012, the Compensation Committee continued its annual practice of reviewing the total direct compensation of our executives against an industry peer group. In 2012, base salary, total cash (base

salary plus bonuses and short-term incentive compensation), long-term incentive values and total compensation were reviewed against the following peer group:

Buffalo Wild Wings, Inc.	DineEquity, Inc.	Panera Bread Company
CEC Entertainment	Domino's Pizza, Inc.	Red Robin Gourmet Burgers, Inc.
The Cheesecake Factory, Inc.	Jack in the Box, Inc.	Ruby Tuesday, Inc.
Chipotle Mexican Grill, Inc.	Krispy Kreme Doughnuts, Inc.	Sonic Corp.
Denny's Corp.	P.F. Chang's China Bistro, Inc.	Texas Roadhouse, Inc.

The Compensation Committee selected this peer group based on data provided by Mercer Human Resource Consulting ("Mercer"), because the Committee believed the Company shares many characteristics with these companies, including a common industry, similar market capitalization or certain other financial criteria and year-over-year consistency in the peer group. The peer group data includes tally sheets for individual officer positions which include base salary, short-term cash, long-term equity, and total compensation historical and market comparison data. While the Compensation Committee generally targets the median of the peer group for total direct compensation and its components for each NEO, the Committee determines each NEO's compensation and its components based on its subjective review and assessment of several different factors, including the individual's performance, scope of responsibilities, depth and breadth of overall leadership experience, and the importance of the position to achieving our strategies. In addition, the components of each NEO's package are compared to executives from both the external peers listed above and other members of our executive team for relational equity.

Role of Compensation Consultants

The Compensation Committee retained Mercer as its independent compensation consultant. Mercer reports directly to the Compensation Committee. The firm provides assistance and advice to the Compensation Committee in carrying out its responsibilities with respect to executive compensation policies and programs. In 2012, the Compensation Committee generally consulted with Mercer with respect to all significant decisions and determinations made regarding compensation and related matters.

Compensation of our Founder, Chairman and Chief Executive Officer

Mr. Schnatter serves as the Company's Founder, Chairman of the Board and Chief Executive Officer. For 2012, the Compensation Committee approved an annual base salary of $714,000 for Mr. Schnatter. Mr. Schnatter was eligible to receive an annual merit increase in July of 2012 along with all other executives; however, he elected to forego his base salary merit increase. Mr. Schnatter had a bonus target under the MIP of 75% of base salary based on the achievement of Company performance targets, and he participated in the Quality Service Incentive Plan discussed below with a targeted $9,000 total award. As part of the Company's long-term equity incentive awards in February 2012, Mr. Schnatter received a grant of non-qualified stock options having a grant date fair value of $265,000 and restricted shares with a grant date fair value of $265,000. Mr. Schnatter also received a performance share unit grant under the 2012 long-term performance share plan with a grant date fair value of $250,000, subject to performance-based vesting requirements.

As our Founder and Chairman, Mr. Schnatter also receives compensation under the August 9, 2007 Agreement for Services as Chairman (the "Chairman Agreement"), Agreement for Services as Founder (the "Founder Agreement") and Exclusive License Agreement (the "License Agreement"). Under the Chairman and Founder Agreements, we agreed to make annual grants of stock options to Mr. Schnatter with a minimum grant date fair value of $600,000 ($300,000 under each agreement), or such greater amount as may be determined by the Compensation Committee. The actual total grant date fair value of Mr. Schnatter's awards in 2012 under the Chairman and Founder Agreements was approximately $660,000, reflecting Mr. Schnatter's valuable contributions to the Company and to the strength and value of the Company's brand. These grants, which were made in February, 2012, with a two-year vesting period, were in addition to the awards granted to Mr. Schnatter under the Company's annual long-term incentive program. The Chairman Agreement will remain in effect so long as Mr. Schnatter is a director of the Company and remains Chairman as elected by our Board of Directors. The Founder Agreement will remain in effect until terminated by either party on 30 days' notice. Under the License Agreement, Mr. Schnatter granted the Company an exclusive right to use his identity in the Company's current and future operation, and franchising, of pizza delivery and carry-out businesses and restaurants, including sales of related goods and services under the Papa John's brand, in the United States and internationally. This license grant allows the Company to use Mr. Schnatter's image, voice, photographs

and film footage in connection with the Company's marketing and promotion of the Papa John's brand, both in the United States and internationally. We agreed that in exchange for the exclusive license grant, we will grant stock options in accordance with the provisions of the Founder Agreement for a period of 15 years following the execution of the License Agreement (whether or not the Founder Agreement is terminated), subject to termination provisions contained in the License Agreement.

Elements of Compensation

Base Salary

Annual base salary increases are typically considered each year and upon organizational changes that may occur throughout the year. The analysis for adjustments to base salary compensation takes into account all of the factors described under "Annual Compensation Peer Group Review" above. In 2012, the Compensation Committee approved base salary and target bonus increases for each of the NEOs other than the CEO. The compensation change for Messrs. Tucker (effective July 2012) and Thompson (effective April 2012) reflects the addition of the Chief Administrative Officer role to Mr. Tucker's role as Chief Financial Officer, and the promotion to Chief Operating Officer for Mr. Thompson. The compensation changes for Messrs. Varga and O'Hern (effective July 2012) reflect their performance and significant contributions to the success of the Company and were intended to ensure their retention in these critical roles. Although Mr. Schnatter was eligible to receive a base salary merit increase along with all other team members, he elected to forego the increase.

Short-Term Cash Incentive Compensation

In 2012, our short-term incentive program consisted of the MIP, which provides quarterly and annual cash payouts to the NEOs and others within the Company based upon achievement of pre-determined performance goals. The Company has established a threshold with respect to achievement of each performance goal before payment would be made for that goal. As we continue to focus on our core objective of tying compensation to the performance of our business, we again included a limit on our non-income metrics, net unit development (North American and international), combined comparables (comparable sales + comparable transactions) and online comparable sales (in each case, as defined and calculated in the table below). The 2012 MIP limited quarterly payouts based on combined comparables and online comparable sales at the time of payment to 150% of the target award for any given payout period. The 150% limit is applied after aggregation of these two components on a weighted, combined basis. During quarterly payment calculations, any awards above 150% of target were retained in a pool for potential payout at year-end. To the extent actual pre-tax income exceeded the 2012 budgeted amount, all or a portion of the additional awards retained in the pool as a result of the 150% limit during each quarter was available for payment. On a full year basis, 2012 actual pre-tax income exceeded 2012 budget, resulting in 100% of the pool being paid as additional award payments to participants. The Company believes the plan design with built-in limits prevents paying excessive awards in a particular quarter when our income does not parallel higher achievement in our non-income metrics over the full year.

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In 2012, performance metrics and the target and actual results of the MIP included:

Metric	Definition	Target	Full Year Actual Results	Actual Payout Percentage	Weighting	Award Frequency
Pre-Tax; Post-MIP Operating Income	Consolidated pre-tax corporate operating income (excluding PJ Food Service income).(1)	$57,000,000	$63,100,000	228%	45%	Annual
Net Development	Domestic system-wide store openings less store closings.	132 units	143 units	118% (3)	15%	Annual
Net Development	International system-wide store openings less store closings.	150 units	137 units	91% (3)	15%	Annual
Combined Domestic Comparable Sales and Comparable Transactions ("Combined Comparables")	Domestic system-wide comparable sales (average same-store, year-over-year sales), an industry standard used to measure company growth, plus domestic system-wide comparable transactions, an internal metric used as an indicator of market share growth when considered in conjunction with industry statistics.	(2)	(2)	365% (3)	15%	Quarterly
Online Comparable Sales	Percentage of domestic system-wide sales recorded through all online orders and digital channels.	15.0 percentage point increase over 2011	23.61 percentage point increase over 2011	163% (3)	10%	Quarterly

(1)

We **exclude** PJ Food Service income from the operating income component of the MIP results to appropriately incentivize our management team to control food costs for our franchise and corporate restaurants. Additionally, for 2012, we excluded the impact of a one-time negative accounting impact of a supplier marketing payment.

(2)

We do not disclose comparable transactions for competitive reasons. For our 2011 fiscal year, the combined comparables metric yielded a 122% award, and for our 2010 fiscal year, the combined comparables metric yielded a 252% award. For our 2009 fiscal year, comparable transactions and comparable sales were each separate components of our short term incentive plan, and in 2009 the transactions component of our MIP yielded a 137% award, and the comparable sales component of our MIP yielded a 95% award. Each of these percentage yields is expressed as a percentage of target award.

(3)

The metrics paid out on a quarterly basis are online comparable sales, weighted at 2.5% per quarter, and the combined comparables, weighted at 3.75% per quarter. For each of the fiscal quarters of 2012, the calculated weighted results of the online comparable sales and combined comparables metrics were aggregated, and yielded a combined payout in each of those quarters in excess of 150% of target, but were limited at the time of award payment to 150% pursuant to the provisions of the MIP. The amounts above 150% were retained in a pool for potential year-end payout, and were subsequently paid out at year-end because operating income was sufficient for full funding of the results of the online comparable sales and combined comparables metrics.

Performance targets for each performance metric were set by the Compensation Committee and were equal to the Company's targets contained in the annual budget and operating plan. Achievement of these metrics beyond the targets established by the Compensation Committee results in payouts beyond the target award for each NEO, capped at 300% of annual base salary. In determining each NEO's target incentive award for 2012, the Compensation Committee considered the market medians of the peer

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group analysis outlined above. In 2012, the MIP awards (expressed as a percentage of base salary and an actual dollar amount) for each NEO were as follows:

Named Executive Officer	Title	Target Short-Term Incentive Award (% of Base Salary)(1)	Target Short-Term Incentive Award $	Actual Short-Term Incentive Award $	Actual Award (% of 2012 Base Salary)
John H. Schnatter	Founder, Chairman and Chief Executive Officer	75.0%	$ 535,500	$ 1,098,545	153.9%
Lance F. Tucker	Senior Vice President, Chief Financial Officer, Chief Administrative Officer & Treasurer	40.6%	$ 147,099	$ 301,114	83.9%
Anthony N. Thompson	Executive Vice President, Chief Operating Officer; President, PJ Food Service	46.9%	$ 195,761	$ 405,416	97.7%
Andrew M. Varga	Senior Vice President, Chief Marketing Officer	40.6%	$ 144,811	$ 296,552	83.6%
Timothy C. O'Hern	Senior Vice President, Chief Development Officer	38.5%	$ 102,422	$ 209,921	79.1%

(1) Reflects annualized base salary and target awards due to increase effective July 30, 2012.

Each NEO's actual annual incentive award payment in the table above is determined solely by formula based on the Company's achievement of the pre-established performance targets discussed above. As noted above, each performance metric target is derived from the Board-approved annual budget and operating plan. By tying the targets to the budget and operating plan, we believe that the plan rewards performance and payments will generally correlate to our operating results in a given year. Actual 2012 results funded an award pool equal to 205% of the target award pool, reflecting favorable operating results relative to the established plan targets.

Our NEOs also participated in the Quality Service Incentive Plan ("QSIP" plan), which did not materially increase their short-term incentive potential. The QSIP Plan is available to a wider group of employees and underscores the key customer service and quality fundamentals of our business. A $9,000 per participant total award was targeted for our NEOs based on an indexed achievement level with a maximum award of $25,155 per participant. In 2012, our CEO and Mr. Thompson received a total award of $11,230 under the North American and international QSIP plans and each of our other NEOs received total awards under the QSIP of $11,634.

Long-Term Incentive Compensation

In 2012, our annual long-term incentive awards for our NEOs consisted of three components: stock options, time-based restricted shares and performance-based restricted shares. The determination of the annual grant value levels is a function of a number of factors considered by the Compensation Committee, including market competitiveness, level of position within the organization, significance of the individual to the Company's strategy and success, and the level of "total direct compensation" deemed to be appropriate for the NEO.

Stock Options and Time-Vested Restricted Stock. In 2012, we granted both stock options and restricted stock awards to our NEOs, intended to focus participants on our long-range objectives. We award stock options because they are inherently performance-based, meaning that their value only increases if the market price of our common stock increases over time. In addition, stock options and restricted stock provide long-term compensation to our NEOs in the form of additional equity, helping to build a culture of ownership among our executives. Finally, we believe that both stock options and restricted stock awards are a strong executive reward and retention tool and align our executives with the

interests of stockholders. The options and restricted shares awarded in 2012 have a three-year graded vesting schedule (i.e., one-third vests per year), and the stock options have a ten-year life.

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Performance Shares. In 2012, our Compensation Committee approved the introduction of performance-based restricted stock units for our executive leadership team to further encourage focus on the company's long-term strategic goals, motivate and retain our executive leadership team and to further align their interests with the Company's stockholders. The Compensation Committee approved grants in the form of restricted stock units that will cliff vest based on achievement of company performance targets measured at the end of a three-year period (2012-2014). The performance targets that must be attained for the performance shares to vest at target are: a 10% EPS Compounded Annual Growth Rate (CAGR) over the three-year period, cumulative North American system comparable sales growth of 5% over the three-year period, and the number of global units at the end of the period of 4,750 units.

The performance metrics and the target and projected results as of fiscal year-end 2012 included:

Metric	Definition	Target	Estimated Results at FYE 2012	Estimated Payout Percentage	Weighting
3-Year Cumulative Domestic Comparable Sales	Average same-store, year-over-year sales, an industry standard to measure company growth	5%	9%	200%	50%
Number of Global Units at End of 2014	Domestic & International system-wide store openings less store closings	4,750 units	4,781 units	106%	50%

Equity Grant Practices. Our Compensation Committee approved the long-term incentive compensation awards (stock options, time-based restricted stock and performance share units) on February 15, 2012 in accordance with our equity grant practices policy, with the effective date of grant and the exercise price of each stock option awarded at the closing price of our common stock on the NASDAQ Stock Market on February 23, 2012, two days after the release of our fourth quarter and full-year 2011 earnings.

Stock Ownership Guidelines

Stock ownership by our NEOs is a key component of our compensation objectives. We believe that executive ownership of our stock demonstrates to investors that our executives have a significant stake in the Company and its future, and mitigates risks associated with equity compensation programs.

Level	Ownership Guideline as a Multiple of Base Salary
Chief Executive Officer	5.0×
Chief Operating Officer	3.0×
Key Staff and Business Unit Executives	1.0×
Other Key Positions	0.5×

Specifically applied to the current NEOs, the ownership guidelines are:

NEO	Title	Guideline (x)	Guideline ($)
John H. Schnatter	Founder, Chairman and Chief Executive Officer	5.0x	$3,570,000
Lance F. Tucker	Senior Vice President, Chief Financial Officer, Chief Administrative Officer and Treasurer	1.0x	$ 400,000
Anthony N. Thompson	Executive Vice President, Chief Operating Officer & President, PJ Food Service	3.0x	$1,306,875
Andrew M. Varga	Senior Vice President and Chief Marketing Officer	1.0x	$ 380,000
Timothy O'Hern	Senior Vice President, Chief Development Officer	1.0x	$ 280,000

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The NEOs have five years after becoming subject to the ownership requirement to achieve the ownership level, with annual progress required as follows: Year 1, 10%; Year 2, 25%; Year 3, 45%; Year 4, 70%; and Year 5, 100%.

Ownership levels at any particular time are calculated based on the purchase price of shares owned or the actual price on the measurement date, whichever is higher. The following are considered to be valid sources of ownership for measurement purposes:

- all stock personally or otherwise beneficially owned directly;
- all stock equivalent units held in our nonqualified deferred compensation plan;
- all stock held in a 401(k) account or other qualified retirement account, such as an IRA;
- unvested restricted stock (excluding performance shares); and
- the net value (gross sale price, less option exercise price) of shares subject to vested, but unexercised, stock options.

The Compensation Committee reviews the Stock Ownership Guidelines on an annual basis when considering annual equity grants. At the time the ownership review occurred in February 2013, all NEOs met or exceeded the guidelines. In addition to this regular review, the Compensation Committee receives periodic reports detailing the extent to which each executive officer has achieved the required ownership level. Our short-term incentive program gives the Committee the discretion to award any portion of resulting payouts in the form of stock, instead of cash, to assist a participant in meeting the guidelines.

Tax and Accounting Policies

Deductibility of compensation expense under IRC Section 162(m) has not been a material consideration for our Compensation Committee to date based on the levels and types of compensation we pay. However, in the future, we expect IRC Section 162(m) deductibility may play a role if compensation expenses regularly begin to exceed $1,000,000 for our most highly compensated executives. In setting total compensation, the Compensation Committee considers the impact of Section 162(m), and seeks to preserve deductibility of most compensation paid to executive officers, while reserving some flexibility in awarding compensation, with the objective of attaining our primary goal of setting compensation to support the Company's business strategy. However, our time-based restricted stock awards do not qualify for tax deductibility under Section 162(m) to the extent the $1,000,000 limit is exceeded because the awards are subject only to time-based vesting requirements.

We expense the cost of employee stock-based compensation in accordance with the fair value method contained in the Financial Accounting Standards Board Accounting Standards Codification "Compensation Stock Compensation." We recorded stock-based compensation expense of $6.9 million in 2012, $6.7 million in 2011 and $6.1 million in 2010. As a result, the expense related to equity compensation has been and will continue to be a material consideration in our overall compensation program design.

The Role of Stockholder Say-on-Pay Votes

The Company provides its stockholders with the opportunity to cast an annual advisory vote on executive compensation (a "say-on-pay proposal"). At the Company's annual meeting of stockholders held in April 2012, approximately 96% of the votes cast on the say-on-pay proposal at that meeting were voted in favor of the proposal. The Compensation Committee believes this affirms stockholders' support of the Company's approach to executive compensation, and did not change its overall approach in 2012. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for the NEOs.

Compensation Committee Report

The Compensation Committee of the Board has reviewed and discussed with management the Compensation Discussion and Analysis included in this Proxy Statement. In reliance on the review and discussions referred to above, the Committee recommended to the Board of Directors that the

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Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 30, 2012 and in this Proxy Statement.

COMPENSATION COMMITTEE

Norborne P. Cole, Jr. Chairman
Olivia F. Kirtley
W. Kent Taylor

This report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under such acts.

Summary Compensation Table

The table below summarizes the total compensation paid or earned by the NEOs for each of the last three fiscal years during which the officer was a named executive officer.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compen-sation ($)(3)	Change in Pension Value and Non-qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)(4)	Total ($)
John H. Schnatter	2012	714,000		515,034	925,012(6)	1,109,775		14,179	3,278,000
Founder, Chairman and	2011	707,000		399,953	960,061(6)	657,058		21,147	2,745,219
Chief Executive Officer	2010	703,231(5)		249,974	849,971(6)	811,340			2,614,516
Lance F. Tucker	2012	359,057		375,033	125,012	312,748		3,750	1,175,600
Senior Vice President, Chief Financial Officer, Chief Administrative Officer and Treasurer	2011	320,481		224,972	125,026	153,640		3,675	827,794
Anthony N. Thompson	2012	414,976		435,028	185,010	416,646		3,750	1,455,410
Executive Vice President, Chief	2011	378,750		234,970	135,028	180,085		3,675	932,508
Operating Officer; President, PJ Food Service	2010	305,769		194,854	99,986	198,869			799,478
Andrew M. Varga	2012	354,615		362,554	112,507	308,186		3,750	1,141,612
Senior Vice President,	2011	333,300		212,452	112,520	159,458		3,675	821,405
Chief Marketing Officer	2010	330,000		194,854	99,986	207,917			832,757

Timothy C. O'Hern Senior Vice President, Chief Development Officer	2012	265,377		335,049	85,009	221,555	3,750	910,740

(1)
The amounts in the Stock Awards column reflect the aggregate grant date fair value for each respective fiscal year related to both time-based restricted stock and performance-based restricted stock units. All fair values were computed in accordance with the applicable Accounting Standards Codification (ASC) Stock Compensation topic. Assumptions used in the calculation of these amounts are included in Footnote 19 to the Company's audited financial statements for the fiscal years ended December 30, 2012, December 25, 2011, and December 26, 2010, respectively, included in the Company's Annual Report on Form 10-K. In 2012, we granted performance share units to each of our named executive officers. We reported the value of the performance share units in this table at the grant date based on the probable outcome of the performance conditions of 100%, resulting in a $250,000 value at the grant date for each NEO.

(2)
The amounts in the Option Awards column reflect the aggregate grant date fair value for each respective fiscal year related to stock options granted in 2012, 2011, and 2010, respectively, computed in accordance with the ASC Stock Compensation topic. Assumptions used in the calculation of these amounts are included in Footnote 19 to the Company's audited financial statements for the fiscal years ended December 30, 2012, December 25, 2011, and December 26, 2010, respectively, included in the Company's Annual Report on Form 10-K.

(3)
The amounts in the Non-Equity Incentive Plan Compensation column for 2010, 2011 and 2012 include payments earned by each NEO pursuant to the 2010, 2011 and 2012 Management Incentive Plans, based on corporate and individual performance metrics for 2010 and corporate performance metrics for 2011 and 2012. The amounts in the Non-Equity Incentive Plan Compensation column for 2010, 2011 and 2012 also include payments earned by the NEO pursuant to the 2010, 2011 and 2012 QSIP, based on corporate performance during 2010, 2011 and 2012.

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For the year ended December 30, 2012, the annual components of the MIP and the fourth quarter of the quarterly components of the MIP, to the extent not deferred by the executive, were paid in March, 2013. The first three installments of the quarterly components of the MIP, to the extent not deferred by the executive, were paid in May, August, and November, 2012, respectively. Amounts in the table above for 2012 include an $11,230 payment under the North American and international QSIP for Mr. Schnatter and Mr. Thompson and $11,634 under the North American QSIP for the other NEOs; all other amounts are pursuant to the MIP.

For the year ended December 25, 2011, the annual components of the MIP and the fourth quarter of the quarterly components of the MIP, to the extent not deferred by the executive, were paid in February, 2012. The first three installments of the quarterly components of the MIP, to the extent not deferred by the executive, were paid in May, August, and November, 2011, respectively. Amounts in the table above for 2011 include a payment under the QSIP of $15,309 for Mr. Schnatter, and $8,188 for Messrs. Tucker, Thompson and Varga; all other amounts are pursuant to the MIP.

For the year ended December 26, 2010, the annual components of the MIP and the fourth quarter of the quarterly components of the MIP, to the extent not deferred by the executive, were paid in February, 2011. The first three installments of the quarterly components of the MIP, to the extent not deferred by the executive, were paid in May, August, and November, 2010, respectively. Amounts in the table above for 2010 include a $15,759 payment under the QSIP for Messrs. Schnatter, Thompson and Varga; all other amounts are pursuant to the MIP.

(4)

Amounts in the All Other Compensation column include the Company's matching contribution to the NEO's account in the Company's nonqualified deferred compensation account. For Mr. Schnatter, amount in 2012 and 2011 represents imputed income related to family members or guests traveling with Mr. Schnatter on business travel, at no incremental cost to the Company. Excludes certain de minimis imputed income related to family members or guests traveling with other NEOs on business travel during 2012, at no incremental cost to the Company.

(5)

In lieu of receiving all his base salary in cash for 2010, Mr. Schnatter elected to receive a portion in the form of a nonqualified stock option grant, on December 28, 2009, with a total grant date fair value of $320,000.

(6)

Pursuant to the terms of the Chairman Agreement, Founder Agreement and License Agreement described above under Compensation Discussion and Analysis, we agreed to make annual grants of stock options to Mr. Schnatter with a minimum value of $600,000 ($300,000 under each of the Founder Agreement and Chairman Agreement), or such greater amount as may be determined by the Compensation Committee. The specific terms of each grant of stock options, including the grant date and exercise price, are determined by the Compensation Committee. Of the value in the Option Awards column for Mr. Schnatter, amounts related to the grants under the Founder Agreement and Chairman Agreement are as follows: $660,000 for 2011 and 2012; and $600,000 for 2010.

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Grants of Plan-Based Awards

The following table presents information with respect to the grants of plan-based awards made by the Company to each of the NEOs during the fiscal year ended December 30, 2012.

Name	Grant Date	Date of Compensation Committee Meeting at Which Grant Was Approved	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)(2)	Maximum (#)(2)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)(5)
John H. Schnatter	12/26/2011		0	535,500	2,142,000							
	12/26/2011		0	9,000	25,155							
	2/23/2012	2/15/2012							7,178			265,012
	2/23/2012	2/15/2012				0	6,772					250,022
	2/23/2012	2/15/2012								18,966(i)	36.92	265,002
	2/23/2012	2/15/2012								23,510(ii)	36.92	330,005
	2/23/2012	2/15/2012								23,510(ii)	36.92	330,005
Lance F. Tucker	12/26/2011		0	147,099	1,077,170							
	12/26/2011		0	9,000	25,155							
	2/23/2012	2/15/2012							3,386			125,011
	2/23/2012	2/15/2012				0	6,772					250,022
	2/23/2012	2/15/2012								8,947(i)	36.92	125,012
Anthony N. Thompson	12/26/2011		0	195,761	1,244,929							
	12/26/2011		0	9,000	25,155							
	2/23/2012	2/15/2012							5,011			185,006
	2/23/2012	2/15/2012				0	6,772					250,022
	2/23/2012	2/15/2012								13,241(i)	36.92	185,010
Andrew M. Varga	12/26/2011		0	144,811	1,063,845							
	12/26/2011		0	9,000	25,155							
	2/23/2012	2/15/2012							3,048			112,532
	2/23/2012	2/15/2012				0	6,772					250,022
	2/23/2012	2/15/2012								8,052(i)	36.92	112,507
Timothy C. O'Hern	12/26/2011		0	102,422	796,132							
	12/26/2011		0	9,000	25,155							
	2/23/2012	2/15/2012							2,303			85,027

2/23/2012	2/15/2012	0	6,772				250,022
2/23/2012	2/15/2012				6,084(i)	36.92	85,009

(1)

The amounts in the Estimated Possible Payouts Under Non-Equity Incentive Plan Awards columns represent plan awards pursuant to our annual MIP and QSIP, respectively, for the period commencing December 26, 2011. For the actual amounts paid to the NEOs pursuant to the MIP and QSIP during 2012, see the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above.

(2)

The amounts in the Estimated Future Payouts Under Equity Incentive Plan Awards column represent grants of performance share units, issued to our named executive officers pursuant to our 2011 Omnibus Incentive Plan ("2011 Plan"). The 2012 performance share units vest subject to achievement of performance conditions on February 23, 2015. The final award payout is interpolated based on a sliding scale. The performance share units have no minimum or maximum payout.

(3)

The amounts in the All Other Stock Awards column represent grants of time-based restricted stock, issued pursuant to our 2011 Plan. In the event that the Company pays dividends to holders of its common stock, the Company has the right to require the reinvestment of dividends into additional shares of restricted stock until the restrictions lapse. The 2012 restricted stock grant vest dates are as follows: one-third on each of February 23, 2013, 2014 and 2015.

(4)

The amounts in the Other Option Awards column represent grants of stock options pursuant to the 2011 Plan. The stock option vest dates are indicated as follows:

(i)

one-third of the shares on each of February 23, 2013, 2014 and 2015;

(ii)

all shares on February 23, 2014.

(5)

The amounts in the Grant Date Fair Value of Stock and Option Awards column represent the full grant date fair value of each stock option award and time-based restricted stock award, as computed in accordance with the ASC Stock Compensation topic. The fair value of the performance share units was calculated using the target number of units multiplied by the closing market price of a share of our common stock on the grant date. Full grant date fair value and vesting details are as follows:

Equity Type	**Grant Date**	**Full Grant Date Fair Value/Share**		**Vesting**
Stock Options	2/23/2012	$	13.9725	3-year graded
	2/23/2012	$	14.0368	2-year cliff
Time-Based Restricted Stock	2/23/2012	$	36.92	3-year graded
Performance Share Units	2/23/2012	$	36.92	

3-year cliff

Assumptions used in the calculation of these amounts are included in Footnote 19 to the Company's audited financial statements for the fiscal year ended December 30, 2012, included in the Company's Annual Report on Form 10-K.

The value of the performance share units shown above is based on target performance; value based on the estimated performance results at December 30, 2012 of 153% payout and the closing price of our common stock on December 30, 2012 is $548,000 for each NEO. Due to the contingent and uncertain nature of the ultimate performance of the Company over the three-year performance period ending at 2014 fiscal year-end, the ultimate value of performance share units at the end of the performance period is not determinable at this time and the amounts presented in this Proxy Statement are estimates based on the assumptions noted.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information with respect to the outstanding equity awards at 2012 fiscal year-end for the NEOs.

	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options							
Name	Exercisable (#)	Unexercisable (#)(1)	Exercise Price ($)	Expiration Date	Number of Shares or Units of Stock That Have Not Vested ($)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(3)(4)
John H. Schnatter	85,110		26.31	5/8/2013				
	52,103		18.43	12/31/2013				
	37,102		26.54	4/30/2014				
	37,912		24.21	12/28/2014				
	67,458		26.54	4/30/2014				
	28,133		26.54	4/30/2014				
	17,502	8,752(i)	27.26	4/28/2015				
	32,766		27.26	4/28/2015				
	32,766		27.26	4/28/2015				
	10,270	20,539(ii)	28.98	2/24/2016				
		33,686(iii)	28.98	2/24/2016				
		33,686(iii)	28.98	2/24/2016				
		23,510(iv)	36.92	2/22/2022				
		23,510(iv)	36.92	2/22/2022				
		18,966(v)	36.92	2/22/2022				
					3,058(i)	161,738		
					6,900(ii)	364,941		
					3,450(iii)	182,471		
					7,178(iv)	379,644		
							6,772(vi)	358,171
Lance F. Tucker		2,626(i)	27.26	4/28/2015				
		8,558(ii)	28.98	2/24/2016				
		8,947(v)	36.92	2/22/2022				
					2,565(v)	135,663		
					917(i)	48,500		

					2,875(ii)	152,059		
					3,450(iii)	182,471		
					3,386(iv)	179,086		
							6,772(vi)	358,171
Anthony N. Thompson	3,737		26.31	5/8/2013				
	10,000		18.43	12/31/2013				
	8,439		26.54	4/30/2014				
	7,000	3,501(i)	27.26	4/28/2015				
	4,622	9,242(ii)	28.98	2/24/2016				
		13,241(v)	36.92	2/22/2022				
					3,480(v)	184,057		
					1,224(i)	64,737		
					3,105(ii)	164,223		
					3,450(iii)	182,471		
					5,011(iv)	265,032		
							6,772(vi)	358,171
Andrew M. Varga	1,315		24.61	9/16/2014				
	3,500	3,501(i)	27.26	4/28/2015				
	3,851	7,702(ii)	28.98	2/24/2016				
		8,052(v)	36.92	2/22/2022				
					3,480(v)	184,057		
					1,224(i)	64,737		
					2,587(ii)	136,826		
					3,450(iii)	182,471		
					3,048(iv)	161,209		
							6,772(vi)	358,171
Timothy C. O'Hern	2,537	2,539(i)	27.26	4/28/2015				
	2,910	5,819(ii)	28.98	2/24/2016				
		6,084(v)	36.92	2/22/2022				
					2,565(v)	135,663		
					887(i)	46,913		
					1,955(ii)	103,400		
					2,585(iii)	136,721		
					2,303(iv)	121,806		
							6,772(vi)	358,171

(1) The vesting schedule is as follows:

(i) all shares on April 28, 2013;

(ii) one-half of the shares on each of February 24, 2013 and 2014;

(iii) all shares on February 24, 2013;

(iv)

all shares on February 23, 2014;

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(v) one-third of the shares on each of February 23, 2013, 2014 and 2015.

(2) The vesting schedule is as follows:

(i) all shares on April 28, 2013;

(ii) one-half of the shares on each of February 24, 2013 and 2014;

(iii) all shares on February 24, 2014 if the 690 shares acquired pursuant to the EEOI program on February 24, 2011 are held for the vesting period;

(iv) one-third of the shares on each of February 23, 2013, 2014 and 2015;

(v) all shares on April 28, 2013 if the 696 shares acquired pursuant to the EEOI program on April 28, 2010 are held for the vesting period;

(vi) all shares on February 23, 2015, subject to performance conditions (see Note 4).

(3) Value determined by multiplying the number of shares or units by the closing price of our common stock at fiscal year end, $52.89.

(4) In 2012, we granted performance share units to each of our named executive officers which vest subject to achievement of performance targets measured at the end of the three year period ending at 2014 fiscal year-end. The value of the performance share units in the table above is based on the performance at 100% of target and the closing price of our common stock on December 30, 2012, or $358,171 for each NEO. The performance share units have no maximum value. The value of the performance share units based on the estimated performance results at December 30, 2012 of 153% and the closing price of our common stock on December 30, 2012 is $548,000 for each NEO. Due to the contingent and uncertain nature of the ultimate performance of the Company over the three-year performance period ending at 2014 fiscal year-end, the ultimate value of performance share units at the end of the performance period is not determinable at this time and the amounts presented in this Proxy Statement are estimates based on the assumptions noted.

Option Exercises and Stock Vested

The following table sets forth information with respect to stock options exercised and restricted stock vesting by the NEOs during the 2012 fiscal year.

	Option Awards		**Stock Awards**	
Name	**Number of Shares Acquired on**	**Value Realized on Exercise ($)(1)**	**Number of Shares Acquired**	**Value Realized on Vesting ($)(2)**

	Exercise			on Vesting		
John H. Schnatter	64,856	$	220,381	9,648	$	376,517
Lance F. Tucker	9,529	$	213,204	2,355	$	89,855
Anthony N. Thompson	3,057	$	44,296	3,718	$	144,331
Andrew M. Varga	6,126	$	64,681	2,968	$	120,121
Timothy C. O'Hern	2,537	$	24,298	1,864	$	71,649

(1) Value realized on exercise calculated based on the difference between the closing price of our common stock on the date of exercise and the option exercise price, multiplied by the number of shares exercised.

(2) Value determined by multiplying the number of vested shares by the closing price of our common stock on the vesting date.

Nonqualified Deferred Compensation

Name	Executive Contributions in Last Fiscal Year ($)(1)	Registrant Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)(3)
John H. Schnatter			15,538	(13,481)	161,007
Lance F. Tucker	66,953	3,750	34,001		192,606
Anthony N. Thompson	33,166	3,750	56,130		224,411
Andrew M. Varga	74,903	3,750	12,676		173,252
Timothy C. O'Hern	24,833	3,750	10,555		85,226

(1) The amounts in the Executive Contributions in Last Fiscal Year column represent amounts disclosed in the Summary Compensation Table above, as follows: (i) for Mr. Tucker, $35,827 of salary and $31,126 of 2012 incentive compensation; (ii) for Mr. Thompson, $33,166 of salary; (iii) for Mr. Varga, $25,223 of salary and $49,680 of 2012 incentive compensation; and (iv) for Mr. O'Hern, $13,255 of salary and $11,578 of 2012 incentive compensation.

(2) Amounts in this column represent the value of matching contributions credited to the nonqualified deferred compensation plan in 2013 as a result of 2012 deferral elections.

(3) The amounts in the Aggregate Balance at Last Fiscal Year End column, other than earnings on deferred compensation, have all been previously disclosed in Summary Compensation Tables in our prior proxy statements (to the extent the NEO was a named executive officer in prior proxy statements) or in note (1) above.

Eligibility for participation in the nonqualified deferred compensation plan is limited to a select group of management or highly compensated employees (as defined under ERISA) who are specifically designated as eligible to participate by our Chief Executive Officer or another officer authorized to make those determinations, including our named executive officers.

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Participants can defer up to 100% of their base salary and up to 100% of their short-term incentive award payments into the nonqualified deferred compensation plan each plan year. For benchmarking purposes, the plan provides that participant accounts are deemed to be invested in one or more publicly traded mutual funds or our common stock. Participants may direct the investment of their accounts among the options made available under the plan, and can change their investment options (except company stock) on any business day. Deferral elections may be changed once per calendar year, generally in December, and such changes are effective for compensation earned in the following year. We pay certain administrative costs of the plan. We match the amounts deferred by the same discretionary match percentage announced for the 401(k) Plan for the plan year.

Change in Control and Termination Payments

Employment Agreements

In March, 2012, we entered into employment agreements with members of our executive leadership team, including Mr. Tucker, Mr. Thompson, Mr. Varga and Mr. O'Hern (collectively, the "Employment Agreements"). The Employment Agreements have a three-year term and automatically renew for successive one-year terms unless either party gives written notice of termination at least 60 days prior to the expiration of the current term. The Employment Agreements provide for a minimum annual base salary consistent with current salary levels, annual cash bonus and equity awards opportunities, and benefits as afforded to similarly situated employees. In the event the executive's employment is terminated by the Company prior to the end of the term of the Employment Agreement other than for "cause" (as defined in the Employment Agreement), the executive is entitled to receive 9 months' base salary, pro rata cash bonus for the year of termination and a credit for an additional 6 months of service for purposes of vesting in outstanding stock options and time-based restricted stock. In the event of an executive's termination without cause following a change in control before the end of the term of the Employment Agreements, or by the executive for "good reason" following a change in control (as defined in the Employment Agreement), the executive is entitled to receive the lesser of the total of the executive's base salary and pro rata cash bonus through the remainder of the term or 9 months' base salary. In the case of termination of employment due to death or disability, the Employment Agreements provide for payment of base salary through the date of termination and pro rata bonus. In addition to the Employment Agreements, our equity plans provide for certain benefits upon change in control, death and disability as described generally below.

Equity Plan Provisions

Under the terms of our 2008 Omnibus Incentive Plan ("2008 Plan") and our 2011 Plan, upon a change in control in a corporate transaction in which awards are not assumed: (i) all grantees of shares of restricted stock and options will be credited with an additional 12 months of service from the grant date for purposes of vesting; and (ii) notice will be given to grantees of vested options that such options will remain exercisable for a period of fifteen days and thereafter terminated, or the Board may elect, in its sole discretion, to cancel any outstanding awards of options and/or restricted stock and pay to the holder of vested options and/or restricted stock an amount in cash or securities having a value (as determined by the Board acting in good faith), in the case of restricted stock, equal to the price per share paid to holders of shares of stock and, in the case of options, equal to the product of the number of shares of stock subject to the option multiplied by the amount, if any, by which the price per share paid to holders of shares of stock pursuant to the transaction exceeds the option price. In the event of a transaction in which awards are assumed, options and restricted stock shall continue in the manner and under the terms provided in the event of any transaction to the extent that provision is made in writing in connection with the transaction for the assumption or continuation of the options and restricted stock granted, or for the substitution for options and restricted stock for new common stock options and restricted stock relating to the stock of a successor entity, with appropriate adjustments as to the number of shares and option exercise prices.

Under the terms of our 1999 Team Member Stock Ownership Plan ("1999 Plan"), upon a change in control, (i) any then-outstanding stock options held by participants will become fully vested and immediately exercisable; and (ii) any restrictions and other conditions pertaining to restricted stock, including but not limited to vesting requirements, will lapse and those shares will be immediately transferable and no longer subject to forfeiture.

In addition, if an NEO is terminated for cause (as defined under our plans), then all outstanding options under our equity plans, whether or not exercisable, will terminate immediately. If the NEO is terminated for any reason other than for cause, death, disability or retirement, to the extent then outstanding options

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are exercisable and subject to the provisions of the relevant option agreement, the options may be exercised by the officer or his personal representative within 60 days after the date of termination in the case of the 1999 Plan, or 90 days after the date of termination in the case of the 2008 Plan and 2011 Plan. In the event of an NEO's death or disability while employed by the Company, all then outstanding options become fully vested and immediately exercisable, and may be exercised at any time within one year after the date of death or determination of disability.

Under the 1999, 2008 and 2011 Plans, if an NEO's employment is terminated for any reason other than death or disability prior to the expiration of the restriction period applicable to shares of restricted stock, the shares will be immediately forfeited and returned to us. In the event of death or disability prior to the expiration of the restriction period, any restrictions or other conditions including vesting requirements, will immediately lapse.

The following table is intended to reflect projected potential payouts under the Employment Agreements and our equity plans, other than those available generally on a nondiscriminatory basis to all salaried employees. The table provides for a range of potential separation events for each of the NEOs, calculated as if the separation event occurred on December 30, 2012. The actual amounts to be paid can only be determined at the time of the actual event.

Name	Change in Control(1)($)	Involuntary (Not for Cause) Termination ($)(2)	Retirement ($)	Death/Disability ($)
John H. Schnatter				
Salary				
Bonus(3)				
Stock Options(4)	$ 2,080,734			$ 3,380,062
Restricted Stock(4)	$ 344,261			$ 1,446,965
Totals:	$ 2,424,995	$		$ 4,827,027
Lance F. Tucker				
Salary	$ 300,000	$ 300,000		$
Bonus(3)		$ 121,574		$ 121,574
Stock Options(4)	$ 217,254	$ 217,254		$ 414,810
Restricted Stock(4)	$ 319,932	$ 319,932		$ 1,055,949
Totals:	$ 837,186	$ 958,760		$ 1,592,333
Anthony N. Thompson				
Salary	$ 326,719	$ 326,719		$
Bonus(3)		$ 160,434		$ 160,434
Stock Options(4)	$ 270,734	$ 270,734		$ 522,166
Restricted Stock(4)	$ 419,312	$ 419,312		$ 1,218,691
Totals:	$ 1,016,765	$ 1,177,199		$ 1,901,291
Andrew M. Varga				
Salary	$ 285,000	$ 285,000		$
Bonus(3)		$ 119,296		$ 119,296
Stock Options(4)	$ 224,672	$ 224,672		$ 402,476
Restricted Stock(4)	$ 370,970	$ 370,970		$ 1,087,471
Totals:	$ 880,642	$ 999,938		$ 1,609,243
Timothy C. O'Hern				
Salary	$ 210,000	$ 210,000		$
Bonus(3)		$ 83,817		$ 83,817
Stock Options(4)	$ 167,040	$ 167,040		$ 301,368
Restricted Stock(4)	$ 274,922	$ 274,922		$ 902,674
Totals:	$ 651,962	$ 735,779		$ 1,287,859

(1)
Generally, pursuant to the plans and agreements, a change of control is deemed to occur if any person acquires 50% or more of the Company's voting stock; approval by our stockholders of a merger or consolidation of the Company which would result in the stock of the Company outstanding immediately prior to the merger not continuing to represent at least 50% of the voting stock outstanding immediately after the merger or consolidation; or a complete liquidation or sale of all or substantially all of the assets of the Company. The amounts shown in this column as salary are estimates of the "double trigger" cash severance payments that would be payable to the executive under his Employment Agreement assuming that a termination of employment occurred (in which the executive would be entitled to such payments) following consummation of the change of control.

(2)
Termination for cause under the Employment Agreements is generally defined as gross negligence or willful misconduct in connection with the performance of duties, conviction of a criminal offense that is, or may be expected

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to be, harmful to the Company, material breach of employment or non-competition agreement, acts or omissions involving willful or intentional malfeasance or misconduct injurious to the Company or its reputation, or commission of any act of fraud or embezzlement against the Company.

(3) The Employment Agreements provide for pro rata bonus upon involuntary (not for cause) termination and death (provided that any applicable performance measures are achieved). The amounts shown in the table assume target performance.

(4) Assumed stock option value calculated for in-the-money stock options based on $52.89 per share, the closing price of our common stock at fiscal year end, less the exercise price per share. Assumed 2010, 2011 and 2012 stock option and time-based restricted stock grants receive twelve months additional vesting credit in case of change-in-control, six months additional vesting in case of involuntary (not for cause) termination, and fully vested in case of death/disability. Assumed restricted stock values were calculated at $52.89 per share, the closing price of our common stock at fiscal year-end.

Director Compensation

We pay four primary components of compensation to our non-management directors: an annual cash retainer, meeting fees, committee chairman fees, and equity awards. Our equity awards consist of a combination of stock options and restricted stock. Board members may also from time to time receive fees for service on ad hoc committees. Within five years of their election to the Board of Directors, all non-management directors are required to hold five times the standard annual cash retainer of $35,000, or $175,000, in our common stock, and all have attained the required ownership level or are in compliance with the phased-in ownership requirement of the policy.

In late 2011, Mercer Human Resource Consulting reviewed market competitiveness for all of the components of our director compensation program. No changes were made to the director compensation program for 2012. In analyzing director compensation, the Compensation Committee looked at a peer group that was substantially similar to the one used for management, as well as an alternative peer group of similarly sized companies in other industries to provide a broader basis for comparison which more properly reflected the marketplace for directors.

Members of Company management who also serve as members of the Board of Directors are not eligible for compensation for their service in their capacity as director, other than the compensation paid to Mr. Schnatter under the Chairman and Founder Agreements as described in the Compensation Discussion and Analysis. The following table sets forth the types and amounts of compensation paid to our non-management directors:

Annual Retainer:	Standard	$	35,000
	Audit Committee Chairman additional	$	15,000
	Other Committee Chairman additional	$	10,000
	Lead Director additional	$	20,000
Meeting Fees:	Board meeting	$	2,000
	Telephonic attendance at in-person Board meeting	$	1,000
	Committee meeting	$	1,500
	Telephonic attendance at in-person Committee meeting	$	750

Annual Equity Grant[1]

	Restricted Stock	Stock Option Shares
Standard[2]	1,558 shares	4,116 shares
Lead Director	2,303 shares	6,084 shares

(1) The 2012 annual equity grants, awarded in equal values of restricted stock and stock option shares, have three-year graded vesting and the options have a ten-year term. The annual equity grant award level is determined annually by the Board of Directors.

(2) Mr. Coleman received a pro-rated grant upon his appointment to the Board in October 2012, with an effective date of November 2, 2012, consisting of 229 shares of restricted stock and an option to purchase 612 shares of common stock.

Non-management directors also receive reimbursement for reasonable out-of-pocket expenses incurred in connection with their Board or committee service.

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The following table sets forth the compensation paid to directors during 2012:

Name	Fees Earned or Paid in Cash ($)	Restricted Stock Awards ($)(1)	Option Awards ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	Total ($)
Norborne P. Cole Jr.	102,500	85,027	85,009		272,536
Christopher L. Coleman	17,133	11,512	11,509		40,154
Philip Guarascio	54,500	57,521	57,511		169,532
Olivia F. Kirtley	78,500	57,521	57,511		193,532
Wade S. Oney(3)	23,500	57,521	57,511		138,532
Mark S. Shapiro	62,000	57,521	57,511		177,032
William M. Street	73,500	57,521	57,511		188,532
W. Kent Taylor	54,000	57,521	57,511		169,032

(1) The full grant date fair value of the 2012 restricted stock awards to non-employee directors was $36.92 per share, except for Mr. Coleman whose award was granted upon his appointment to the Board in October 2012 with an effective date of November 2, 2012, with a full grant date fair value of $50.27. All fair values were computed in accordance with the applicable ASC Stock Compensation topic. Assumptions used in the calculation of these amounts are included in Footnote 19 to the Company's audited financial statements for the fiscal year ended December 30, 2012 included in the Company's Annual Report on Form 10-K. The following chart sets forth unvested restricted awards granted under the 2008 Plan or the 2011 Plan, held by each director in the table above as of December 30, 2012.

Name	Number of Unvested Restricted Shares
Norborne P. Cole, Jr.	5,181
Christopher L. Coleman	229
Philip Guarascio	3,498
Olivia F. Kirtley	3,498
Wade S. Oney	3,498
Mark S. Shapiro	2,880
William M. Street	3,498
W. Kent Taylor	2,429

(2) The full grant date fair value of the 2012 option awards to non-employee directors utilized a $13.9725 per share Black-Scholes value, except for Mr. Coleman whose award was granted upon his appointment to the Board in October 2012 with an effective date of November 2, 2012, which utilized an $18.8060 Black-Scholes value. All fair values were computed in accordance with the applicable ASC Stock Compensation topic. Assumptions used in the calculation of these amounts are included in Footnote 19 to the Company's audited financial statements for the fiscal year ended December 30, 2012 included in the Company's Annual Report on Form 10-K. The following chart sets forth vested and unvested option awards

granted under the 2011 Plan, 2008 Plan and the 2003 Stock Option Plan for Non-Employee Directors held by each director in the table above as of December 30, 2012.

Name	Number of Vested Options	Number of Unvested Options
Norborne P. Cole, Jr.	16,690	14,548
Christopher L. Coleman	0	612
Philip Guarascio	5,503	9,821
Olivia F. Kirtley	25,511	9,821
Wade S. Oney	0	9,821
Mark S. Shapiro	1,969	8,052
William M. Street	25,511	9,821
W. Kent Taylor	1,326	6,768

(3)

Mr. Oney retired from the Board on April 26, 2012; he remains a franchisee of the Company.

In addition, a nonqualified deferred compensation plan is available to all of our directors. Directors can elect to defer their annual retainer and meeting fees (up to 100%) into a deferred compensation plan that offers deemed investments in certain publicly-available mutual funds or our common stock, as is the case for our executives and other eligible employees. We do not contribute to director accounts in the deferred compensation plan, but do pay certain administrative costs of the plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Compensation Committee Interlocks and Insider Participation

The Compensation Committee, comprised entirely of independent, non-management directors, is responsible for establishing and administering the Company's policies involving the compensation of its executive officers. No employee of the Company serves on the Compensation Committee. The Committee members have no interlocking relationships as defined by the SEC.

Approval of Related Person Transactions

Generally

Under our written Related Party Transaction Policies and Procedures, the Corporate Governance and Nominating Committee will review the material facts of all transactions with related persons that require the committee's approval and either approve or disapprove of entering into the transaction. Approval by the committee is generally required in advance for such transactions; however, if such advance approval is not feasible, then the transaction will be considered and, if the Corporate Governance and Nominating Committee determines it to be appropriate, ratified at its next regularly scheduled meeting or, if not ratified, appropriate action taken as determined by the committee.

In determining whether to approve or ratify such a transaction, the Corporate Governance and Nominating Committee will take into account, among other factors it deems appropriate, whether the transaction is on terms no more favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction. The policy sets forth certain categories of transactions that have standing approval, which include transactions that are deemed not to involve a direct or indirect material interest on behalf of the related person. In addition, the Board of Directors has delegated to the Chair of the Corporate Governance and Nominating Committee the authority to pre-approve or ratify (as applicable) a transaction with a related party in which the aggregate amount involved is expected to be less than $500,000 computed in accordance with Item 404 of Regulation S-K.

Many transactions that constitute related person transactions are ongoing and some arrangements predate any relationship between the director or officer and the Company. When a transaction is ongoing, any amendments or changes are reviewed for reasonableness and fairness to the Company.

Procedures for Identifying Possible Related Person Transactions

On an annual basis, each director, nominee for director and executive officer completes a Director and Officer Questionnaire that requires disclosure of any transactions with the Company in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. The Company then compiles a list of all such persons and entities, including all subsidiaries of the entities identified. Once the list of persons and entities has been compiled, it is distributed within the Company to identify any potential transactions.

All ongoing transactions, along with payment and receipt information, are compiled for each person and entity. Any related person transaction identified through this process is presented to the Corporate Governance and Nominating Committee in order to obtain approval or ratification of the transactions and for review in connection with its recommendations to the Board on the independence determinations of a director or director nominee.

Special Procedures for Franchisee Relationships

The Corporate Governance and Nominating Committee and the Board have adopted special policies and procedures for consideration of restaurant development, acquisition and disposition transactions involving franchisees in which directors or executive officers of the Company, or their immediate families, may have significant ownership (generally defined as ten percent or more). Under the policy, the Corporate Governance and Nominating Committee ultimately must consider and determine whether to approve or disapprove any subject transaction involving a related party. Proposed acquisitions and dispositions of restaurants involving the Company and related parties must be evaluated in light of an appraisal by a reputable, disinterested third party. With respect to proposed new development by a related party, if the Company declines to exercise its right of first refusal, the policy requires that the opportunity be made available to qualified franchisees without related-party ownership.

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Similarly, with respect to the proposed acquisition of a restaurant by a related party from another franchisee, if the Company declines to exercise its right of first refusal, the Company must consider making recommendations concerning possible alternative, nonrelated-party franchisee parties. Finally, the policy requires that any proposed disposition of a restaurant by a related party to another franchisee must be disclosed to the Corporate Governance and Nominating Committee, and must be approved by the Committee if the proposed transaction includes any consideration by or from the Company outside the ordinary course of business with other franchisees.

Transactions with Related Persons

This section describes certain transactions that involve directors and executive officers of the Company and their affiliates.

Franchise and Development Arrangements

Executive officers and directors of the Company hold equity interests in entities that are franchisees of the Company, as described in the table below. Some of those individuals acquired their interests before the Company's 1993 initial public offering, and some of the entities in which they hold interests acquired development rights at reduced development fees and paid reduced franchise fees when restaurants opened. We have since entered into additional franchise and development agreements with non-employee directors and executive officers of the Company and entities in which they have equity interests, and may continue to do so in the future. Under the Company's policy governing transactions with related-person franchisees, which is described above, any such franchise arrangements we enter into in the future will be on terms no more favorable to directors and officers than with independent third parties.

The following table describes franchise and development arrangements during 2012 between the Company and entities in which the Company's executive officers or directors, as well as their immediate family members, had an equity interest as of the end of the fiscal year and the amount of royalties and franchise and development fees earned by or paid to the Company from those entities during 2012. It also sets forth the amount of incentives paid to the entities based on their participation in incentive programs made available to franchisees generally. The Company provided no non-standard incentives or special consideration to these entities. These franchisees also purchase various food and other products from the Company's commissary system and may purchase from or through the Company certain goods and services, including insurance and certain accounting and related services, needed to operate a Papa John's restaurant. All such purchases and sales are made on terms and at rates identical to those that may be obtained from the Company by an independent franchisee.

Name and Percentage Owned	Franchise Entity Amounts Earned
Annette Schnatter (100%)	*Joe K Corporation* Operates one restaurant in Louisville, Kentucky. In 2012, royalties earned by the Company from this franchisee were $70,082 and incentive amounts earned by this franchisee were $15,193. Annette Schnatter is John Schnatter's wife.
Charles W. Schnatter (28.19%) Timothy C. O'Hern (33.78%) Steve M. Ritchie (9.84%)	*Capital Pizza, Inc.* Operated 19 restaurants in Illinois and Indiana. In 2012, royalties earned by the Company from this franchisee were $696,875 and incentive amounts earned by this franchisee were $171,412. Charles Schnatter is John Schnatter's brother, and Mr. O'Hern and Mr. Ritchie are officers of the Company. Capital Pizza sold all stores effective November 1, 2012.
Charles W. Schnatter (25%) Timothy C. O'Hern (25%) Steve M. Ritchie (12%)	*Northern Bay Pizza, LLC* Operates nine restaurants in Wisconsin. In 2012, royalties earned by the Company from this franchisee were $102,002 ($187,832 in royalties waived, as discussed below). Incentive amounts earned by this franchisee were $163,370. Charles Schnatter is John Schnatter's brother, and Mr. O'Hern and Mr. Ritchie are officers of the Company.

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Name and Percentage Owned	Franchise Entity Amounts Earned
Wade S. and Elizabeth Oney (95.0%)	*Bam-Bam Pizza, Inc*. Operates 27 restaurants in Florida. In 2012, royalties earned by the Company from this franchisee were $1,452,247 and incentive amounts earned by this franchisee were $260,966. Elizabeth Oney is Mr. Oney's wife.
Wade S. Oney (95.0%)	*L-N-W Pizza, Inc*. Operates 11 restaurants in Florida. In 2012, royalties earned by the Company from this franchisee were $765,153 and incentive amounts earned by this franchisee were $151,339.
Wade S. Oney (34.9%) Richard Brown (50.0%)	*Brown's Pizza, Inc*. Operates two restaurants in Florida. In 2012, royalties earned by the Company from this franchisee were $155,266 and incentive amounts earned by this franchisee were $29,295. Richard Brown is Mr. Oney's father-in-law.
Wade S. Oney (90.0%)	*Eagle Eye Pizza, Inc*. Operates three restaurants in Oregon. In 2012, royalties earned by the Company from this franchisee were $108,031 and incentive amounts earned by this franchisee were $24,019.
Wade S. Oney (46.2%) Pat Brown (0.45%)	*Oney Bayside, LLC* Operates nine restaurants in Florida. In 2012, royalties earned by the Company from this franchisee were $421,328 and incentive amounts earned by this franchisee were $94,516. Pat Brown is Wade Oney's mother-in-law.
Wade Oney/Bam-Bam Pizza, Inc. (10%) Randy Oney (40%)	*Ozone Pizza, LLC* Operates one restaurant in Florida. In 2012, this franchisee paid no royalties and incentive amounts earned by this franchisee were $79,765. Randy Oney is Wade Oney's brother.

In March 2011, Northern Bay Pizza, LLC completed the purchase of eight restaurants in a proceeding in Wisconsin state court receivership. The Company provided royalty waiver incentives to this entity. The Corporate Governance and Nominating Committee approved the transaction and royalty waiver pursuant to the store development policy discussed above. In May 2011, we entered into a development agreement with Northern Bay Pizza, LLC, under standard terms, conditions and incentives available to franchisees generally, for one new restaurant location.

Other Transactions

During 2012, the Company paid $557,656 to Hampton Airways, Inc. ("Hampton") for charter aircraft services for business travel on Hampton, and reimbursed John Schnatter $534,821 for business travel on Hampton. Hampton's sole shareholder is Mr. Schnatter. In December 2009, the Company entered into a Sublease Agreement with Evergreen Real Estate, LLC, an entity that is wholly owned by Mr. Schnatter. The sublease provides for the nonexclusive use of certain office space in the Company's headquarters by Evergreen Real Estate and its employees. The sublease provides for a 10 year term and annual lease payments of $12,000. For a discussion of certain additional arrangements between the Company and Mr. Schnatter, please see "Compensation of our Founder, Chairman and Chief Executive Officer" under "Compensation Discussion and Analysis."

During fiscal 2012, the Papa John's National Marketing Fund paid Dick Clark Productions $137,500 for certain national brand marketing and promotions. Director Mark Shapiro is an Executive Producer of Dick Clark Productions. The Company does not believe that Mr. Shapiro has a material direct or indirect interest in our transactions with Dick Clark Productions.

Michele O'Hern, the wife of our Senior Vice President, Development, Tim O'Hern, works for us in our marketing department. She has been employed by us for twelve years. Her compensation in fiscal 2012, including the value of equity compensation, totaled approximately $147,000.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board represents and assists the Board in fulfilling its oversight responsibilities for the accounting, financial reporting and internal control functions of the Company and its subsidiaries, including the appointment, compensation, retention and oversight of the work of the independent auditors, and oversees the performance of the internal auditing function. The Committee

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has the sole authority and responsibility to select, appoint, compensate, evaluate and, if necessary, replace the Company's independent auditors. Each member of the Committee is independent as determined by the Company's Board of Directors, based upon applicable laws and regulations and NASDAQ listing standards.

In fulfilling its oversight responsibilities with respect to the Company's financial statements, the Committee reviews and discusses with both management and the Company's independent auditors all annual and quarterly financial statements (including any required management certifications), and the Company's quarterly earnings announcements, prior to issuance. Management has the primary responsibility for preparing the financial statements and complying with the reporting process, including the systems of internal controls. The independent auditors are responsible for expressing an opinion on the conformity of the audited financial statements with United States generally accepted accounting principles and for providing their judgments as to the quality, not just the acceptability, of the Company's accounting principles.

During 2012, Company management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and reviewed significant accounting and disclosure matters with the Audit Committee. The Audit Committee discussed with Ernst & Young LLP, the independent auditors ("EY"), the matters required to be discussed with the Committee by the Public Company Accounting Standards Board AU 380, *"Communications with Audit Committees."* The Audit Committee also discussed with EY matters relating to their independence from management and the Company, including the written disclosures and the letter from EY required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Committee concerning independence. The Audit Committee is responsible for approving the services provided by the independent auditor and the associated fees. The Audit Committee concluded that EY is independent from management and the Company.

The Audit Committee discussed with EY and the Company's internal audit management the overall scope and plans for their audits. The Audit Committee meets with both EY and the Company's internal audit management to discuss the results of their examinations and their evaluations of the Company's internal controls. The Audit Committee also meets in separate executive sessions periodically with EY, Director of Internal Audit, Chief Financial Officer and other members of management as needed, as well as in private sessions.

In reliance upon the reviews and discussions referred to above, the Audit Committee recommended to the Board the inclusion of the Company's audited consolidated financial statements in the Annual Report on Form10-K for the year ended December 30, 2012 and recommended to the Board the inclusion of the Company's audited consolidated financial statements, as restated for the years ended December 25, 2011 and December 26, 2010 in the Annual Report on Form 10-K. Further information regarding such restated financial statements and a material weakness in our internal control regarding our process and procedures related to accounting for redeemable non-controlling interests that resulted in the restatement of the 2011 and 2010 financial statements, can be found in such Annual Report on Form 10-K.

The Audit Committee and the Board of Directors have also recommended the selection of EY as the Company's independent auditors for the fiscal year ending December 29, 2013.

AUDIT COMMITTEE

Olivia F. Kirtley, Chairman
Christopher L. Coleman
Mark S. Shapiro
William M. Street

This report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under such acts.

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ITEM 2, RATIFICATION OF THE SELECTION OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors has reappointed Ernst & Young LLP, independent auditors, to audit the consolidated financial statements of the Company for the fiscal year ending December 29, 2013. Ernst & Young LLP has audited the Company's financial statements since 1991. Fees paid to Ernst & Young LLP by the Company for each of the last two fiscal years, in each of the following categories, were as follows:

	Fiscal Year Ended December 30, 2012	Fiscal Year Ended December 25, 2011
Audit Fees	$ 856,825	$ 741,916
Audit-Related Fees	11,257	9,257
Tax Fees	181,750	208,785
All Other Fees		
Total	1,049,832	$ 959,958

Fees for audit services included fees associated with the annual audit of the Company and certain subsidiaries and the reviews of the Company's quarterly reports on Form 10-Q. Audit-related services included the audit of a pension fund. Tax fees included tax compliance and consultation services.

All audit-related and tax services for 2012 and 2011 were pre-approved by the Audit Committee, which concluded that the provision of those services by Ernst & Young LLP was compatible with the maintenance of the auditors' independence in the conduct of the auditing functions. The Audit Committee has adopted a policy that requires pre-approval of all services by the independent auditors. The policy also authorizes the Chairman of the Audit Committee to pre-approve non-audit services at or below a certain dollar threshold, provided that the Chairman promptly notifies the other members of the Audit Committee of the approved engagement. Individual engagements anticipated to exceed the dollar threshold must be separately approved.

Representatives of Ernst & Young LLP will be present at the Annual Meeting to make a statement if they desire to do so and to respond to questions by stockholders.

Although stockholder ratification is not required, the appointment of Ernst & Young LLP is being submitted for ratification as a matter of good corporate practice with a view towards soliciting stockholders' opinions that the Audit Committee will take into consideration in future deliberations. If Ernst & Young LLP's selection is not ratified at the Annual Meeting of Stockholders, the Audit Committee will reconsider whether to retain Ernst & Young LLP. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines such a change would be in the best interests of Papa John's and its stockholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS OF THE COMPANY.

ITEM 3, ADVISORY APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION

We are providing our stockholders an opportunity to indicate whether they support our named executive officer compensation as described in this Proxy Statement. This advisory vote, commonly referred to as "say on pay," is not intended to address any specific item of compensation, but instead relates to the Compensation Discussion and Analysis, the tabular disclosures regarding named executive officer compensation, and the narrative disclosure accompanying the tabular presentation. These disclosures allow you to view the trends in our executive compensation program and the application of our compensation philosophies for the years presented.

As discussed in the Compensation Discussion and Analysis section of this Proxy Statement, we believe that our executive compensation program properly links executive compensation to Company performance and aligns the interests of our executive officers with those of our stockholders. For example:

The Company utilizes an incentive-based compensation structure that provides each executive an incentive to achieve corporate objectives.

The Company's compensation program reflects an appropriate pay mix that rewards achievement of both short-term and long-term operational and financial goals.

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- A significant portion of the compensation of our named executive officers is variable or "at risk."

- Our executive officers must achieve and maintain a designated level of ownership in the Company's stock.

We believe that our 2012 executive compensation programs contributed to our strong 2012 results and increased stockholder value. See "Company Performance for 2012," "Tying Pay to 2012 Performance" and "Compensation Best Practices" for more information on our "pay for performance" philosophy and our sound compensation governance practices.

At the 2012 Annual Meeting, pursuant to Section 14A of the 1934 Act, we submitted a proposal to stockholders for a non-binding advisory vote to approve the compensation of our NEOs as disclosed in the Proxy Statement for the 2012 Annual Meeting. Our stockholders approved this proposal with approximately 96% of the total votes cast voting in favor. At the 2011 Annual Meeting, we also asked our stockholders to indicate if we should hold an advisory vote on the compensation of our NEOs every one, two or three years, with our Board of Directors recommending an annual advisory vote. Because our Board of Directors views the advisory vote as a good corporate governance practice, and because at our 2011 Annual Meeting more than 92% of the total votes cast were in favor of an annual advisory vote, we are asking our stockholders to approve, on an advisory basis, the compensation of our NEOs as disclosed in this Proxy Statement for the 2013 Annual Meeting.

Accordingly, the Board unanimously recommends that stockholders vote in favor of the following resolution:

"Resolved, that the stockholders approve the compensation of the Company's named executive officers as disclosed in this Proxy Statement pursuant to the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the related footnotes and narrative disclosures."

Although this vote is advisory and is not binding on the Company, the Compensation Committee of the Board will take into account the outcome of the vote when considering future executive compensation decisions.

THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE FOR THIS PROPOSAL.

STOCKHOLDER PROPOSAL

In accordance with SEC regulations, the text of the stockholder proposal and supporting statement set forth below appear exactly as received by the Company (including the use of boldface). The stockholder proposal may contain assertions about the Company or other matters that the Company believes are incorrect, but the Company has not attempted to refute all of those assertions. All statements contained in the stockholder proposal and supporting statement are the sole responsibility of the proponent. The Company disclaims responsibility for the content of the proposal and the supporting statement, including sources referenced in the supporting statements.

ITEM 4, SHAREHOLDER RESOLUTION REGARDING POLLED CATTLE

People for the Ethical Treatment of Animals (PETA), 1536 16th St., N.W., Washington, DC 20036, owner of 149 common shares of the Company, have notified the Company that they intend to propose the following resolution at the Annual Meeting:

Shareholder Resolution Regarding Dehorning of Cows by Dairy Suppliers

RESOLVED, that to advance the welfare of cows used for Papa John's restaurants, shareholders encourage the board to set a policy requiring the company's dairy suppliers to work diligently and with all due haste to phase out the practice of dehorning by selecting for naturally polled, or hornless, cattle.

Supporting Statement

Papa John's dairy suppliers' current practice of dehorning cattle is cruel and inefficient. Consider the following:

Papa John's dairy suppliers destroy or remove the horns or horn tissue that can develop into horns. Dehorning methods include disbudding and amputation.

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- During disbudding, workers commonly burn searing-hot irons into calves' heads. At times, the iron is so hot that it damages the underlying bone. Workers may also apply a caustic paste that eats tissue away by chemical action or use knives or other tools to cut horn tissue out of a calf's head.

- During amputation dehorning, workers gouge or cut horns out of a calf's head. Tools used include guillotine dehorners, gougers, and embryotomy wire to saw, gouge, or cut out the horn and sometimes the surrounding skin.

- Cows and calves may struggle desperately during dehorning, thrashing, tossing their heads, rearing up, switching their tails, bellowing, and collapsing to the ground all signs of severe pain and distress. All these procedures are routinely performed without giving the animals any painkillers whatsoever.

- The struggling of calves increases the risk of additional trauma and blood loss. The resulting wounds are also prone to infection and fly larvae infestations. The U.S. Department of Agriculture reports that of dairy operations that use a dehorning procedure that causes bleeding, fewer than half disinfect the equipment before dehorning each calf, increasing the likelihood of disease transmission and infection.

Polled breeding is better for cows' welfare and more efficient. Consider the following benefits:

- Farmers regularly breed their cows to keep them lactating, commonly selecting bull sperm from artificial insemination suppliers. These suppliers now offer high-quality bull sperm that carries the polled gene, which results in hornless cattle.

- The polled gene is dominant, so at least half of a polled bull's offspring will be hornless.

- Farmers can begin taking steps immediately, breeding in polled cattle as part of their regular program of breeding over time. No structural or operational changes are needed.

- Polled breeding is already widespread and has proved effective in the beef industry.

- Eliminating the practice of dehorning saves farmers time, labor, and money, while ending what many admit is the worst job on the dairy farm.

- In a 2005 survey by Ohio State University, 92 percent of those surveyed agreed that it is important that animals on farms be well cared for.

As its competitors work to address issues of cruelty to animals, Papa John's has an opportunity to help take the lead on an issue important to consumers instead of falling behind.

We urge shareholders to support this socially and ethically responsible resolution.

The Company's Statement in Opposition to Proposal No. 4

Papa John's is committed to the highest standards of animal welfare. The Board of Directors has considered this proposal carefully and believes that it would neither enhance the Company's existing policies and practices regarding animal welfare nor be in the best interests of our stockholders. The Board also believes that the proposal to require suppliers to transition to polled (hornless) cattle would be unworkable.

The Company does not raise or own any cattle. The Company does, however, purchase cheese from suppliers that either own cows or purchase dairy products from other suppliers that own cows. We are committed to purchasing dairy products from suppliers that treat their cattle in accordance with industry animal care guidelines. Our product specifications strongly encourage our suppliers to participate in the National Dairy FARM (Farmers Assuring Responsible Management) animal welfare program, which is a dairy specific, comprehensive, and science-based animal care program. We are working with our suppliers in an effort to have the National Dairy FARM program implemented across all of our dairy suppliers.

The Proposal requests that the Company require its suppliers to phase out the practice of dehorning by selecting for polled cattle. Our research, together with input from dairy suppliers and industry advisors, indicates that imposing this requirement would be unworkable, because polled breeding bulls are uncommon in the major dairy breeds. Scientists are exploring the possibility of genetic selection for polled cattle in the major dairy breeds, but the science is in its early stages. Industry experts believe that it could take many generations to ensure that dairy cows inherit the traits essential to the production of dairy products, including high quality milk production, healthy udders and legs, and reproductive health, without introducing the threat of inbreeding.

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Based on the Company's existing animal welfare programs, the Board believes that the Company adequately provides for humane animal welfare standards and that Proposal 4 is therefore unnecessary.

* * *

As part of our commitment to animal welfare, we regularly review our standards and specifications. As new information becomes available through scientific research and industry standards, we will update our policies and procedures and work with our suppliers to ensure the highest animal welfare standards are in place.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE AGAINST PROPOSAL 4.

OTHER BUSINESS

The Board of Directors is not aware of any matters to be presented at the Annual Meeting other than those set forth in the Notice of Annual Meeting and routine matters incident to the conduct of the meeting. If any other matters should properly come before the Annual Meeting or any adjournment or postponement thereof, the persons named in the proxy, or their substitutes, intend to vote on such matters in accordance with their best judgment.

STOCKHOLDER PROPOSALS FOR THE 2014 ANNUAL MEETING

In order for a stockholder proposal to be considered for inclusion in the Company's Proxy Statement for next year's Annual Meeting, the written proposal must be received by the Company no later than November 25, 2013. Such proposals must comply with SEC regulations regarding the inclusion of stockholder proposals in Company-sponsored proxy materials. Similarly, in order for a stockholder proposal to be introduced at next year's Annual Meeting, written notice must be received by the Company not less than 60 nor more than 90 days prior to the scheduled date of the meeting. All stockholder proposals must comply with certain requirements set forth in the Company's Certificate of Incorporation. A copy of the Certificate of Incorporation may be obtained by written request to the Secretary of the Company at the Company's principal offices at P.O. Box 99900, Louisville, Kentucky 40269-0900.

ANNUAL REPORT

The Company's Annual Report to Stockholders for the fiscal year ended December 30, 2012 accompanies this Proxy Statement.

By Order of the Board of Directors

Louisville, Kentucky
March 25, 2013

CLARA M. PASSAFIUME
Corporate Counsel and Secretary