

Wingstop Inc.
Form DEF 14A
March 23, 2017
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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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

WINGSTOP 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):

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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WINGSTOP INC.

5501 LBJ Freeway, 5th Floor,

Dallas, Texas 75240

March 23, 2017

Dear Stockholder:

We cordially invite you to attend the 2017 Annual Meeting of Stockholders of Wingstop Inc. to be held on Wednesday, May 3, 2017, at 10:00 a.m. central time at Wingstop's conference facility located at 5501 LBJ Freeway, 4th Floor, Dallas, Texas 75240.

The items of business are listed in the following Notice of Annual Meeting of Stockholders and are more fully addressed in the Proxy Statement.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to stockholders over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our Annual Meeting. On March 23, 2017, we began mailing a Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and annual report and how to vote over the Internet or how to request and return a proxy card by mail. For information on how to vote your shares, please refer to the Notice of Internet Availability of Proxy Materials, proxy materials email or proxy card you receive to assure that your shares will be represented and voted at the Annual Meeting even if you cannot attend. Your vote is important. To be sure your shares are voted at the meeting, even if you plan to attend the meeting in person, please follow the instructions provided to you and vote your shares today. This will not prevent you from voting your shares in person if you are able to attend.

On behalf of your board of directors, thank you for your continued support of and interest in Wingstop Inc.

Sincerely,

Charles R. Morrison

Chairman of the Board, Chief Executive Officer and President

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WINGSTOP INC.

5501 LBJ Freeway, 5th Floor,

Dallas, Texas 75240

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held May 3, 2017

Time: 10:00 a.m. central time

Date: May 3, 2017

Place: Wingstop s conference facility

5501 LBJ Freeway, 4th Floor, Dallas, Texas 75240

Record Date: Stockholders of record at the close of business on March 6, 2017 are entitled to notice of and to vote at the annual meeting or any adjournments or postponements thereof.

Purpose: (1) Elect two directors nominated by the Board of Directors for a term that expires at the 2020 annual meeting of stockholders;

(2) Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2017; and

(3) Consider and act upon such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

Stockholders Register: A list of the stockholders entitled to vote at the annual meeting may be examined during regular business hours at our executive offices, 5501 LBJ Freeway, 5th Floor, Dallas, Texas 75240, during the ten-day period preceding the meeting.

By order of the Board of Directors,

Darryl R. Marsch

Senior Vice President, General Counsel and

Secretary

March 23, 2017

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This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting Information

May 3, 2017 at 10:00 a.m. central time

Wingstop's conference facility located at 5501 LBJ Freeway, 4th Floor, Dallas, Texas 75240

The record date is March 6, 2017

Items of Business

Proposal	Board Vote	Page Reference (for more information)
1. Elect two directors named in this proxy statement for terms that expire at the 2020 annual meeting	FOR ALL	7
2. Ratify the appointment of our independent registered public accounting firm for fiscal year 2017	FOR	20

Director Nominees

The Board of Directors (the Board) of Wingstop Inc. (we, our, us, the Company, or Wingstop) is asking you to elect the two nominees for director named below for terms that expire at the 2020 annual meeting of stockholders. The following table provides summary information about the two director nominees. The directors will be elected by a plurality vote. For more information about the director nominees, see page 7.

Name	Age	Occupation	Experience/ Qualifications	Status as Independent or Non-Employee	Board Committees	End of Term
Lynn Crump-Caine	60	Former Executive Vice President of Worldwide Operations, McDonalds Corporation,	Industry, Strategic, Leadership, Operational	Independent	Compensation (Chair)	FY 2020

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Wesley S. McDonald	54	Founder, OutsideIn Consulting,	Financial,	Independent	Audit (Chair), FY 2020 Nominating and Corporate Governance
		Chief Financial Officer, Kohl's Corporation	Leadership, Strategic, Operations		

Continuing Directors

The following table provides summary information about the four continuing directors whose terms expire at the 2018 and 2019 annual meetings. For more information about the continuing directors, see page 8.

Name	Age	Occupation	Experience/ Qualifications	Status as Independent or Non-Employee	Board Committees	End of Term
Charles R. Morrison	48	Chairman of the Board, Chief Executive Officer and President, Wingstop Inc.	Leadership, Operational, Strategic, Industry, Financial			FY 2018

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Name	Age	Occupation	Experience/ Qualifications	Status as Independent or Non-Employee	Board Committees	End of Term
Kilandigalu (Kay) M. Madati	44	Executive Vice President & Chief Digital Officer, BET Networks	Marketing, Operational Strategic, Leadership	Independent	Nominating and Corporate Governance	FY 2018
Sidney J. Feltenstein	76	Restaurant and food industry consultant	Industry, Leadership, Strategic, Marketing	Independent	Audit, Compensation	FY 2019
Michael J. Hislop	62	Chairman, Corner Bakery and Chairman, Il Fornaio	Industry, Strategic, Leadership, Operational	Independent	Audit, Compensation, Nominating and Corporate Governance (Chair)	FY 2019

Ratification of the Appointment of the Independent Registered Public Accounting Firm

The Board is asking you to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 30, 2017. Set forth below is summary information with respect to the fees for services provided to us during the fiscal years ended December 31, 2016 and December 26, 2015. For more information see page 22.

	Fiscal Year 2016	Fiscal Year 2015
Fees Billed:		
Audit Fees	\$ 585,000	\$ 565,000
Audit-Related Fees	2,000	2,000
Tax Fees		91,000
Total	\$ 587,000	\$ 658,000

2018 Annual Meeting of Stockholders

Stockholder proposals submitted for inclusion in the proxy statement for our annual meeting of stockholders expected to be held in May or June 2018 pursuant to SEC Rule 14a-8 must be received by us by November 23, 2017. Director nominations or other business to be brought before the 2018 Annual Meeting by a stockholder, other than Rule 14a-8 proposals described above, must be received by us between January 3, 2018 and February 2, 2018. For more information see page 28.

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PROXY STATEMENT

The board of directors is furnishing this information in connection with the solicitation of proxies for the annual meeting of stockholders to be held on May 3, 2017. We anticipate that the Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and annual report and how to vote over the Internet or how to request and return a proxy card by mail will first be mailed to our stockholders on or about March 23, 2017.

All properly executed written proxies, and all properly completed proxies submitted by the Internet or telephone, that are delivered pursuant to this solicitation will be voted at the meeting in accordance with directions given in the proxy, unless the proxy is revoked prior to completion of voting at the meeting.

Only owners of record of shares of common stock of the Company at the close of business on March 6, 2017, the record date, are entitled to vote at the meeting, or at any adjournments or postponements of the meeting. Each owner of record on the record date is entitled to one vote for each share of common stock held. There were 28,864,620 shares of common stock issued and outstanding on the record date.

QUESTIONS RELATING TO THIS PROXY STATEMENT

What is a proxy?

It is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. We have designated two of our officers as proxies for the 2017 Annual Meeting of Stockholders (the Annual Meeting). These officers are Charles R. Morrison and Michael F. Mravle.

What is a proxy statement?

It is a document that Securities and Exchange Commission (SEC) regulations require us to give you when we ask you to vote designating Charles R. Morrison and Michael F. Mravle as proxies to vote on your behalf.

What is the difference between a stockholder of record and a stockholder who holds stock in street name?

If your shares are registered in your name with our transfer agent, Computershare Trust Company, N.A., you are a stockholder of record. If your shares are held in the name of your bank, broker or other nominee, your shares are held in street name.

What is the record date and what does it mean?

March 6, 2017 is the record date for the Annual Meeting to be held on May 3, 2017. The record date is established by the board of directors as required by the Delaware General Corporation Law (Delaware Law). Owners of record of our common stock at the close of business on the record date are entitled to receive notice of the meeting and vote at the meeting and any adjournments or postponements of the meeting.

How do I vote as a stockholder of record?

As a stockholder of record, you may vote by one of the four methods described below:

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By the Internet. Over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials, proxy materials email or proxy card you receive (if you have access to the Internet, we encourage you to vote in this manner). The Internet voting procedure is designed to verify the voting authority of stockholders. You will be able to vote your shares by the Internet and confirm that your vote has been properly recorded.

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By Telephone. By telephone through the number noted in the proxy card you receive (if you request and receive a proxy card). The telephone voting procedure is designed to verify the voting authority of stockholders. The procedure allows you to vote your shares and to confirm that your vote has been properly recorded.

By Mail. You may sign and date your proxy card (if you request and receive a proxy card) and mail it in the prepaid and addressed envelope enclosed therewith.

In Person. You may vote in person at the annual meeting.

Please follow the directions in the Notice of Internet Availability of Proxy Materials, proxy materials email or proxy card you received carefully.

How do I vote as a street name stockholder?

If your shares are held in street name through a bank, broker or other nominee, you should receive information from the bank, broker or other nominee about your specific voting options. If you have questions about voting your shares, you should contact your bank, broker or other nominee. The availability of telephone and Internet voting depends on the voting processes of your bank, broker or other nominee.

If you wish to vote in person at the annual meeting, you will need to bring a legal proxy to the meeting. You must request a legal proxy through your bank, broker or other nominee. Please note that if you request a legal proxy, any previously executed proxy will be revoked and your vote will not be counted unless you appear at the meeting and vote in person, or legally appoint another proxy to vote on your behalf.

What if I sign and return a proxy card, but do not provide voting instructions?

Proxies that are properly executed and delivered, and not revoked, will be voted as specified on the proxy card. If no direction is specified on the proxy card, the proxy will be voted as follows:

for the election of the two nominees for director described in this Proxy Statement; and

for ratification of the appointment of our independent registered public accounting firm for fiscal year 2017.

What if I change my mind after I return my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the Annual Meeting. You may do this by:

voting again by the Internet or by telephone, if available, prior to 11:59 p.m. Eastern Time, on May 2, 2017;

giving written notice to our Corporate Secretary that you wish to revoke your proxy and change your vote; or

voting in person at the annual meeting.

What is a quorum?

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. The inspector of elections appointed for the meeting will tabulate votes cast by proxy and in person at the meeting and determine the presence of a quorum.

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Will my shares be voted if I do not vote by the Internet, vote by telephone, sign and return a proxy card, or attend the Annual Meeting and vote in person?

If you are a stockholder of record and you do not vote by the Internet, vote by telephone, sign and return a proxy card or attend the Annual Meeting and vote in person, your shares will not be voted and will not count in deciding the matters presented for stockholder consideration in this proxy statement.

If your shares are held in street name through a bank, broker or other nominee and you do not provide voting instructions before the Annual Meeting, your bank, broker or other nominee may vote your shares on your behalf under certain circumstances. Brokerage firms have the authority under certain rules to vote shares for which their customers do not provide voting instructions on routine matters.

The ratification of the appointment of our independent registered public accounting firm is considered a routine matter under these rules. Therefore, brokerage firms are allowed to vote their customers' shares on this matter if the customers do not provide voting instructions. If your brokerage firm votes your shares on this matter because you do not provide voting instructions, your shares will be counted for purposes of establishing a quorum to conduct business at the meeting and in determining the number of shares voted for or against the routine matter.

When a matter is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that matter, the brokerage firm cannot vote the shares on that matter. This is called a broker non-vote. Only the ratification of the appointment of our independent registered public accounting firm is considered a routine matter for this Proxy Statement. The election of director nominees is not considered a routine matter. Because the election of director nominees is not considered a routine matter for stockholder consideration, the brokers will not have discretionary authority to vote your shares with respect to such matter and if you do not instruct your bank or broker how to vote your shares, no votes will be cast on your behalf with respect to such matter.

We encourage you to provide instructions to your brokerage firm by voting your proxy. This action ensures your shares will be voted at the meeting in accordance with your wishes.

How may I vote for each proposal?

For *Proposal 1 Election of Directors*, you may vote **for** all nominees, **withhold** from all nominees or **withhold** from individual nominees.

For *Proposal 2 Ratification of the Appointment of our Independent Registered Public Accountants*, you may vote **for**, **against** or **abstain** from voting.

How are votes tabulated?

According to our By-Laws, each of the proposed items will be determined as follows:

Proposal 1 Election of Directors: The election of directors will be determined by a plurality of votes cast. If you do not vote on such proposal or cast a withhold vote, it will have no effect on such proposal.

Proposal 2 Ratification of the Appointment of our Independent Registered Public Accountants: The ratification of the appointment of our independent registered public accountants will be determined by a majority of votes cast affirmatively or negatively. If you abstain from voting on such proposal or your broker is unable to vote your shares, it will have the same effect as a vote against such proposal.

Any other matters: The voting results of any other matters are determined by a majority of votes cast affirmatively or negatively, except as may otherwise be required by law.

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No cumulative voting rights are authorized, and dissenters' rights are not applicable to the matters being voted upon.

How are proxies solicited and what is the cost?

We will bear all expenses incurred in connection with the solicitation of proxies. We may reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of common stock. Our directors, officers and employees may solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities.

Where can I find the voting results of the Annual Meeting?

We expect to announce preliminary voting results at the Annual Meeting. We will publish the final results in a current report on Form 8-K within four business days of the Annual Meeting. We will file that report with the SEC, and you can get a copy from:

our website at www.wingstop.com by clicking on the Investor Relations link, followed by the Financials link,

the SEC's website at www.sec.gov,

the SEC at 1 (800) SEC-0330, or

our Corporate Secretary at 5501 LBJ Freeway, 5th Floor, Dallas, Texas 75240.

How can I obtain a copy of the 2016 Annual Report to Stockholders and the Annual Report on Form 10-K for the year ended December 31, 2016?

Our 2016 Annual Report to Stockholders which includes our Annual Report on Form 10-K for the year ended December 31, 2016, is available at www.proxypush.com/WING. If you receive the printed proxy materials, the Annual Report is included with the proxy materials. However, the Annual Report forms no part of the material for the solicitation of proxies.

This report may also be accessed through our website at www.wingstop.com by clicking on the Investor Relations link, followed by the Financials link. In addition, our Annual Report on Form 10-K for the year ended December 31, 2016, is available from the SEC's website at www.sec.gov. At the written request of any stockholder who owns common stock as of the close of business on the record date, we will provide, without charge, paper copies of our Annual Report on Form 10-K, including the financial statements and financial statement schedule, as filed with the SEC, except exhibits thereto. If requested by eligible stockholders, we will provide copies of the exhibits for a reasonable fee. You can request copies of our Annual Report on Form 10-K by mailing a written request to:

5501 LBJ Freeway, 5th Floor,

Dallas, Texas 75240

Attention: Corporate Secretary

How do I obtain directions to attend the Annual Meeting and vote in person?

Directions to the Annual Meeting are located at *www.wingstop.com*.

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PROPOSAL 1 ELECTION OF DIRECTORS

Currently, our Board of Directors consists of six directors in three classes, with two directors in Class I, two directors in Class II and two directors in Class III.

The three director classes will serve as follows:

Class II, whose initial term will expire at the Annual Meeting;

Class III, whose initial term will expire at the annual meeting of stockholders to be held in 2018; and

Class I, whose term will expire at the annual meeting of stockholders to be held in 2019.

The terms of Lynn Crump-Caine and Wesley S. McDonald, each a Class II director, expire at the Annual Meeting. Upon the recommendation of our Nominating and Corporate Governance Committee, Ms. Crump-Caine and Mr. McDonald have been nominated for re-election at the Annual Meeting. If elected, Ms. Crump-Caine and Mr. McDonald will hold office for a three-year term until the annual meeting of stockholders to be held in 2020.

In addition, at the annual meeting of stockholders to be held in 2018, the Class III directors will be elected for a three-year term expiring at the annual meeting of stockholders to be held in 2021. Messrs. Madati and Morrison are our current Class III directors. At the annual meeting of stockholders to be held in 2019, the Class I directors will be elected for a three-year term expiring at the annual meeting of stockholders to be held in 2022. Messrs. Feltenstein and Hislop are our current Class I directors.

The persons named in the accompanying proxy, or their substitutes, will vote for the election of the two nominees listed hereafter, except to the extent authority to vote for any or all of the nominees is withheld. No proposed nominee is being elected pursuant to any arrangement or understanding between the nominee and any other person or persons. All nominees have consented to stand for election at this meeting. If either of the nominees becomes unable or unwilling to serve, the persons named as proxies in the accompanying proxy, or their substitutes, shall have full discretion and authority to vote or refrain from voting for any substitute nominees in accordance with their judgment. We do not know of any nominee of the board of directors who would be unable to serve as a director if elected. Directors will be elected by a plurality of the votes cast at the Annual Meeting.

Both of the director nominees listed below are currently directors of the Company. The following is a brief summary of each director nominee's business experience and qualifications and other public company directorships held currently or in the last five years.

Director Nominees for Terms Expiring at the 2020 Annual Meeting

Lynn Crump-Caine is our Lead Independent Director and has been a member of our board of directors since January 2017. Lynn is the founder and Chief Executive Officer of OutsideIn Consulting, an organizational performance and strategy development consulting firm. Lynn previously served as Executive Vice President of the Worldwide Operations for McDonald's until 2004, where her responsibility also included global supply chain, real estate development and innovation worldwide. She previously held numerous executive level positions including Executive Vice President U.S., Restaurant Systems and Operations. Ms. Crump-Caine brings substantial public-company

governance experience with her current directorship at G&K Services, and her former directorship at Krispy Kreme Doughnuts, Inc., where she chaired the Compensation Committee.

Lynn's far-reaching operational experience, including in various senior positions with McDonald's Corporation, provides her with valuable and relevant experience in understanding of complex operating systems, training and brand development, as well as extensive industry knowledge. In addition, the public-company board service provides her with the experience, qualifications and skills to serve as a director.

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Wesley S. McDonald has been a member of our board of directors since May 2016. Wesley has served as Chief Financial Officer of Kohl's Corporation since 2003, where he oversees financial planning and analysis, investor relations, financial reporting, accounting operations, tax, treasury, non-merchandise purchasing, credit and capital investment. He was promoted to Senior Executive Vice President, Chief Financial Officer in 2010 and to the principal officer position of Chief Financial Officer in 2015. Prior to joining Kohl's, Mr. McDonald served as Chief Financial Officer and Vice President of Abercrombie & Fitch Co. Earlier in his career, he held several positions of increasing responsibility at Target Corporation.

Wesley's experience as a chief financial officer and in other senior executive leadership roles working with publicly traded consumer products companies, and knowledge of complex financial matters provide him with valuable and relevant experience in corporate administration, strategic planning, corporate finance, financial reporting, mergers and acquisitions and leadership of complex organizations, and provides him with the qualifications and skills to serve as a director.

The board of directors recommends that you vote FOR the two director nominees.

Continuing Directors with Terms Expiring at the 2018 or 2019 Annual Meetings

The directors listed below will continue in office for the remainder of their terms in accordance with our By-Laws.

Charles R. Morrison has served as our President and Chief Executive Officer since June 2012, as our Chairman since March 2017, and a member of our board of directors, since September 2012. Prior to joining Wingstop, Charlie was Chief Executive Officer of Rave Restaurant Group, a publicly traded international pizza chain, from January 2007 to June 2012. Charlie has also held multiple senior leadership positions during his more than 20 years of restaurant experience, including serving as President of Steak & Ale and The Tavern Restaurants for Metromedia Restaurant Group, as well as various management positions at Kinko's, Boston Market and Pizza Hut.

As a result of Charlie's extensive experience in the restaurant industry, including as a chief executive officer of a publicly traded restaurant company, and his service as our Chief Executive Officer, Charlie brings to the board, among other skills and qualifications, his significant knowledge and understanding of the industry and our business and his extensive operating experience.

Kilandigalu (Kay) M. Madati has been a member of our board of directors since March 2017. Kay currently serves as Executive Vice President and Chief Digital Officer of BET Networks, a subsidiary of Viacom, Inc., that operates the leading cable channel targeting young African-American audiences since 2014. Prior to that, Kay was Head, Entertainment & Media, Global Marketing Solutions for Facebook, an online social media and social networking service, since 2011. Prior to that, Kay was Vice President, Audience Experience & Engagement, at CNN Worldwide, a television news channel, since 2008. Prior to that, Kay served in various leadership roles with Community Connect, a social-networking company, Octagon Worldwide, a leader in sports entertainment marketing, and BMW of North America, a worldwide automaker.

Kay's experience as a chief digital officer and in other senior executive leadership roles working with media companies across a broad spectrum of industries, and knowledge of complex marketing and audience engagement matters provide him with valuable and relevant experience in digital media, strategic planning, marketing and leadership of complex organizations, and provides him with the qualifications and skills to serve as a director.

Sidney J. Feltenstein has been a member of our board of directors since July 2010. Sid has had a successful career as a corporate executive and entrepreneur, including as the Chief Executive Officer of Yorkshire Global Restaurants, Inc.,

a company formed under his leadership through the acquisitions of A&W and Long John

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Silver, until YUM! Brands purchased the company in 2002. Sid also served as Executive Vice President of Worldwide Marketing for Burger King and spent 19 years at Dunkin' Donuts in both operations and marketing positions, most recently as its Chief Marketing Officer. Sid is a past chairman of the International Franchise Association (IFA) and a former chairman of the IFA Educational Foundation. He is also a member of the IFA Hall of Fame and a past recipient of the IFA's Entrepreneur of the Year Award. Sid also serves on the board of directors of Tutor Perini Corporation.

Sid's experience as a chief executive officer and senior marketing executive officer in the restaurant industry and vast knowledge of franchise operations provide him with valuable and relevant experience in brand management, consumer strategy, advertising and leadership of complex organizations, as well as extensive industry knowledge, and provides him with the qualifications and skills to serve as a director.

Michael J. Hislop has been a member of our board of directors since October 2011. Mike currently serves as Chairman of Corner Bakery, a national bakery-cafe chain and previously served as Chief Executive Officer from February 2006 until October 2015. In addition, Mike has been the Chairman of Il Fornaio since 2015, was Chairman and Chief Executive Officer of Il Fornaio from 2001 to October 2015 and, prior to that, served as President and Chief Operating Officer of Il Fornaio since 1995. Prior to Il Fornaio, Mike was Chairman and Chief Executive Officer for Chevys Mexican Restaurants, where he built the company's infrastructure in preparation for taking it public. He has also served in a number of operating positions at El Torito Mexican Restaurants and T.G.I. Friday's. In 2010, Mike was recognized by the International Foodservice Manufacturers Association with the Silver Plate award, which pays tribute to the most outstanding and innovative talents in foodservice operations, and in 2013, he received Nation's Restaurant News' Golden Chain Award, an honor bestowed on those representing the very best that the restaurant industry has to offer.

Mike's experience as a chief executive officer and chief operating officer in the restaurant industry and vast knowledge of franchise operations provide him with valuable and relevant experience in operations, brand management, consumer strategy and leadership of complex organizations, as well as extensive industry knowledge, and provides him with the qualifications and skills to serve as a director.

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CORPORATE GOVERNANCE

Board Composition and Director Independence

Our amended and restated bylaws provide that our board of directors shall consist of such number of directors as determined from time to time by resolution adopted by a majority of the total number of directors then in office. Our board of directors currently consists of six members, Lynn Crump-Caine, Sidney J. Feltenstein, Michael J. Hislop, Kay M. Madati, Wesley S. McDonald and Charles R. Morrison. Our amended and restated certificate of incorporation provides that our board of directors is divided into three classes, with each director serving a three-year term. Following their initial terms, each class of directors will be elected for a three-year term. Our directors may be removed only by the affirmative vote of at least 66 $\frac{2}{3}$ % of our then outstanding common stock and only for cause.

We follow the director independence standards set forth in The Nasdaq Stock Market, or Nasdaq, corporate governance standards and the federal securities laws.

The board of directors reviewed and analyzed the independence of each director. The purpose of the review was to determine whether any particular relationships or transactions involving directors or their affiliates or immediate family members were inconsistent with a determination that the director is independent for purposes of serving on the board of directors and its committees. During this review, the board of directors examined whether there were any transactions and/or relationships between directors or their affiliates or immediate family members and the Company and the substance of any such transactions or relationships.

As a result of this review, the board of directors affirmatively determined that Ms. Crump-Caine and Messrs. Feltenstein, Hislop, Madati and McDonald are independent for purposes of serving on the board of directors and meet the requirements set forth in Nasdaq corporate governance standards.

Board Leadership Structure

The board of directors is led by the Chairman, and the board of directors also has a Lead Independent Director. The Company's bylaws provide that the board of directors appoints the Chairman to preside at all meetings of the board of directors and stockholders and perform such other duties and exercise such powers as by the Company's bylaws or the board of directors may prescribe. The Company's bylaws and Corporate Governance Guidelines each provide that the Chairman may also hold the position of Chief Executive Officer. The board of directors selects its Chairman and the Company's Chief Executive Officer in the manner it considers to be in the best interests of the Company. In accordance with the Company's Corporate Governance Guidelines, the board of directors considers from time to time whether it is in the best interests of the Company to have the same person occupy the offices of Chairman and Chief Executive Officer, using its business judgment after considering all relevant circumstances.

Charles R. Morrison has served as our President and Chief Executive Officer since June 2012 and as Chairman of the Board since March 2017. The board of directors currently has combined the positions of Chairman and Chief Executive Officer. It believes, at this time, that this structure is appropriate and in the best interests of the Company and its shareholders. Specifically, the board of directors acknowledges that Mr. Morrison has significant experience managing the Company's business operations and the board of directors wants to preserve this continuity. Although the board of directors believes that this current leadership structure is appropriate at this time, the board of directors believes that there is no specific leadership structure that applies to all companies, nor is there one specific leadership structure that permanently suits the Company. As a result, the decision as to whether to combine or separate the positions of Chairman and Chief Executive Officer may vary from time to time, as conditions and circumstances warrant.

The Company's Corporate Governance Guidelines also provide that, in the event the Chief Executive Officer of the Company also serves as Chairman of the board of directors, the Company will appoint a Lead Independent Director, who will preside over each executive session of the non-management directors. The Lead

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Independent Director also assists the Chairman and the remainder of the board of directors in assuring effective governance in overseeing the direction and management of the Company. The board of directors believes that the Lead Independent Director serves an important corporate governance function by providing separate leadership for the non-management directors.

Lynn Crump-Caine has served as Lead Independent Director since March 2017. Pursuant to the Company's Corporate Governance Guidelines, the non-management directors meet in executive session at least twice each year without any non-independent directors or members of management being present. Ms. Crump-Caine presides at these meetings of our non-management directors and provides significant outside perspective and leadership. In 2016, the non-management directors met in executive sessions at each regularly scheduled meeting of the board of directors without any members of management being present.

Succession Planning

The board leadership structure described above was the result of substantial succession planning efforts. Our board has worked to recruit highly qualified directors and establish a board structure that meets the needs of the Company and its stockholders. Both Ms. Crump-Caine and Mr. Madati, described above, joined the board this year. As a result of the succession planning efforts and as discussed above, the board is now comprised entirely of independent members, with the exception of Mr. Morrison who serves as President, Chief Executive Officer and Chairman. The restructuring of the Board included resignations from Neal Aronson, Steve Romaniello, and Erik Morris, each affiliated with Roark Capital. The board wishes to thank Messrs. Aronson, Morris and Romaniello for their leadership, dedication and service to the Company. They resigned from the board effective March 13, 2017.

Board Committees and Membership

Our board of directors has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each committee reports to the board of directors as they deem appropriate, and as the board may request. The composition, duties and responsibilities of these committees are described below. The table below sets forth the current membership of each of the committees:

Director	Audit	Compensation	Nominating and Corporate Governance
Charles R. Morrison			
Lynn Crump-Caine		Chair	
Sidney J. Feltenstein	X	X	
Michael J. Hislop	X	X	Chair
Kay M. Madati			X
Wesley S. McDonald	Chair		X

Audit Committee

The Audit Committee is responsible for, among other matters: (i) the integrity of our financial statements; (ii) our internal financial reporting and compliance with our financial, accounting and disclosure controls and procedures; (iii) the qualifications, engagement, compensation, independence and performance of our independent registered public accounting firm; (iv) our independent registered public accounting firm's annual audit of our financial statements and approving all audit and permissible non-audit services; (v) the performance of our internal audit

function; (vi) our legal and regulatory compliance; and (vii) the approval of related party transactions.

Our board of directors has affirmatively determined that Messrs. McDonald, Feltenstein and Hislop meet the definition of independent director for purposes of serving on an Audit Committee under applicable SEC and Nasdaq rules. In addition, Mr. McDonald qualifies as an audit committee financial expert, as such term is defined in Item 401(h) of Regulation S-K.

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Our board of directors has adopted a written charter for the Audit Committee. The Audit Committee held four meetings during the 2016 fiscal year.

Compensation Committee

The Compensation Committee is responsible for, among other matters: (i) set the overall compensation philosophy, strategy and policies for our executive officers and directors; (ii) review and approve corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other key employees and evaluate performance in light of those goals and objectives; (iii) review and determine the compensation of our directors, Chief Executive Officer and other executive officers; (iv) make recommendations to the board of directors with respect to our incentive and equity-based compensation plans; and (v) review and approve employment agreements and other similar arrangements between us and our executive officers.

Our board of directors has affirmatively determined that Ms. Crump-Caine and Messrs. Feltenstein and Hislop meet the definition of an independent director for purposes of serving on a compensation committee under applicable SEC and Nasdaq rules.

Our board of directors has adopted a written charter for the Compensation Committee. The Compensation Committee held six meetings during the 2016 fiscal year.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is responsible for, among other matters: (i) recommend to the board of directors for approval the qualifications, qualities, skills and expertise required for board of directors membership; (ii) identify potential members of the board of directors consistent with the criteria approved by our board of directors and select and recommend to the board of directors the director nominees for election at annual meetings of stockholders or to otherwise fill vacancies; (iii) evaluate and make recommendations regarding the structure, membership and governance of the committees of the board of directors; (iv) develop and make recommendations to the board of directors with regard to our corporate governance policies and principles, including development of a set of corporate governance guidelines and principles applicable to us; and (v) oversee the annual review of the board of directors performance.

Our board of direct