

Wendy's Co  
Form DEF 14A  
April 17, 2015  
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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

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 under Rule 14a-12

**THE WENDY S COMPANY**

Name of the Registrant as Specified In Its Charter

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**The Wendy's Company**

One Dave Thomas Blvd.

Dublin, Ohio 43017

(614) 764-3100

April 17, 2015

Dear Fellow Stockholders:

It is my pleasure to invite you to join me at the 2015 Annual Meeting of Stockholders (the Annual Meeting) of The Wendy's Company (the Company), which will be held on Monday, June 1, 2015, at 10:00 a.m. (EDT) at the Thomas Conference Center located at the Company's corporate offices, One Dave Thomas Blvd., Dublin, Ohio 43017. The Board of Directors and management hope that you will be able to attend the Annual Meeting.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe the business to be conducted at the Annual Meeting. At the Annual Meeting, we will also review the Company's 2014 performance and discuss our plans to continue delivering value to you, our stockholders.

2014 was a year of continued momentum for the Company, as we made significant progress in accelerating our brand transformation journey, with bold and inviting restaurants, 5-star employees, craveable menu items, and an increased focus on consumer-facing technology, all designed to enhance the relevance of the Wendy's® brand.

We are especially pleased with the progress we have made on Image Activation—our strategic restaurant reimagining initiative. Both Company and franchise reimagining exceeded our targets in 2014, and we remain on track to reimage at least 60 percent of our North America restaurants by the end of 2020. We couldn't be more proud of the leadership shown by our franchise community on this vital driver of brand relevance with consumers.

We also remain focused on enhancing the Wendy's restaurant economic model to deliver strong returns on invested capital for both the Company and franchisees. During 2014, we sold more than 200 restaurants to well-capitalized franchisees with a commitment to high operating standards, restaurant reimagining and new restaurant development as part of our System Optimization initiative. We expect this initiative to generate stronger free cash flow and improved earnings quality, while serving as a catalyst for long-term growth, as we work to reduce our Company-operated restaurant ownership to approximately five percent of the total system by the middle of 2016.

In driving sales and profits, we continued to make solid progress last year in the face of challenging economic and marketplace conditions. Despite facing record high beef prices and other cost pressures, we improved our restaurant margins, and our same restaurant sales growth outpaced the traditional QSR category. At the same time, we know our competitive reference points have shifted, and we must continue to elevate our game to drive long-term sustainable growth. Profitable traffic growth every year is what our marketing, product and operations initiatives must achieve.

Beyond our financial and operating results, we remain committed to following the values and wonderful example set by our late Founder Dave Thomas, by giving back to the communities we serve. Most notable is our support for the Dave Thomas Foundation for Adoption® and its passionate, tireless efforts to find permanent, loving homes for children, who are anxiously waiting in the foster care system. With the caring help of our franchisees, suppliers and customers, more than 4,500 foster child adoptions have been finalized through the Wendy's Wonderful Kid® program, with many more in process. For more information, please visit [www.davethomasfoundation.org](http://www.davethomasfoundation.org) or

[www.aboutwendys.com](http://www.aboutwendys.com).

Finally, we encourage you to vote regardless of the size of your share holdings. Every vote is important, and your participation enables us to listen and act on what matters to you as a stockholder. Accordingly, whether or not you plan to attend the Annual Meeting, please promptly complete and return your proxy card in the enclosed envelope, or submit your proxy by telephone or via the Internet as described in the instructions included with your proxy card.

Sincerely,

EMIL J. BROLICK

*President and Chief Executive Officer*

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**NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS**

**Monday, June 1, 2015, 10:00 (EDT)**

The 2015 Annual Meeting of Stockholders (the Annual Meeting ) of The Wendy s Company (the Company ) will be held on Monday, June 1, 2015, at 10:00 a.m. (EDT) at the Thomas Conference Center located at the Company s corporate offices, One Dave Thomas Blvd., Dublin, Ohio 43017.

**Items of Business**

At the Annual Meeting, you will be asked to:

- (1) elect 10 directors to hold office until the Company s next annual meeting of stockholders;
- (2) approve an amendment to the Company s 2010 Omnibus Award Plan to increase the number of shares of common stock available for issuance under the plan and impose annual limits on the value of awards that may be issued to non-employee directors under the plan, and reapprove the material terms of the performance goals under the plan in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended;
- (3) ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for 2015;
- (4) vote on an advisory resolution to approve executive compensation;
- (5) vote on a stockholder proposal regarding an independent board chairman, if properly presented at the Annual Meeting; and
- (6) transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

**Record Date**

Stockholders entitled to vote at the Annual Meeting or any adjournment or postponement thereof are holders of record of shares of the Company s common stock at the close of business on April 2, 2015.

### **Voting Your Proxy**

Your vote is important! Stockholders are cordially invited to attend the Annual Meeting. Whether or not you plan to attend, please promptly complete and return your proxy card in the enclosed envelope, or submit your proxy by telephone or via the Internet as described in the instructions included with your proxy card. You may vote in person if you attend the Annual Meeting.

### **Annual Meeting Admission**

For your comfort and security, admission to the Annual Meeting will be by ticket only. If you are a registered stockholder (*i.e.*, your shares are held in your name) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your proxy card, whichever you have received. If you are a beneficial owner (*i.e.*, your shares are held by a broker, bank or other holder of record) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your voting instruction form, whichever you have received. Stockholders who do not obtain admission tickets in advance may obtain them upon verification of ownership at the registration desk on the day of the Annual Meeting. If you plan to attend the Annual Meeting in person, please read the Proxy Statement for important information about admission requirements for the Annual Meeting.

By Order of the Board of Directors

R. SCOTT TOOP

*Secretary*

April 17, 2015

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on June 1, 2015: This Notice of Annual Meeting of Stockholders, the Proxy Statement and the 2014 Annual Report to Stockholders are available at: [www.proxyvote.com](http://www.proxyvote.com).**

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**The Wendy's Company**

One Dave Thomas  
Blvd.

Dublin, Ohio 43017

(614) 764-3100

**PROXY STATEMENT FOR 2015 ANNUAL MEETING OF STOCKHOLDERS**

**PROXY STATEMENT SUMMARY**

This summary highlights information about The Wendy's Company ( Wendy's or the Company ) and certain information contained elsewhere in this Proxy Statement for the Company's Annual Meeting of Stockholders to be held on Monday, June 1, 2015, at 10:00 a.m. (EDT), and any adjournment or postponement thereof (the Annual Meeting ). This summary does not contain all of the information that you should consider in voting your shares, and you should read the entire Proxy Statement carefully before voting. For more complete information regarding the Company's 2014 performance, please review the Company's Annual Report on Form 10-K for the year ended December 28, 2014.

**HOW TO CAST YOUR VOTE**

Even if you plan to attend the Annual Meeting in person, please cast your vote as soon as possible in one of the following ways:

**Internet**

Visit [www.proxyvote.com](http://www.proxyvote.com). You will need the 12-digit number included in your proxy card, voting instruction form or notice regarding the Internet availability of proxy materials.

**Telephone**

Call 1-800-690-6903. You will need the 12-digit number included in your proxy card, voting instruction form or notice regarding the Internet availability of proxy materials.

**Mail**

Complete, sign and date your proxy card or voting instruction form and return it in the envelope provided or to the address indicated on your proxy card or voting instruction form.

If you plan to attend the Annual Meeting in person, you will need to bring an admission ticket and photo identification. If your shares are held in the name of a broker or other nominee, you will need to bring a legal proxy

from the record holder to vote those shares at the Annual Meeting.

## VOTING MATTERS AND BOARD RECOMMENDATIONS

		<b>Board Vote Recommendation</b>	<b>Page Reference (for more detail)</b>
	<b>Management Proposals</b>		
Proposal 1:	Election of 10 directors	FOR each nominee	8
Proposal 2:	Approval of an amendment to the Company's 2010 Omnibus Award Plan to increase the number of shares of common stock available for issuance under the plan and impose annual limits on the value of awards that may be granted to non-employee directors under the plan, and reapproval of the material terms of the performance goals under the plan in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended	FOR	65
Proposal 3:	Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2015	FOR	75
Proposal 4:	Vote on an advisory resolution to approve executive compensation	FOR	77
	<b>Stockholder Proposal</b>		
Proposal 5:	Stockholder proposal regarding an independent board chairman	AGAINST	79

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The following table provides summary information about the 10 director nominees. Additional information about each nominee's experience, qualifications, attributes and skills can be found beginning on page 9.

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Occupation</b>	<b>Independent</b>	<b>Board Committees<sup>(1)</sup></b>	<b>Other Public Boards</b>
Nelson Peltz	72	1993	Chief Executive Officer and founding partner of Triam Fund Management, L.P.		CSR*, Executive*	2
Peter W. May	72	1993	President and founding partner of Triam Fund Management, L.P.		C&I*, CSR, Executive	1
Emil J. Brolick	67	2011	President and Chief Executive Officer of The Wendy's Company		C&I, Executive	0
Edward P. Garden	53	2004	Chief Investment Officer and founding partner of Triam Fund Management, L.P.		C&I	2
Janet Hill	67	2008	Principal at Hill Family Advisors	ü	Compensation	2
Joseph A. Levato	74	1996	Former Executive Vice President and Chief Financial Officer of Triarc Companies, Inc. (predecessor to The Wendy's Company)	ü	Audit*, Compensation, CSR, ERISA	0
J. Randolph Lewis	65	2008	Former Senior Vice President, Supply Chain and Logistics, of Walgreen Co.	ü	Audit, ERISA, N&CG	0
Michelle Mich J. Mathews-Spradlin	48	2015	Former Chief Marketing Officer and Senior Vice President of Microsoft Corporation	ü		0
Peter H. Rothschild	59	2010	Managing Member, Daroth Capital LLC	ü	Audit, N&CG	0
David E. Schwab II	83	1994	Senior Counsel, Cowan, Liebowitz & Latman, P.C.	ü	Audit, Compensation*, Executive, N&CG*	0

C&I: Capital and Investment CSR: Corporate Social Responsibility N&CG: Nominating and Corporate Governance \* Denotes committee

**CORPORATE GOVERNANCE HIGHLIGHTS**

The Company is committed to maintaining good corporate governance as a critical component of our success in driving sustained stockholder value. Our Board of Directors (the Board of Directors or the Board ) continually monitors emerging best practices in governance to serve the interests of our stockholders. Highlights of our current governance practices are set forth below.

<b>Board of Directors</b>	<b>Stockholder Interests</b>	<b>Executive Compensation</b>
Annual election of directors	No stockholder rights plan or poison pill	Strong pay-for-performance philosophy
Majority voting for directors in uncontested elections with director resignation policy	Stockholders have the ability to act by written consent	Annual say-on-pay advisory vote
Separation of our Board Chairman and Chief Executive Officer	Stockholders have the ability to call special meetings	Engage independent outside compensation consultant
Majority independent Board (7 of our 11 current directors)	No supermajority voting requirements	Limited perquisites and benefits
Fully independent key Board committees	No exclusive forum selection clause	No pension or SERP benefits
Regular executive sessions of non-employee directors and independent directors		Clawback provisions in our 2010 Omnibus Award Plan
Over 97% average Board and committee meeting attendance in 2014		No speculative trading or hedging transactions
Active Board and committee oversight of risk management		Double trigger required for change in control equity vesting
Comprehensive Corporate Governance Guidelines and Code of Business Conduct and Ethics		Significant stock ownership and retention guidelines

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The Company made significant strategic and financial progress during 2014 and accelerated the transformation of the Wendy ® brand through our "A Cut Above" brand positioning. Led by Mr. Brolick and the senior leadership team, the Company continued to build momentum by improving our economic and brand relevance, contemporizing the restaurant experience, strengthening the Wendy's system and creating significant value for stockholders. We achieved year-over-year improvements in our key business performance metrics, exceeded targets for our Image Activation restaurant reimaging program, returned \$374 million in cash to stockholders through dividends and share repurchases, and delivered 3-year total stockholder return of 79%. See "Compensation Discussion and Analysis" 2014 Business Highlights beginning on page 25 for a discussion of the Company's key operating and financial results for 2014.

Our executive compensation program is designed to support the Company's business objectives by linking executive pay to individual performance and the Company's attainment of annual and multi-year operating and financial goals, as well as the creation of long-term stockholder value. In accordance with our pay-for-performance philosophy, performance-based incentives constituted the most significant portion of total direct compensation for 2014 for our Chief Executive Officer (84%) and other named executive officers (69%). The key elements of our 2014 executive compensation program are summarized below.

Element	At-Risk	Form	Metrics	Primary Purpose
Base Salary	No	Cash	N/A	Attract and retain highly-qualified executives by providing an appropriate level of fixed cash compensation that reflects the experience, responsibilities and performance of each executive
Annual Incentive	Yes	Cash	Adjusted EBITDA Same Restaurant Sales	Align executive pay with individual and Company performance by motivating and rewarding executives over a one-year time frame based on the achievement of strategic business and financial objectives
Long-Term Incentives	Yes	Equity	Stock Options (60%) Performance Units (40%)	Align the interests of executives with the interests of stockholders and retain highly-qualified executives by motivating and rewarding executives over a multi-year time frame based on the performance of our common stock and the achievement of strategic business and financial objectives
			Share Price Adjusted EPS	

The Company's financial performance in 2014 supported an annual cash incentive payout below the target award set for senior executives. Based on the Company's 2014 adjusted EBITDA and same restaurant sales growth, the

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Compensation Committee approved payout at 72.3% of the target cash incentive award for the named executive officers.

Summary compensation information for the named executive officers for 2014 is set forth in the following table. These amounts are presented in accordance with accounting assumptions and Securities and Exchange Commission ( SEC ) rules, and the amounts that executives actually receive may vary substantially from what is reported in the equity awards columns of the table.

Name and Principal Position	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)	% Change in Total (\$) from 2013
<b>Emil J. Brolick</b> President and Chief Executive Officer	1,137,500		1,799,992	2,699,998	1,435,000	91,708	7,164,198	i6%
<b>Todd A. Penegor</b> Executive Vice President, Chief Financial Officer and International	643,750		1,439,988	659,999	395,000	30,359	3,169,096	i17%
<b>Robert D. Wright</b> Executive Vice President and Chief Operations Officer	385,962	200,000	1,159,990	239,998	285,000	30,000	2,300,950	N/A
<b>Craig S. Bahner</b> Former Chief Marketing Officer	471,250		285,995	428,999	257,569	42,847	1,486,660	i11%
<b>R. Scott Toop</b> Senior Vice President, General Counsel and Secretary	460,000		275,997	414,000	300,000	27,200	1,477,197	i17%

We encourage you to read the Compensation Discussion and Analysis beginning on page 25 for a detailed discussion of how our executive compensation program was designed and implemented in 2014 to achieve our overall compensation objectives. Stockholders should also review the Fiscal 2014 Summary Compensation Table beginning on page 36, as well as the related compensation tables, notes and narrative, which provide detailed information regarding the compensation of our named executive officers for 2014.





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**THE ANNUAL MEETING**

**Annual Meeting Details**

The accompanying proxy is being solicited by the Board of Directors of The Wendy's Company in connection with the Company's Annual Meeting of Stockholders to be held on Monday, June 1, 2015, at 10:00 a.m. (EDT) at the Thomas Conference Center located at the Company's corporate offices, One Dave Thomas Blvd., Dublin, Ohio 43017, and any adjournment or postponement thereof. Directions to the Annual Meeting are available on the Company's website at [www.aboutwendys.com](http://www.aboutwendys.com). This Proxy Statement and an accompanying proxy card will first be mailed to stockholders, or made available to stockholders electronically via the Internet, on or about April 21, 2015.

**Voting Your Proxy**

When a stockholder returns a proxy card that is properly signed and dated, the shares represented by the proxy card will be voted by the persons named as proxies in the proxy card in accordance with the stockholder's instructions. Stockholders may specify their choices by marking the appropriate boxes on their proxy card. If a proxy card is signed, dated and returned by a stockholder without specifying choices, the shares represented by the proxy card will be voted as recommended by the Board of Directors. The Company does not have cumulative voting.

Under the Company's Restated Certificate of Incorporation (as amended, the Certificate of Incorporation) and By-Laws (as amended and restated, the By-Laws), business transacted at the Annual Meeting is limited to the purposes stated in the Notice of Annual Meeting of Stockholders and any other matters that may properly come before the Annual Meeting. Except for the proposals described in this Proxy Statement, no other matters currently are intended to be brought before the Annual Meeting by the Company or, to the Company's knowledge, any other person. The proxy being solicited by the Board does, however, convey discretionary authority to the persons named as proxies in the accompanying proxy card to vote on any other matters that may properly come before the Annual Meeting. A proxy may be revoked by a stockholder at any time prior to the time it is voted by giving notice of revocation either personally or in writing to the Secretary of the Company at the Company's principal executive offices.

**Annual Meeting Admission**

Only holders of shares of the Company's common stock, par value \$0.10 per share (the Common Stock), at the close of business on April 2, 2015, their authorized representatives and invited guests of the Company will be able to attend the Annual Meeting. For your comfort and security, admission to the Annual Meeting will be by ticket only, and packages and bags may be inspected and required to be checked in at the registration desk. You also will be required to present a valid government-issued photo identification.

If you are a registered stockholder (*i.e.*, your shares are held in your name) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your proxy card, whichever you have received. If you are a beneficial owner (*i.e.*, your shares are held in the name of a broker, bank or other holder of record) and plan to attend the Annual Meeting, your admission ticket is either your notice regarding the Internet availability of proxy materials or the top portion of your voting instruction form, whichever you have received. In addition, you can obtain an admission ticket in advance of the Annual Meeting by sending a written request to the Secretary of the Company at the Company's principal executive offices. Please be sure to enclose proof of ownership, such as a bank or brokerage account statement or a letter from the bank or broker verifying that you were the beneficial owner of the shares on April 2, 2015. Stockholders who do not obtain admission tickets in advance of the Annual Meeting may obtain them upon verification of ownership at the registration desk on the day of the Annual Meeting. The Company may issue admission tickets to persons other than stockholders in its

sole discretion.

If you are the representative of a corporation, limited liability company, partnership or other legal entity that holds shares of our Common Stock, you must bring acceptable evidence of your authority to represent that legal entity at the Annual Meeting. Please note that only one representative may attend the Annual Meeting on behalf of each legal entity that holds shares of our Common Stock.

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**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING**

**Q: Who is soliciting my proxy?**

A: Wendy's Board of Directors is soliciting your proxy in connection with the Board's solicitation of proxies for use at the Annual Meeting. Certain of our directors, officers and employees also may solicit proxies on the Board's behalf by personal contact, telephone, mail, e-mail or other means. The Company has hired Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, NY 10022, to assist in soliciting proxies from brokers, banks and other stockholders.

**Q: What should I do with these materials?**

A: Please carefully read and consider the information contained in this Proxy Statement, and then vote your shares as soon as possible to ensure that your shares will be represented at the Annual Meeting. You may vote your shares prior to the Annual Meeting even if you plan to attend the Annual Meeting in person.

**Q: What am I being asked to vote on?**

A: You are being asked to vote on the following five proposals:

- (1) to elect 10 directors to hold office until the Company's next annual meeting of stockholders;
- (2) to approve an amendment to the Company's 2010 Omnibus Award Plan to increase the number of shares of common stock available for issuance under the plan and impose annual limits on the value of awards that may be granted to non-employee directors under the plan, and to reapprove the material terms of the performance goals under the plan in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code");
- (3) to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2015;
- (4) to vote on an advisory resolution to approve executive compensation; and
- (5) to vote on a stockholder proposal regarding an independent board chairman, if properly presented at the Annual Meeting.

**Q: How do I vote?**

A: You may vote your shares prior to the Annual Meeting in any of the following ways:

Visit the website shown on your notice regarding the Internet availability of proxy materials, proxy card or voting instruction form to vote via the Internet;

Use the toll-free number shown on your notice regarding the Internet availability of proxy materials, proxy card or voting instruction form to vote by telephone; or

Complete, sign, date and return the enclosed proxy card or voting instruction form in the enclosed postage-paid envelope if you have requested and received our proxy materials by mail.

If you are a registered stockholder, you may also vote your shares in person at the Annual Meeting. If you hold your shares in street name, then you must obtain a legal proxy from the broker, bank or other nominee who holds the shares on your behalf in order to vote those shares in person at the Annual Meeting.

**Q: Who is entitled to vote?**

A: All holders of record of our Common Stock at the close of business on April 2, 2015, the record date for the Annual Meeting, are entitled to vote on all business transacted at the Annual Meeting.

**Q: What is the deadline for submitting a proxy?**

A: In order to be counted, proxies submitted by telephone or via the Internet must be received by 11:59 p.m. (EDT) on May 31, 2015. Proxies submitted by mail must be received prior to the start of the Annual Meeting.

**Q: What is the difference between a registered stockholder and a street name holder?**

A: If your shares are registered directly in your name with American Stock Transfer & Trust Company, LLC, our stock transfer agent, you are considered a stockholder of record, or a registered stockholder, of those shares.

If your shares are held by a broker, bank or other nominee, you are considered the beneficial owner of those shares, and your shares are said to be held in street name. Your broker, bank or other nominee does not have authority to vote your shares on Proposals 1, 2, 4 or 5 without receiving instructions from you. Your broker, bank or other nominee should have enclosed, or should provide you with, a notice regarding the Internet availability of proxy materials or a voting instruction form for you to use in directing it on how to vote your shares.

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**Q: What constitutes a quorum?**

A: At the close of business on April 2, 2015, the Company had 364,939,682 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Each share of Common Stock entitles the holder to one vote on each matter properly brought before the Annual Meeting. The presence, in person or by proxy, of stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to cast at the Annual Meeting will constitute a quorum. Abstentions and broker non-votes (described below) will be included for purposes of determining whether a quorum is present at the Annual Meeting.

**Q: What are abstentions and broker non-votes and how do they affect voting?**

A: *Abstentions.* If you specify on your proxy card that you abstain from voting on an item, your shares will be counted as present and entitled to vote for the purpose of establishing a quorum. Abstentions will be the equivalent of an against vote on proposals that require the affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting (Proposals 2, 3, 4 and 5).

*Broker Non-Votes.* Under the rules of The NASDAQ Stock Market ( NASDAQ ), if your shares are held in street name, then your broker has discretion to vote your shares without instructions from you on certain routine proposals, such as the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 3). Your broker does not, however, have such discretion on the election of directors (Proposal 1), the approval of an amendment to the Company's 2010 Omnibus Award Plan and the reapproval of the performance goals under the 2010 Omnibus Award Plan (Proposal 2), the advisory resolution to approve executive compensation (Proposal 4), or the stockholder proposal described in this Proxy Statement (Proposal 5). If you do not provide your broker with voting instructions for these proposals, then your broker will be unable to vote on these proposals and will report your shares as broker non-votes on these proposals. Like abstentions, broker non-votes are counted as present for the purpose of establishing a quorum, but, unlike abstentions, they are not counted for the purpose of determining the number of shares present (in person or by proxy) and entitled to vote on particular proposals. As a result, broker non-votes will not be included in the tabulation of voting results for proposals that require the affirmative vote of a majority of the votes cast (Proposal 1) or the affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting (Proposals 2, 4 and 5). Because brokers are entitled to vote on Proposal 3, we do not anticipate any broker non-votes with regard to that proposal.

**Q: What vote is needed to elect the 10 director nominees?**

A: Pursuant to our By-Laws, each of the 10 director nominees must receive the affirmative vote of a majority of the votes cast with respect to that nominee's election in order to be elected as a director at the Annual Meeting. Accordingly, a withhold vote for a director nominee will be the equivalent of a vote against such nominee. If you hold shares of Common Stock through a broker, bank or other nominee, your broker, bank or other nominee will vote your shares for you if you provide instructions on how to vote the shares. In the absence of your instructions, however, brokers, banks and other nominees do not have the authority to vote your shares for the election of directors. Therefore, it is important that you provide voting instructions to your broker, bank or other nominee, so that your shares may be voted in the election of directors.

**Q: What vote is needed to approve the advisory resolution to approve executive compensation?**

A: The affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting is required to approve the advisory resolution to approve executive compensation. This vote is advisory, and therefore not binding on the Company, the Board of Directors or the Compensation Committee of the Board of Directors. However, the Compensation Committee will review the voting results of this proposal and take those results into consideration when making future decisions regarding executive compensation as it deems appropriate.

**Q: What vote is needed to approve the other proposals described in this Proxy Statement?**

A: The affirmative vote of a majority of the shares of Common Stock present (in person or by proxy) and entitled to vote at the Annual Meeting is required to approve the amendment to the Company's 2010 Omnibus Award Plan and reapprove the performance goals under the 2010 Omnibus Award Plan (Proposal 2), ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2015 (Proposal 3), and approve the stockholder proposal described in this Proxy Statement (Proposal 5).

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**Q: How do Messrs. Nelson Peltz, Peter W. May and Edward P. Garden intend to vote?**

A: The Company has been informed that the shares of Common Stock beneficially owned as of the record date by Messrs. Nelson Peltz, Peter W. May and Edward P. Garden representing, in the aggregate, approximately 24.7% of the votes entitled to be cast at the Annual Meeting, will be voted in accordance with the recommendations of the Board of Directors **FOR** the election of each of the 10 director nominees named in Proposal 1, **FOR** Proposals 2, 3 and 4 and **AGAINST** Proposal 5.

**Q: If I am a stockholder of record and I deliver my signed proxy card or voting instruction form but do not indicate how I want to vote on the proposals, how will my shares be voted?**

A: If you submit your proxy card or voting instruction form but do not indicate how you want to vote on the proposals, your proxy will be counted as a vote in accordance with the recommendations of the Board of Directors **FOR** the election of each of the 10 director nominees named in Proposal 1, **FOR** Proposals 2, 3 and 4 and **AGAINST** Proposal 5.

**Q: Can I change my vote after I have delivered my proxy card or voting instruction form?**

A: Yes. You can change your vote at any time before your proxy is voted at the Annual Meeting. You can revoke your proxy by giving notice of revocation either personally or in writing to the Secretary of the Company at the Company's principal executive offices. You also can revoke your proxy by submitting a later-dated proxy by mail, by telephone, via the Internet or by attending and voting in person at the Annual Meeting. Your attendance at the Annual Meeting alone will not revoke a previously-submitted proxy.

If your shares are held in an account with a broker, bank or other nominee, you should contact your broker, bank or other nominee if you wish to change your vote or revoke your proxy.

**Q: Why did I receive a notice regarding the Internet availability of proxy materials rather than the printed proxy statement and annual report?**

A: As permitted by SEC rules, we are making our proxy materials available to stockholders electronically via the Internet at [www.proxyvote.com](http://www.proxyvote.com). On or about April 21, 2015, we will begin mailing a notice to our stockholders containing information on how to access our proxy materials and vote online. If you received that notice, then you will not receive a printed copy of our proxy materials unless you request a printed copy by following the instructions contained in the notice. Adopting this notice and access process allows us to reduce the overall costs, as well as the environmental impact, of printing and mailing our proxy materials.



**Q: What does it mean if I receive more than one notice regarding the Internet availability of proxy materials, proxy card or voting instruction form?**

A: If you receive more than one notice regarding the Internet availability of proxy materials, proxy card or voting instruction form, this means that you have multiple accounts with our stock transfer agent or with brokers, banks or other nominees. Please follow the instructions set forth on each notice regarding the Internet availability of proxy materials, proxy card or voting instruction form you receive to ensure that all your shares are voted.

**Q: Who will bear the expenses of this solicitation?**

A: The Company will pay the costs and expenses of this solicitation. In addition to soliciting proxies by mailing our proxy materials to stockholders and by making our proxy materials available to stockholders electronically via the Internet, proxies may be solicited by our directors, officers and employees by personal contact, telephone, mail, e-mail or other means without additional compensation. Solicitation of proxies will also be made by employees of Innisfree M&A Incorporated, our proxy solicitation firm, who will be paid a fee of \$15,000, plus reasonable out-of-pocket expenses. As is customary, we will also reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable costs and expenses incurred in forwarding our proxy materials to beneficial owners of our Common Stock.

**Q: Where can I find the voting results of the Annual Meeting?**

A: We intend to announce preliminary voting results at the Annual Meeting and publish final voting results in a Current Report on Form 8-K filed with the SEC within four business days of the Annual Meeting. After the Form 8-K is filed, you may obtain a copy by visiting the SEC's website at [www.sec.gov](http://www.sec.gov) or by visiting our website at [www.aboutwendys.com](http://www.aboutwendys.com).

**Q: Whom should I call with questions?**

A: Please call Innisfree M&A Incorporated, the Company's proxy solicitor, toll-free at (888) 750-5834 with any questions about the Annual Meeting. Banks, brokers and other nominees may call collect at (212) 750-5833.

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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

(Item 1 on the Company's Proxy Card)

As of the date of this Proxy Statement, there are 11 members of the Board of Directors. One of the Company's current directors Jack G. Wasserman will not seek re-election and will conclude his service on the Board when his term expires at the Annual Meeting. Mr. Wasserman is retiring from the Board after having served as a director of the Company for 11 years. The Company has benefitted greatly from the outstanding service and contributions of Mr. Wasserman during his time on the Board. The Board of Directors has determined that the size of the Board will be reduced from 11 to 10 members upon the expiration of Mr. Wasserman's term at the Annual Meeting.

The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated the 10 persons named below for election as directors of the Company at the Annual Meeting. Each of the 10 nominees is presently serving as a director of the Company, and each of the 10 nominees, other than Michelle J. Mathews-Spradlin, was elected as a director at the Company's 2014 annual meeting of stockholders.

Ms. Mathews-Spradlin joined the Board of Directors in February 2015 when the Board, upon the recommendation of the Nominating and Corporate Governance Committee, increased the size of the Board from 10 to 11 members and elected Ms. Mathews-Spradlin to serve as a director of the Company for a term expiring at the Annual Meeting. A third party search firm identified Ms. Mathews-Spradlin as a potential director candidate, and Ms. Mathews-Spradlin was then recommended to the Nominating and Corporate Governance Committee by our Vice Chairman, in consultation with our President and Chief Executive Officer and other members of senior management. The Nominating and Corporate Governance Committee, after reviewing Ms. Mathews-Spradlin's qualifications, determining her independence, and considering the Board of Director's needs, unanimously recommended to the Board that Ms. Mathews-Spradlin be elected as a director of the Company.

The Board of Directors recommends that the 10 nominees named below be elected as directors of the Company at the Annual Meeting. If elected, each of the nominees will hold office until the Company's next annual meeting of stockholders and until his or her successor is elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal. The persons named as proxies in the accompanying proxy card will vote **FOR** the election of each of the 10 nominees unless a stockholder directs otherwise.

Each nominee has consented to be named and to continue to serve as a director if elected at the Annual Meeting. The Company is unaware of any reason why any nominee would be unwilling or unable to serve as a director if elected. Should, however, any nominee be unwilling or unable to serve as a director at the time of the Annual Meeting, the persons named as proxies in the accompanying proxy card will vote for the election of such substitute person for such directorship as the Board of Directors may recommend.

**Table of Contents****Director Nominee Qualifications and Biographical Information****Nelson Peltz (Chairman)**

Mr. Peltz has been a director of the Company since April 1993 and has served as non-executive Chairman since June 2007. He served as Chairman and Chief Executive Officer of the Company and as a director or manager and an officer of certain of the Company's subsidiaries from April 1993 through June 2007. Additionally, Mr. Peltz has been Chief Executive Officer and a founding partner of Trian Fund Management, L.P. (Trian Partners), a management company for various investment funds and accounts, since November 2005. From its formation in January 1989 to April 1993, Mr. Peltz was Chairman and Chief Executive Officer of Trian Group, Limited Partnership (Trian Group) which provided investment banking and management services for entities controlled by Mr. Peltz and Peter W. May. From 1983 to December 1988, Mr. Peltz was Chairman and Chief Executive Officer and a director of Triangle Industries, Inc. (Triangle Industries), which was, at that time, a metals and packaging company. Mr. Peltz has also served as a director of Mondeléz International, Inc. since January 2014, and as a director of The Madison Square Garden Company since December 2014. Mr. Peltz previously served as a director of Trian Acquisition I Corp. from 2007 to 2010, as a director of H.J. Heinz Company from September 2006 to June 2013, as a director of Ingersoll Rand plc from August 2012 to June 2014, and as a director of Legg Mason, Inc. from October 2009 to December 2014.

**Qualifications:** Mr. Peltz has more than 40 years of business and investment experience, has served as the chairman and chief executive officer of public companies for over 20 years and, since 2005, has served as Chief Executive Officer of Trian Partners. Over that entire period, he has developed extensive experience working with management teams and boards of directors, and in acquiring, investing in and building companies and implementing operational improvements at the companies with which he has been involved. As a result, Mr. Peltz has strong operating experience and strategic planning skills and has strong relationships with institutional investors, investment banking/capital markets advisors and others that can be drawn upon for the Company's benefit.

**Age:** 72

**Director Since:** 1993

**Committees:** Corporate Social Responsibility (Chair)  
Executive (Chair)

**Peter W. May (Vice Chairman)**

Mr. May has been a director of the Company since April 1993 and has served as non-executive Vice Chairman since June 2007. He served as the President and Chief Operating Officer of the Company and as a director or manager and an officer of certain of the Company's subsidiaries from April 1993 through June 2007. Additionally, Mr. May has been President and a founding partner of Trian Partners since November 2005. From its formation in January 1989 to April 1993, Mr. May was President and Chief Operating Officer of Trian Group. From 1983 to December 1988, he was President and Chief Operating Officer and a director of Triangle Industries. Mr. May has also served as a director of Tiffany & Co. since May 2008. Mr. May previously served as a director of Trian Acquisition I Corp. from 2007 to

**Qualifications:** Mr. May has more than 40 years of business and investment experience, has served as the president and chief operating officer of public companies for over 20 years and, since 2005, has served as President of Trian Partners. Over that entire period, he has developed extensive experience working with management teams and boards of directors, and in acquiring, investing in and building companies and implementing operational improvements at the companies with which he has been involved. As a result, Mr. May has strong operating experience and strategic planning skills and has strong relationships with institutional investors, investment banking/capital markets advisors and others that can be drawn upon for the Company's benefit.

2010, and as a director of Deerfield Capital Corp. ( Deerfieldbenefit. Capital ), predecessor to CIFIC Corp., from December 2007 to June 2010.

**Age:** 72

**Director Since:** 1993

**Committees:** Capital and Investment (Chair)

Corporate Social Responsibility

Executive

**Table of Contents****Emil J. Brolick**

Mr. Brolick has been a director and the President and Chief Executive Officer of the Company since September 2011. Prior to joining the Company, Mr. Brolick served as Chief Operating Officer of Yum! Brands, Inc. ( Yum! Brands ) and as President of two of Yum! Brand U.S. operating segments, Long John Silver's and A&W All American Food Restaurants, from June 2008 to September 2011. From December 2006 to June 2008, Mr. Brolick served as President of U.S. Brand Building for Yum! Brands. Prior to that, Mr. Brolick served as President and Chief Concept Officer of Taco Bell Corp. ( Taco Bell ), a position he held from July 2000 to November 2006. Prior to joining Taco Bell in July 2000, Mr. Brolick worked at Wendy's International, Inc. ( Wendy's International ) for 12 years, lastly serving as Senior Vice President of New Product Marketing, Research and Strategic Planning. Mr. Brolick also serves as a trustee of the Dave Thomas Foundation for Adoption.

**Qualifications:** In addition to serving as the President and Chief Executive Officer of the Company since September 2011, Mr. Brolick has extensive experience as an executive in the quick-service restaurant industry, including many years serving in a senior leadership position with Yum! Brands and Taco Bell, as well as previous experience in senior leadership positions with Wendy's International. Much of Mr. Brolick's business experience relates to marketing, brand building and operations, all of which are important to the Company's business.

**Age:** 67

**Director Since:** 2011

**Committees:** Capital and Investment

Executive

**Edward P. Garden**

Mr. Garden has been a director of the Company since December 2004. He served as Vice Chairman of the Company from December 2004 through June 2007 and as Executive Vice President of the Company from August 2003 until December 2004. Additionally, Mr. Garden has been Chief Investment Officer and a founding partner of Trian Partners since November 2005. From 1999 to 2003, Mr. Garden was a managing director of Credit Suisse First Boston, where he served as a senior investment banker in the Financial Sponsors Group. From 1994 to 1999, he was a managing director at BT Alex Brown, where he was a senior member of the Financial Sponsors Group and, prior to that, co-head of Equity Capital Markets. Mr. Garden has also served as a director of Family Dollar Stores, Inc. since September 2011, and as a director of The Bank of New York Mellon Corporation since December 2014. Mr. Garden previously served as a director of Trian Acquisition I Corp. from 2007 to 2010. Mr. Garden is the son-in-law of Nelson Peltz.

**Qualifications:** Mr. Garden has served as a director and senior executive of several public companies and has over 25 years of experience advising, financing, operating and investing in companies. During the past several years, Mr. Garden, as Chief Investment Officer of Trian Partners, has worked with management teams and boards of directors to implement operational improvements. Prior to that, Mr. Garden worked with financial sponsors, executing financings through the issuance of bank debt, corporate bonds and equity capital, and providing strategic advisory services. As a result, he has strong operating experience and a network of relationships with institutional investors and investment banking/capital markets advisors that can be utilized for the Company's benefit.

**Age:** 53

**Director Since:** 2004

**Committees:** Capital and Investment

**Table of Contents****Janet Hill**

Ms. Hill has been a director of the Company since September 2008. She served as a director of Wendy's International from 1994 until its merger with the Company in September 2008. Ms. Hill is principal at Hill Family Advisors, where she oversees her family's assets and investments. She also serves as an officer of Hill Ventures, Inc., which manages the assets, investments, speaking engagements and marketing relationships of her son, Grant Hill. From 1981 until her retirement in 2010, Ms. Hill was Vice President of Alexander & Associates, Inc., a corporate consulting firm in Washington, D.C. which she owned and managed, where she provided corporate planning, advice and analysis to directors, executives and managers in the areas of human resource planning, corporate responsibility, corporate communications and government consultation. Ms. Hill also serves as a director of Dean Foods Company, and as a director of Carlyle Group Management L.L.C., the general partner of The Carlyle Group L.P. Ms. Hill previously served as a director of Sprint Nextel Corporation from 2005 to July 2013. In addition to her public company directorships, Ms. Hill also serves as a director or trustee for Duke University, the John F. Kennedy Center for the Performing Arts, the Knight Commission on Intercollegiate Athletics, the Military Bowl, Echo360, Inc., the Wolf Trap Foundation for the Performing Arts, and the National Underground Railroad Freedom Center.

**Qualifications:** Ms. Hill has served on nine corporate boards over the past 25 years, including valuable service on compensation, governance and audit committees. She provides the Board with extensive knowledge and experience in all areas of contemporary corporate governance. Ms. Hill assisted in the development of the Directors' Education Institute at Duke University, and has served as a presenter in numerous university-sponsored programs for corporate directors. Through her corporate consulting firm, which she owned and managed for 30 years, Ms. Hill has advised hundreds of companies and senior executives in the areas of human resources and workforce inclusiveness, both of which are important to the Company's business.

**Age:** 67

**Director Since:** 2008

**Committees:** Compensation

**Joseph A. Levato**

Mr. Levato has been a director of the Company since June 1996. Mr. Levato served as Executive Vice President and Chief Financial Officer of the Company and certain of its subsidiaries from April 1993 to August 1996, when he retired from the Company. Prior to that, he was Senior Vice President and Chief Financial Officer of Triam Group from January 1992 to April 1993. From 1984 to December 1988, Mr. Levato served as Senior Vice President and Chief Financial Officer of Triangle Industries.

**Qualifications:** Mr. Levato has extensive experience with industrial, financial and consumer-related businesses. Through this experience, Mr. Levato provides the Board with an intimate knowledge of regulatory matters relevant to public company audit and compensation committees. Mr. Levato has acquired financial sophistication by virtue of his business experience and background, and the Board of Directors has determined that he is an audit committee financial expert within the meaning of SEC regulations.

**Age:** 74

**Director Since:** 1996

**Committees:** Audit (Chair)

Compensation

Corporate Social Responsibility

ERISA

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**Table of Contents****J. Randolph Lewis**

Mr. Lewis has been a director of the Company since September 2008. He served as a director of Wendy's International from 2004 until its merger with the Company in September 2008. Mr. Lewis served as Senior Vice President, Supply Chain and Logistics of Walgreen Co., the largest drugstore chain in the United States, until his retirement in January 2013. Mr. Lewis joined Walgreen Co. in March 1992 as Divisional Vice President, Logistics and Planning. He was promoted to Senior Vice President, Supply Chain and Logistics in 1996. Prior to joining Walgreen Co., Mr. Lewis was a partner in the consulting division of Ernst & Young.

**Qualifications:** Mr. Lewis' experience as a senior executive with Walgreen Co., the nation's largest drugstore chain with net sales of \$76.4 billion in fiscal 2014, as well as his previous experience serving as a director of Wendy's International, gives him substantial insights into effective strategies for providing consumer goods and services conveniently, managing large retail store networks, operating in a highly competitive marketplace, enhancing the customer experience, and reducing costs and improving productivity, all of which are important to the Company's business.

**Age:** 65

**Director Since:** 2008

**Committees:** Audit

ERISA

Nominating and Corporate Governance

**Michelle Mich J. Mathews-Spradlin**

Ms. Mathews-Spradlin has been a director of the Company since February 2015. Prior to her retirement in 2011, Ms. Mathews-Spradlin worked at Microsoft Corporation for 18 years, serving as Chief Marketing Officer and Senior Vice President, Central Marketing Group from 2005 to 2011, as Corporate Vice President, Marketing from 2001 to 2005, as Vice President, Corporate Public Relations from 1999 to 2001, and as head of the Corporate Public Relations function from 1993 to 1999. Prior to joining Microsoft Corporation as a full-time employee in 1993, Ms. Mathews-Spradlin worked in the United Kingdom as a Communications Consultant for Microsoft from 1989 to 1993. Prior to that, she held various roles at General Motors Co. from 1986 to 1989. Ms. Mathews-Spradlin also serves on the board of several private companies, including Unilever N.V. (digital advisory board), Oanda Corporation, The Bouqs Company and Bitium, Inc., in addition to serving as Executive-in-Residence at the University of Southern California's Annenberg School of Journalism and Communications.

**Qualifications:** Ms. Mathews-Spradlin's background as a senior executive at Microsoft Corporation, one of the world's largest technology companies, gives her extensive experience in global brand management and a deep understanding of the technology industry. In her role as Chief Marketing Officer, she oversaw the company's global marketing function, managed a multi-billion dollar marketing budget and an organization of several thousand people, and built demand for the company's technology brands, including Windows, Office, Xbox, Bing and Internet Explorer. Ms. Mathews-Spradlin provides the Board with substantial insights into digital media and marketing strategy, as well as an in-depth understanding of consumer-facing technology, all of which are important to the Company's business.

**Age:** 48

**Director Since:** 2015

**Committees:** None



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**Peter H. Rothschild**

Mr. Rothschild has been a director of the Company since May 2010. He served as a director of Wendy's International from March 2006 until its merger with the Company in September 2008. Mr. Rothschild has been the Managing Member of Daroth Capital LLC, a financial services company, since its founding in 2001 and the President and CEO of its wholly-owned subsidiary, Daroth Capital Advisors LLC, a securities broker-dealer, since 2002. Prior to founding Daroth Capital, Mr. Rothschild was a Managing Director and Co-Head of the Leveraged Finance and Industrial Finance groups at Wasserstein Perella, the predecessor company to Dresdner Kleinwort Wasserstein, where he served from 1996 to 2001. From 1990 to 1996, Mr. Rothschild was a Senior Managing Director and Head of the Natural Resources Group at Bear, Stearns & Co. Inc. and was one of the founders of the firm's Leveraged Finance and Financial Buyer Coverage groups. From 1984 to 1990, Mr. Rothschild was a Managing Director and Head of the Industrial Group at Drexel Burnham Lambert. Mr. Rothschild served as a director of Deerfield Capital, predecessor to CIFIC Corp., from December 2004 to April 2011, and as the Interim Chairman of Deerfield Capital's board of directors from April 2007 to April 2011.

**Qualifications:** Mr. Rothschild has been employed as an investment banker since 1981. He has served on the board of directors of numerous companies, including Wendy's International and Deerfield Capital, where he served as Interim Chairman. Mr. Rothschild provides the Board with extensive knowledge and experience in finance, mergers and acquisitions, capital raising, restructurings and restaurant companies, all of which are important to the Company's business.

**Age:** 59

**Director Since:** 2010

**Committees:** Audit

Nominating and Corporate Governance

**David E. Schwab II**

Mr. Schwab has been a director of the Company since October 1994. Mr. Schwab has been a Senior Counsel with the law firm of Cowan, Liebowitz & Latman, P.C., New York, NY, since January 1998. Prior to that, he was a partner with the law firm of Schwab Goldberg Price & Dannay, New York, NY, for more than five years. Mr. Schwab also serves as Chair Emeritus of the board of trustees, and as Chair of the executive committee, of Bard College.

**Qualifications:** In addition to his training and experience as an attorney, Mr. Schwab provides the Board with more than 50 years of knowledge and experience, including as a director, partner and stockholder, regarding the management, operation and governance of both public and private companies.

**Age:** 83

**Director Since:** 1994

**Committees:** Audit

Compensation (Chair)

Executive

Nominating and Corporate Governance (Chair)

**Required Vote**

The affirmative vote of a majority of the votes cast with respect to the election of a director nominee is required to elect such nominee as a director at the Annual Meeting. A withhold vote for a director nominee will be the equivalent of a vote against such nominee. Broker non-votes will not be included in the tabulation of voting results for this proposal.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR**

**THE ELECTION OF EACH OF THE 10 DIRECTOR NOMINEES**

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**CORPORATE GOVERNANCE**

**Board Leadership Structure**

The Board of Directors is currently led by Mr. Peltz, the Company's non-executive Chairman, and Mr. May, the Company's non-executive Vice Chairman. Mr. Brolick, the Company's President and Chief Executive Officer, also serves as a member of the Board. Meetings of the Board of Directors are called to order and led by the Chairman or, in his absence, the Vice Chairman, or in the absence of both, the Chief Executive Officer. In the absence of the Chairman, Vice Chairman and Chief Executive Officer, a majority of the directors present may elect any director present as chairman of the meeting. Non-management directors generally meet in executive session without management present after each regular Board meeting.

The Board of Directors separated the positions of Chairman and Chief Executive Officer in June 2007 when Mr. Peltz, after serving as Chairman and Chief Executive Officer of the Company from 1993 to June 2007, became our non-executive Chairman and Roland C. Smith was appointed as our Chief Executive Officer. The positions of Chairman and Chief Executive Officer have remained separate since that time, with Mr. Peltz currently serving as our non-executive Chairman and Mr. Brolick currently serving as our Chief Executive Officer.

The Board believes that separating these two positions allows our Chief Executive Officer to focus on developing and implementing the Company's business strategies and objectives and supervising the Company's day-to-day business operations, and allows our Chairman to lead the Board of Directors in its oversight and advisory roles. Because of the many responsibilities of the Board of Directors and the significant time and effort required by each of the Chairman and the Chief Executive Officer to perform their respective duties, the Board believes that having separate persons in these roles enhances the ability of each to discharge those duties effectively and, as a result, enhances the Company's prospects for success. The Board also believes that having the positions of Chairman and Chief Executive Officer separated provides a clear delineation of responsibilities for each position and fosters greater accountability of management.

The Board of Directors has carefully considered and approved its current leadership structure and believes that this structure is appropriate and in the best interests of the Company and our stockholders, who benefit from the combined leadership, judgment, knowledge and experience of our Chairman, Mr. Peltz, and our Chief Executive Officer, Mr. Brolick.

**Board Membership Criteria**

The Board of Directors has adopted general Board membership criteria, which are set forth in the Company's Corporate Governance Guidelines (the "Corporate Governance Guidelines"). The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Board's assessment of potential director candidates includes an individual's qualification as independent, as well as consideration of diversity, age, educational background, other board experience and commitments, business and professional achievements, and skills and experience in the context of the needs of the Board. The Company does not have a stated policy regarding the diversity of nominees or Board members; rather, the Nominating and Corporate Governance Committee and the Board view diversity (whether based on concepts such as gender, race and national origin, or broader principles such as differences in backgrounds, skills, experiences and viewpoints) as one of many elements to be considered when evaluating a particular candidate for Board membership.

The Nominating and Corporate Governance Committee considers recommendations regarding possible director candidates from any source, including stockholders. Stockholders may recommend director candidates for

consideration by the Nominating and Corporate Governance Committee by giving written notice of the recommendation to the Chair of the Nominating and Corporate Governance Committee, in care of The Wendy's Company, One Dave Thomas Blvd., Dublin, Ohio, 43017, Attention: Corporate Secretary. The notice must (i) include the candidate's name, age, business address, residence address and principal occupation, (ii) describe the qualifications, attributes, skills or other qualities possessed by the candidate and (iii) be accompanied by a written statement from the candidate consenting to serve as a director, if elected. Candidates who have been recommended by stockholders will be evaluated by the Nominating and Corporate Governance Committee in the same manner as other potential candidates. Stockholders who wish to formally nominate a candidate for election to the Board may do so provided they comply with the notice and other procedures set forth in our Certificate of Incorporation and By-Laws, which are described below under the caption "Other Matters - Stockholder Proposals for 2016 Annual Meeting of Stockholders."

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**Director Independence**

Under the rules and listing standards of NASDAQ, the Board of Directors must have a majority of directors who meet the criteria for independence required by NASDAQ. Pursuant to the Corporate Governance Guidelines, the Board is required to determine whether each director satisfies the criteria for independence based on all relevant facts and circumstances. No director qualifies as independent unless the Board of Directors affirmatively determines that such director has no relationship which, in the opinion of the Board, would interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director.

In accordance with the Corporate Governance Guidelines, the Board has adopted director independence categorical standards (the Independence Standards ) to assist the Board in determining the independence of the Company s directors. Copies of the Corporate Governance Guidelines and the Independence Standards are available on the Company s website at [www.aboutwendys.com](http://www.aboutwendys.com). Pursuant to the Independence Standards, the following relationships will be deemed to preclude a director from qualifying as independent:

the director is, or at any time during the past three years was, an employee of the Company, or an immediate family member of the director is, or at any time during the past three years was, an executive officer of the Company;

the director or an immediate family member of the director accepted, during any 12-month period within the past three years, more than \$120,000 in direct or indirect compensation from the Company, other than (i) compensation for Board or Board committee service, (ii) compensation paid to an immediate family member who is a non-executive employee of the Company or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

the director or an immediate family member of the director (i) is a current partner of the Company s outside auditor or (ii) was a partner or employee of the Company s outside auditor who worked on the Company s audit at any time during the past three years;

the director or an immediate family member of the director is employed as an executive officer of another entity where at any time during the past three years any of the Company s executive officers served on the compensation committee of such other entity; or

the director or an immediate family member of the director is a partner in, or a controlling shareholder or an executive officer of, any organization (including a non-profit organization, foundation or university) to which the Company made, or from which the Company received, payments for property or services in the current fiscal year or any of the past three fiscal years that exceed the greater of \$200,000 or 5% of the recipient s consolidated gross revenues for that year, other than (i) payments arising solely from investments in the Company s securities and (ii) payments under non-discretionary charitable contribution matching programs.

In applying these objective disqualifiers, the Board of Directors will take into account any commentary, interpretations or other guidance provided by NASDAQ with respect to NASDAQ Listing Rule 5605. Under the

Independence Standards, any relationships or transactions not described above will preclude a director from qualifying as independent only if:

the director has a direct or indirect material interest in such relationship or transaction within the meaning of Item 404(a) of SEC Regulation S-K and the material terms of the relationship or transaction are materially more favorable to the director than those that would be offered at the time and in comparable circumstances to unaffiliated persons; or

the Board of Directors, in exercising its judgment in light of all relevant facts and circumstances, determines that the relationship or transaction interferes with the director's exercise of independent judgment in carrying out the responsibilities of a director.

The Independence Standards provide that the relationship between the Company and an entity for which a director serves solely as a non-management director is not by itself material.

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In February 2015, the Nominating and Corporate Governance Committee and the Board of Directors considered and reviewed certain transactions and relationships identified through responses to annual questionnaires completed by directors and director nominees, as well as other information presented by management to the Committee and the Board related to transactions and relationships during the past three years between the Company, on the one hand, and the directors and director nominees (including their immediate family members and business, charitable and other affiliates), on the other hand. As a result of this review, in April 2015, the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, affirmatively determined that Messrs. Levato, Lewis, Rothschild, Schwab and Wasserman, and Mses. Hill and Mathews-Spradlin, qualified as independent directors under applicable NASDAQ rules and the Independence Standards.

In making its independence determinations with respect to Messrs. Levato, Lewis, Rothschild, Schwab and Wasserman, and Ms. Mathews-Spradlin, the Board noted that these directors did not have any transactions or relationships with the Company during the past three years. In making its independence determination with respect to Ms. Hill, the Board of Directors considered the following transactions and relationships that occurred during the past three years, each of which was deemed by the Board not to interfere with Ms. Hill's exercise of independent judgment in carrying out the responsibilities of a director:

Ms. Hill serves as a non-management director of Dean Foods Company, one of the leading food and beverage companies in the United States, and Wendy's and its franchisees, through independent third-party distributors, purchased products from Dean Foods Company and its subsidiaries during 2012, 2013 and 2014;

Ms. Hill serves as a non-management director of Carlyle Group Management L.L.C., the general partner of The Carlyle Group L.P., one of the world's largest alternative asset managers, and The Carlyle Group L.P. holds a 42% equity stake in Alamar Foods, a former Wendy's master franchisee. In January 2015, Alamar Foods sold its 17 Wendy's restaurants in the United Arab Emirates and ceased operating as a Wendy's franchisee; and

Ms. Hill served as a non-management director of Sprint Nextel Corporation until July 2013, and the Company and its subsidiaries made payments to Sprint Nextel Corporation for telecommunications services during 2012 and 2013 of approximately \$0.9 million and \$0.6 million, respectively.

Three additional individuals—Clive Chajet, Roland C. Smith and Raymond S. Troubh—served as directors of the Company for a portion of 2014 until their terms expired at the Company's 2014 annual meeting of stockholders. In February 2014, the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, affirmatively determined that Messrs. Chajet and Troubh qualified as independent directors under applicable NASDAQ rules and the Independence Standards.

**Board Meetings and Attendance**

The Board of Directors held six meetings during the fiscal year ended December 28, 2014. Each director attended at least 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by the Board committees on which he or she served (in each case, held during the period such director served). In accordance with the Corporate Governance Guidelines, directors are expected to attend the Company's annual meetings of stockholders. All of the Company's directors who were then serving on the Board attended the Company's 2014 annual



meeting of stockholders.

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**Board Committees**

The Board has standing Audit, Compensation and Nominating and Corporate Governance Committees. Copies of the Audit, Compensation and Nominating and Corporate Governance Committee charters are available on the Company's website at [www.aboutwendys.com](http://www.aboutwendys.com) and are available in print, free of charge, to any stockholder who requests them. The Board also has standing Capital and Investment, Corporate Social Responsibility, ERISA and Executive Committees. The current members of each Board committee are identified in the table below. It is anticipated that, at the Board's organizational meeting immediately following the Annual Meeting, the Board will designate the directors to serve on each committee until the Company's next annual meeting of stockholders.

Name	Independent Director	Committee Member	Committee Chair	Committee					
				Audit	Compensation and Corporate Governance	Investment and Corporate	Capital and Corporate	Corporate Social Responsibility	ERISA
Nelson Peltz									
Peter W. May									
Emil J. Brolick									
Edward P. Garden									
Janet Hill	<b>I</b>			(1)					
Joseph A. Levato	<b>I</b>								
J. Randolph Lewis	<b>I</b>								
Mich J. Mathews-Spradlin	<b>I</b>								
Peter H. Rothschild	<b>I</b>								
David E. Schwab II	<b>I</b>			(1)					
Jack G. Wasserman (2)	<b>I</b>			(1)					

(1) Also serves as a member of the Performance Compensation Subcommittee of the Board of Directors.

(2) Not standing for re-election at the Annual Meeting.

## Audit Committee

*Number of Meetings in 2014:* 9

**Committee Functions:** The Audit Committee oversees the accounting and financial reporting processes of the Company and the audits of the Company's financial statements, and assists the Board in fulfilling its oversight responsibility relating to:

the integrity of the Company's financial statements and financial reporting process;

the Company's systems of internal accounting and financial controls and other financial information;

the performance of the Company's internal audit function;

the annual independent audit of the Company's financial statements, the engagement of the Company's independent registered public accounting firm, and the evaluation of such firm's qualifications, independence and performance;

the Company's compliance with legal and regulatory requirements, including disclosure controls and procedures; and

discussing risk assessment and risk management policies, particularly those involving major financial risk exposures.

**Independence and Financial Literacy:** The Board has determined that each member of the Audit Committee satisfies the independence and financial literacy requirements of NASDAQ and the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Board has also determined that at least one member of the Audit Committee, Mr. Levato, qualifies as an audit committee financial expert under applicable SEC rules and regulations and as a financially sophisticated audit committee member under applicable NASDAQ rules.

**Audit Committee Report:** The report of the Audit Committee with respect to fiscal 2014 is provided below under the caption Audit Committee Report.

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**Compensation Committee and Performance Compensation Subcommittee**

*Number of Meetings in 2014:* 5 (including 4 joint meetings with the Performance Compensation Subcommittee)

***Committee Functions:*** The Compensation Committee assists the Board in discharging its responsibility relating to compensation of the Company's directors and executive officers, including administering any salary, compensation and incentive plans that the Committee is designated by the Board to administer.

The Performance Compensation Subcommittee (sometimes referred to as the Subcommittee) was established by the Board in 1997 to administer the Company's compensation plans that are intended to meet the requirements of Section 162(m) of the Internal Revenue Code, including the Company's 2010 Omnibus Award Plan (as amended, the 2010 Omnibus Award Plan), and any other salary, compensation and incentive plans that the Subcommittee is designated by the Board to administer.

The processes and procedures employed by the Compensation Committee and the Subcommittee in connection with considering and determining executive and director compensation are described below under the caption Compensation Committee Responsibilities and Governance.

***Independence:*** The Board has determined that each member of the Compensation Committee and the Subcommittee satisfies the independence requirements of NASDAQ. In addition, each member of the Subcommittee is an outside director for purposes of Section 162(m) of the Internal Revenue Code and a non-employee director for purposes of Section 16 of the Exchange Act.

***Compensation Committee Report:*** The report of the Compensation Committee with respect to fiscal 2014 is provided below under the caption Compensation Committee Report.

**Nominating and Corporate Governance Committee**

*Number of Meetings in 2014:* 2

***Committee Functions:*** The Nominating and Corporate Governance Committee assists the Board by:

- identifying individuals qualified to become members of the Board, consistent with any approved guidelines and criteria approved by the Board;

- considering and recommending director nominees for the Board to select in connection with each annual meeting of stockholders;

- considering and recommending nominees for election to fill any vacancies on the Board and to address related matters;

developing and recommending to the Board corporate governance principles applicable to the Company;  
and

overseeing an annual evaluation of the Board's performance.

**Independence:** The Board of Directors has determined that each member of the Nominating and Corporate Governance Committee satisfies the independence requirements of NASDAQ.

## Other Board Committees

**Capital and Investment Committee.** The Capital and Investment Committee is responsible for approving the investment of the Company's excess funds (*i.e.*, funds not currently required for operations or acquisitions) and exercising approval authority for certain transactions (such as capital expenditures, acquisitions, dispositions and borrowings) within amounts specified by the Board.

**Corporate Social Responsibility Committee.** The Corporate Social Responsibility Committee is responsible for reviewing and approving the Company's charitable contributions (subject to review and approval by the Audit Committee of any proposed charitable contribution that would constitute a related person transaction) and recommending to the Board any changes to the maximum amount of charitable contributions that may be made by the Company in any fiscal year.

**ERISA Committee.** The ERISA Committee is the plan administrator of the Company's 401(k) plan, and has general oversight responsibility with respect to the operation of the Company's pension, profit sharing, thrift or other retirement plans and ERISA welfare benefit plans.

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***Executive Committee.*** During intervals between meetings of the Board, the Executive Committee may exercise all of the powers and authority of the Board in the management of the business and affairs of the Company, including, without limitation, all such powers and authority as may be permitted under Section 141(c)(2) of the Delaware General Corporation Law.

### **Executive Sessions of the Board**

The Board of Directors holds regularly scheduled executive sessions in which non-management directors meet without any members of management present. The Chairman or, in his absence, the Vice Chairman, presides over these executive sessions. The Board also meets at least twice a year in executive session with only independent directors present. The Chairman of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee rotate presiding over these executive sessions, with Mr. Levato presiding in 2014.

### **Board's Role in Risk Oversight**

The Board of Directors provides oversight with respect to the Company's risk assessment and risk management activities, which are designed to identify, prioritize, assess, monitor and mitigate material risks to the Company, including financial, operational, compliance and strategic risks. The Board administers this oversight function through the Audit Committee, the Compensation Committee, and a Risk Oversight Committee composed of members of senior management. The Audit Committee focuses on financial risks, including reviewing with management, the Company's internal auditors and the Company's independent registered public accounting firm the Company's major risk exposures (with particular emphasis on financial risk exposures), the adequacy and effectiveness of the Company's accounting and financial controls, and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. The Compensation Committee considers risks presented by the Company's compensation policies and practices for its executive officers and other employees. The Risk Oversight Committee is exclusively devoted to prioritizing and assessing all categories of enterprise risk, including risks delegated by the Board of Directors to the Audit Committee and the Compensation Committee, as well as other operational, compliance and strategic risks facing the Company. Each of these committees reports directly to the Board.

The Board believes that its current leadership structure supports the risk oversight function of the Board. Having the roles of Chief Executive Officer and Chairman of the Board filled by separate individuals allows the Chief Executive Officer to lead senior management in its supervision of the Company's day-to-day business operations, including identifying, assessing and taking actions to mitigate material risks, and allows the Chairman to lead the Board in its oversight of the Company's risk assessment and risk management activities.

### **Compensation Risk Assessment**

As part of the Board's risk oversight function, the Compensation Committee conducts an annual review of compensation-related risk. In February 2015, the Compensation Committee and its independent advisors met with management to review management's conclusion that the Company's compensation policies and practices for its employees do not create risks that are reasonably likely to have a material adverse effect on the Company. Management reviewed with the Compensation Committee the various factors underlying management's conclusion, including the performance objectives and target levels used in connection with the Company's incentive awards, as well as the features of the Company's compensation plans that are designed to mitigate compensation-related risk, including the following:

plan and award metrics are tied directly to overall profitability;

various methods for delivering compensation are utilized, including cash-based and equity-based incentives with different time horizons that provide a balanced mix of both short-term and long-term incentives;

performance-based awards have fixed maximum payouts;

the Company has the right to reduce or eliminate payouts under incentive awards through the use of negative discretion, including if a participant's behavior is in conflict with the Company's Code of Business Conduct and Ethics or any other Company policy or procedure;

annual incentive payouts are not made until the Company's financial statements are audited by the Company's independent registered public accounting firm and plan results are certified by the Chief Financial Officer; and

all incentive awards granted under the 2010 Omnibus Award Plan contain clawback provisions in favor of the Company in the event the Company is required to materially restate its financial statements or a court determines that a participant has engaged in a detrimental activity (as defined in the plan).

With respect to the Company's compensation program for executive officers, the Compensation Committee believes that this program is appropriately designed to support the Company's business objectives by linking executive

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compensation to individual performance, the Company's attainment of annual and multi-year operating and financial goals, and the creation of long-term stockholder value. The executive compensation program includes the following features which are designed to prevent risk-taking that could have a material adverse effect on the Company:

base salaries are a sufficient component of executives' total cash compensation so that excessive risk-taking that may be associated with performance-based compensation is mitigated;

performance goals and metrics under the annual cash incentive plan are based upon realistic operating levels that can be attained without taking inappropriate risks or deviating from normal operations or approved strategies;

long-term equity incentive awards are based in part upon the Company's performance over a multi-year period, which mitigates against the taking of short-term risk;

incentive compensation plan design allows for adjustment of performance metrics for non-recurring and other special items so that executives are rewarded based on the Company's actual operating results;

equity-based awards represent a significant portion of executives' total compensation, which links executive compensation to the long-term value of our Common Stock; and

the Board has adopted Stock Ownership and Retention Guidelines that require significant stock ownership by executives, which aligns the interests of executives with the interests of stockholders.

## **Code of Business Conduct and Ethics and Related Governance Policies**

The Board of Directors has adopted several governance policies to support its risk oversight function, including a Code of Business Conduct and Ethics (the Code of Conduct), a Securities Trading Policy and a Public Disclosure Policy.

***Code of Conduct.*** The Code of Conduct is designed to ensure that the Company's business is conducted with integrity. The Code of Conduct sets forth the Company's standards and expectations regarding business relationships, franchisee relations, compliance with law, business conduct, conflicts of interest, use of Company assets, confidential information, and recording and reporting information. The Code of Conduct applies to all of the Company's directors, officers and employees, including the principal executive officer, principal financial officer and principal accounting officer. A copy of the Code of Conduct is available on the Company's website at [www.aboutwendys.com](http://www.aboutwendys.com). Any amendments to or waivers from the Code of Conduct that are required to be disclosed by applicable SEC rules will also be posted on the Company's website.



**Securities Trading Policy.** The Securities Trading Policy is intended to assist the Company and its directors, officers and employees in complying with federal and state securities laws and avoiding even the appearance of questionable or improper conduct in connection with securities transactions. Under the Securities Trading Policy, covered persons:

- may not trade in Company securities if they are aware of material nonpublic information;
- may not trade in the securities of another company if they are aware of material nonpublic information about that company which was obtained during the course of their employment with the Company;
- may not speculate in Company securities through engaging in puts, calls or short positions;
- may not engage in any other hedging transactions without pre-clearance from the Company's legal department;
- may not share material nonpublic information with others or recommend to anyone the purchase or sale of any securities when they are aware of material, undisclosed information; and
- must comply with certain pre-clearance and blackout procedures described in the policy.

**Public Disclosure Policy.** The Public Disclosure Policy is intended to support the Company's commitment to providing timely, transparent, consistent and credible information to the investing public, consistent with legal and regulatory requirements, including the SEC's Regulation FD (Fair Disclosure). Regulation FD prohibits the Company or persons acting on its behalf from disclosing material nonpublic information to securities market professionals or stockholders before disclosing the information to the general public. The Public Disclosure Policy covers all directors, officers and employees of the Company, and sets forth certain procedures and requirements that are applicable to:

- disclosures in documents filed with the SEC;
- statements made in annual, quarterly and current reports, press releases, communications with analysts, investors and the media, speeches and presentations; and
- information contained on the Company's website.

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**COMPENSATION COMMITTEE RESPONSIBILITIES AND GOVERNANCE**

**Scope of Authority and Responsibilities**

The primary purpose of the Compensation Committee is to assist the Board of Directors in discharging its responsibility relating to the compensation of the Company's executive officers and directors. In carrying out its duties, the Compensation Committee:

Reviews and approves the goals and objectives relevant to compensation of the Company's Chief Executive Officer, evaluates the performance of the CEO in light of those goals and objectives, and determines, or recommends to the Board for determination, the compensation of the CEO based on such evaluation;

Reviews and approves the goals and objectives relevant to the compensation of the Company's other executive officers, oversees an evaluation of the effectiveness of the compensation program for such officers, and determines the compensation of such officers taking into consideration any matters it deems relevant, including any recommendations made by the CEO and the Committee's independent outside compensation consultant;

Reviews and approves the overall compensation philosophy, policies and practices for the Company's executive officers, including the use of employment agreements, severance plans and arrangements, deferred compensation plans and other executive benefits and perquisites;

Reviews and advises the Board with respect to executive officer incentive programs, compensation plans and equity-based plans, and administers such plans as the Board designates, including determining awards to be granted to executive officers and other employees under such plans and evaluating the achievement of goals and objectives established under such plans;

Reviews the competitiveness and appropriateness of the compensation program for the Company's non-management directors, and approves or makes recommendations to the Board of Directors with respect to director compensation;

Reviews and discusses the Compensation Discussion and Analysis prepared by management and determines whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement and annual report;

Reviews and evaluates with management whether the Company's compensation policies and practices for executive officers and other employees create risks that are reasonably likely to have a material adverse effect on the Company, and reviews any related disclosure required by SEC rules and regulations to be included in the Company's proxy statement; and

Provides recommendations to the Board on compensation-related proposals to be considered at stockholder meetings, including say-on-pay and say-on-frequency advisory votes, reviews the results of any stockholder advisory votes on executive compensation matters, and considers whether to implement, or recommend to the Board the implementation of, any modifications to the Company's compensation programs and policies in response to such voting results.

### **Compensation of Executive Officers and Directors**

The actions taken by the Compensation Committee and the Subcommittee during 2014 with respect to the compensation of the Company's named executive officers are discussed below under the caption Compensation Discussion and Analysis. The actions taken by the Compensation Committee during 2014 with respect to the compensation of the Company's non-management directors are discussed below under the caption Compensation of Directors.

### **Authority to Delegate**

The Compensation Committee and the Subcommittee each may delegate authority to subcommittees composed of one or more of its members, and also may delegate authority to its Chairman when it deems appropriate, subject to the terms of its charter. The Compensation Committee and the Subcommittee also may delegate to one or more directors or officers the authority to make grants of equity-based compensation to eligible employees who are not executive officers, subject to the terms of the Company's compensation plans and applicable legal and regulatory requirements. Any director or officer to whom the Compensation Committee or the Subcommittee grants such authority must regularly report any grants so made, and the Committee or the Subcommittee may revoke any delegation of authority at any time.

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**Role of Compensation Consultants and Other Advisers**

In carrying out its responsibilities, the Compensation Committee periodically reviews and evaluates the components and competitiveness of the Company's executive compensation program, using information drawn from a variety of sources, including information provided by outside compensation consultants, legal counsel and other advisers, as well as the Committee's own experience in recruiting, retaining and compensating executives. The Compensation Committee has the sole authority to retain and oversee the work of outside compensation consultants, legal counsel and other advisers in connection with discharging its responsibilities, including the sole authority to determine such consultants' or advisers' fees and other retention terms. The Company provides such funding as the Compensation Committee determines to be necessary or appropriate for payment of compensation to consultants and advisers retained by the Committee.

Since December 2009, the Compensation Committee has engaged Frederic W. Cook & Co., Inc. (Cook & Co.) to serve as the Committee's independent outside compensation consultant. Representatives from Cook & Co. regularly attend Compensation Committee meetings and provide advice to the Committee on a variety of compensation-related matters. The Compensation Committee seeks input from Cook & Co. on competitive market practices, including evolving trends and best practices and external survey data. During 2014, Cook & Co. assisted the Compensation Committee with respect to the design of the Company's executive compensation program, including base salary adjustments, the 2014 cash incentive plan and the 2014 long-term equity incentive awards for the Chief Executive Officer and other senior executives. Cook & Co. also advised the Compensation Committee in connection with its review and approval of compensation packages offered to new executives hired by the Company, one-time equity incentive awards granted to certain key executives and amendments to the Chief Executive Officer's employment agreement. At the request of the Compensation Committee, Cook & Co. periodically reviews the compensation components and levels of the Company's executive officers and advises the Committee on the appropriateness of the Company's executive compensation program in the context of its overall compensation philosophy. Under the terms of its engagement, Cook & Co. does not provide any other services to the Company, and works with management only on matters for which the Compensation Committee has oversight responsibility. The Compensation Committee has assessed the independence of Cook & Co. pursuant to applicable SEC and NASDAQ rules (including consideration of the six independence factors specified in NASDAQ Listing Rule 5605(d)(3)(D)) and concluded that no conflict of interest exists that would prevent Cook & Co. from serving as an independent compensation consultant to the Committee.

Management provides information and makes recommendations to the Compensation Committee from time to time regarding the design of the Company's executive compensation program. In formulating its recommendations, management reviews information from a variety of sources, including information provided by outside compensation consultants. During 2014, management engaged Towers Watson & Co. (Towers Watson) to serve as management's outside compensation consultant. Towers Watson provided market data and other information to management in connection with the design of the Company's executive compensation program, including the 2014 cash incentive plan and the 2014 long-term equity incentive awards for the Chief Executive Officer and other senior executives, and a review of base salary, total cash compensation and total direct compensation levels for senior executives. Certain of this market data was also made available to the Compensation Committee and its independent outside compensation consultant, Cook & Co.

**Role of Executive Officers**

The Company's executive officers provide support and assistance to the Compensation Committee and the Subcommittee on a variety of compensation-related matters. Each year, the Chief Executive Officer and other senior executives provide input to the Subcommittee regarding the design of the Company's annual cash incentive plan and

annual long-term equity incentive plan, including proposed performance goals and objectives and a list of participants eligible to receive awards. The Subcommittee then determines the structure and components of the annual cash and equity incentive awards after considering management's recommendations, as well as input from its independent outside compensation consultant. With respect to performance-based awards, following the completion of each performance period, the Chief Financial Officer provides the Subcommittee with a certification of the Company's actual performance relative to the stated performance goals and the resulting payouts to participants based on such performance. Under the terms of the annual cash incentive plan, payouts to executives other than the Chief Executive Officer can be adjusted by the Subcommittee by up to +/-25% (subject to the maximum incentive award opportunities established by the Subcommittee for purposes of Section 162(m) of the Internal Revenue Code) at the recommendation of the CEO, based on his assessment of each executive's individual performance. The Subcommittee then determines the actual incentive payouts to eligible participants after taking into account Company and individual performance and any other relevant facts and circumstances.

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The Chief Executive Officer and other executives with expertise in compensation, benefits, tax, accounting, legal and other matters provide information and make recommendations to the Compensation Committee from time to time on other compensation-related matters, including proposed employment, retention, relocation, severance or other compensatory arrangements, proposed base salary adjustments or other merit awards, annual compensation risk assessments, and trends and best practices in executive compensation. Executives also present information to the Compensation Committee regarding the Company's business strategies, the Company's operating and financial performance, legal and regulatory developments affecting the executive compensation program or the duties and responsibilities of the Committee, and other relevant matters. In accordance with applicable NASDAQ rules, the Chief Executive Officer may not be present during any voting or deliberations by the Compensation Committee with respect to his compensation.

**Compensation Committee Interlocks and Insider Participation**

The Compensation Committee was composed of five non-management directors during 2014: David E. Schwab II (Chair), Clive Chajet (until his retirement from the Board on May 28, 2014), Janet Hill, Joseph A. Levato and Jack G. Wasserman.

During 2014, (i) no member of the Compensation Committee had ever served as an officer or employee of the Company, except that, from 1993 to 1996, Mr. Levato served as the Company's Executive Vice President and Chief Financial Officer, (ii) no member of the Compensation Committee was party to any related person transaction or other relationship requiring disclosure under Item 404 of SEC Regulation S-K and (iii) none of the Company's executive officers served as a member of the board of directors or the compensation committee, or a similar committee, of any other entity, one of whose executive officers served on the Board of Directors, the Compensation Committee or the Subcommittee.

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**COMPENSATION COMMITTEE REPORT\***

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis with the Company's management and, based on such review and discussions, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2014.

**The Compensation Committee:**

David E. Schwab II, Chairman

Janet Hill

Joseph A. Levato

Jack G. Wasserman

\* *This Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Compensation Committee Report by reference into such other filing.*

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**Table of Contents****COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis ( CD&A ) describes the Company s executive compensation objectives, philosophy and practices, and discusses the compensation that was awarded during 2014 to the named executive officers identified below.

<u>Name</u>	<u>Position</u>
Emil J. Brolick	President and Chief Executive Officer
Todd A. Penegor	Executive Vice President, Chief Financial Officer and International
Robert D. Wright	Executive Vice President and Chief Operations Officer
Craig S. Bahner	Former Chief Marketing Officer
R. Scott Toop	Senior Vice President, General Counsel and Secretary

**Compensation Discussion and Analysis At a Glance**

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**2014 Business Highlights**

During 2014, the Company made significant strategic and financial progress and accelerated the transformation of the Wendy s brand through its A Cut Above brand positioning. Led by Mr. Brolick and the senior leadership team, the Company continued to build momentum by improving its core economic model, contemporizing the restaurant experience, strengthening the Wendy s system, and creating significant value for stockholders. The Company s key operating and financial results for 2014 are highlighted below.

*Improving Economic and Brand Relevance*

- Delivered adjusted EBITDA growth of 7% to \$393 million and adjusted earnings per share growth of 13% to \$0.34 (see [Annex A](#) for a reconciliation of non-GAAP financial measures)



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- Achieved Company-operated same restaurant sales growth of 2.3%
- Reduced general and administrative expense by 10% to \$263 million
- Improved Company-operated restaurant margins by 50 basis points to 15.8%
- Increased average annual unit sales volumes for Company-operated restaurants by 5% to a record-high \$1.59 million

### *Transforming the Wendy's Brand*

- Accelerated the enhancement of our brand image by updating nearly 500 restaurants with innovative interior and exterior designs through the Company's Image Activation Program
- Developed a standard ultra-modern restaurant design with customizable upgrades to meet the needs of our diverse system and provide significant sales and earnings potential
- Image Activation restaurants continue to contemporize the restaurant experience and drive increased traffic and higher sustained sales

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*Strengthening the Wendy's System*

- Sold over 200 Company-operated restaurants to well-capitalized franchisees with a commitment to high operating standards, Image Activation, and new restaurant development through the Company's System Optimization initiative
- System Optimization is expected to generate stronger free cash flow and improved earnings quality, as well as serve as a catalyst for our brand transformation and long-term growth

*Enhancing Stockholder Value*

- Returned \$374 million in cash to stockholders through dividends (\$75 million) and share repurchases (\$299 million)
- Delivered one-year and three-year total stockholder return of 4% and 79%
- The graph below illustrates our total stockholder return over the past three years relative to the S&P MidCap 400<sup>®</sup>, assuming an initial investment of \$100 and that all dividends were reinvested when received.

**A Philosophy of Pay for Performance**

***Objectives of the Executive Compensation Program***

The compensation program for the Company's senior executives is designed to support the Company's business objectives by linking executive compensation to individual performance and the Company's attainment of annual and multi-year operating and financial goals, as well as the creation of long-term stockholder value. The primary objectives of the executive compensation program are to:

Attract and retain highly-qualified executives

Motivate and reward executives for achieving individual and Company performance goals and objectives

Align the interests of executives with the interests of stockholders

***Emphasis on Variable Compensation***

The Compensation Committee believes that a substantial portion of the total compensation for senior executives should be variable (*i.e.*, at risk ) and tied to Company performance. This pay-for-performance philosophy aligns executive pay with the Company's business objectives and ensures that executives are responsive and accountable to stockholder interests.

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Total direct compensation for senior executives is composed of three elements: (i) base salary; (ii) annual cash incentive compensation; and (iii) long-term equity incentive compensation. The chart below illustrates how base salary, annual cash incentive awards (at targeted levels of performance), and long-term equity incentive awards (at targeted levels of performance and excluding the value of one-time recognition awards) were allocated for 2014 to create the overall pay mix for the Chief Executive Officer and for the other named executive officers as a group. As reflected by the chart, performance-based incentives constituted the most significant portion of total direct compensation for senior executives, consistent with the Company's pay-for-performance philosophy.

The executive compensation program offers executives an opportunity for increased compensation in the event of successful Company performance, matched with the prospect of reduced compensation in the event Company performance objectives are not achieved.

The chart below illustrates our pay and performance alignment by comparing the Company's sales and financial results to Mr. Brolick's total reported compensation over the past three years. As reflected by the chart, the Company has achieved year-over-year improvements in its key performance metrics—same restaurant sales growth, adjusted EBITDA and adjusted earnings per share—since Mr. Brolick was appointed President and Chief Executive Officer in September 2011 (see [Annex A](#) for a reconciliation of non-GAAP financial measures). For 2014, despite continued momentum against these metrics, the Company's same restaurant sales growth and adjusted EBITDA fell below targeted levels of performance established under the Company's annual cash incentive plan, resulting in a year-over-year decrease in Mr. Brolick's total reported compensation.

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**Effective Governance Achieved through Executive Compensation Program Design**

In addition to the Company's pay-for-performance philosophy, the table below highlights key features of the executive compensation program that demonstrate the Company's commitment to protecting stockholder interests through effective executive compensation program design and sound compensation governance practices.

What We Do	What We Do Not Do
<ul style="list-style-type: none"> <li>ü Hold an annual "say-on-pay" advisory vote for stockholders</li> <li>ü Engage an independent outside compensation consultant and utilize market and industry data to ensure we compensate fairly and competitively, but not excessively</li> </ul>	<p>Provide annual or multi-year incentive guarantees</p>
<ul style="list-style-type: none"> <li>ü Balance short-term and long-term compensation to discourage short-term risk taking at the expense of long-term results</li> <li>ü Set meaningful performance goals at the beginning of the performance period</li> </ul>	<p>Provide excessive perquisites or benefits to executives</p>
<ul style="list-style-type: none"> <li>ü Mitigate undue risk taking by utilizing multiple performance metrics, imposing caps on individual payouts, including a "clawback" policy for equity awards, and performing an annual compensation risk assessment</li> </ul>	<p>Offer pension or SERP benefits to executives</p>
<ul style="list-style-type: none"> <li>ü Use an appropriate mix of cash and non-cash compensation, with an emphasis on variable ("at risk") compensation</li> <li>ü Limit accelerated vesting of equity awards by requiring a "double trigger" upon a change in control</li> </ul>	<p>Pay dividends on equity awards that are not earned or vested</p>
<ul style="list-style-type: none"> <li>ü Set significant stock ownership and retention guidelines for executives</li> </ul>	<p>Gross-up exercise taxes upon a change in control</p>
	<p>Grant equity awards at less than fair market value</p>
	<p>Reprice underwater stock options</p>
	<p>Permit speculative trading, hedging or derivative transactions in our Common Stock</p>

## How Executive Compensation is Determined

On an annual basis, the Compensation Committee evaluates the performance of the Company's senior executives, determines whether executives will receive incentive compensation awards for the prior year based on performance for that year, and establishes the executive compensation program for the current year. In determining the appropriate compensation package for executives, the Compensation Committee, in consultation with its independent outside compensation consultant, Cook & Co., considers a number of factors, including: (i) individual and Company performance; (ii) scope of responsibilities and relative importance of each role; (iii) qualifications and experience; (iv) competitive market practice; (v) compensation history; (vi) internal pay equity; (vii) alignment with stockholder interests; and (viii) creation of long-term stockholder value.

Beginning in 2013, the Compensation Committee adopted the following approach to guide the Committee in making executive compensation decisions:

*Targeted Compensation Levels.* Compensation levels (base salary, annual cash incentives and long-term equity incentives) are targeted at the competitive range (*i.e.*, +/-15%) of market median, on average, with realized compensation above or below that range based on individual and Company performance. Individual executive compensation levels may be above or below the competitive range depending on unique situations, such as recruiting considerations for new hires, high sustained performance, and decisions made under the Company's previous market-position philosophy.

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*Competitive Market Reference.* Data from companies of comparable revenues included in the Towers Watson U.S. CDB General Industry Executive Compensation Database ( General Industry Data ) is used as a reference point to support the overall competitiveness of executive compensation, with data from the Chain Restaurant Total Rewards Association ( Restaurant Industry Data ) used as a secondary reference for applicable positions.<sup>1</sup>

*Annual Cash Incentives.* The performance measures utilized for annual cash incentive awards are focused on key earnings and growth metrics, with adjustments (+/-25%) to actual payouts possible based on individual performance.

*Long-Term Equity Incentives.* Long-term equity incentive awards consist of stock options that vest over three years and performance units that are tied to the Company's achievement of designated financial metrics over a multi-year performance period, with adjustments (+/-25%) to target grant amounts possible based on individual performance.

The Compensation Committee believes that this approach continues to be effective in maintaining a strong link between executive compensation and Company performance, as reflected by the Company's strong earnings and sales growth in 2014, the continued momentum in the transformation of the Wendy's brand, and the Company's ability to attract and retain a highly-qualified and motivated leadership team.

**Elements of Executive Compensation**

The primary components of the executive compensation program are described in the table below.

Component	Purpose
<b>Base Salary</b>	Attract and retain highly-qualified executives by providing an appropriate level of fixed cash compensation that reflects the experience, responsibilities and performance of each executive
<b>Annual Cash Incentive Compensation</b>	Align executive pay with individual and Company performance by motivating and rewarding executives over a one-year time frame based on the achievement of strategic business and financial objectives
<b>Long-Term Equity Incentive Compensation</b>	Align the interests of executives with the interests of stockholders and retain highly-qualified executives by motivating and rewarding executives to achieve multi-year strategic business and financial objectives
	Create a direct link between executive pay and long-term Company performance:
	<ul style="list-style-type: none"> <li>○ Performance units deliver value only if the Company's actual results meet or exceed pre-determined, objective performance goals</li> </ul>

	<ul style="list-style-type: none"> <li>○ Stock options deliver value only upon a long-term increase in the price of our Common Stock</li> </ul>
<b>Perquisites and Benefits</b>	Provide limited perquisites and benefits, consistent with competitive market practice
Retirement and Health Benefits	<ul style="list-style-type: none"> <li>○ Executives participate in benefit plans made available generally to our broader employee population, including the Company's 401(k) plan, group health plans, sick leave policies, life insurance and disability benefits</li> </ul>
Other Perquisites	<ul style="list-style-type: none"> <li>○ Executives receive an automobile allowance and may participate in the Company's executive physical examination program</li> </ul>

<sup>1</sup> With respect to the Compensation Committee's review of General Industry Data (approximately 450 companies) and Restaurant Industry Data (approximately 100 companies): (i) the Committee does not select the companies that provide information for the surveys; (ii) the aggregate survey data is size-adjusted prior to being provided to the Committee; and (iii) the Committee does not link information back to particular companies as the aggregate survey data is reported by executive position and not by company. The Compensation Committee utilizes this broad-based, third-party survey data to gain a general understanding of the current compensation practices and trends in the market and the restaurant industry. As described above, competitive market practice is only one of several factors considered by the Compensation Committee when approving the elements and amounts of compensation awarded to senior executives.



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**Compensation Decisions for 2014**

***Base Salary***

In February 2014, the Compensation Committee reviewed the base salaries for the Company's senior executives. After considering the factors described above under the caption "How Executive Compensation is Determined," as well as recommendations from the Chief Executive Officer with respect to the other members of the senior leadership team, the Compensation Committee approved base salary increases for senior executives, including Mr. Brolick (\$50,000), Mr. Penegor (\$25,000), Mr. Wright (\$10,000), Mr. Bahner (\$15,000) and Mr. Toop (\$20,000). In December 2014, in recognition of Mr. Wright's expanded duties and responsibilities with the Company, the Compensation Committee approved an additional base salary increase of \$90,000, which included a market adjustment to move his base salary closer to the competitive range of market median. In approving these increases, the Compensation Committee noted that the base salaries of the senior executives, on average, remained within the competitive range of market median.

***Annual Cash Incentive Compensation***

The 2014 executive incentive plan was based on the achievement of two performance metrics—adjusted EBITDA and same restaurant sales. Adjusted EBITDA is a key earnings metric that reflects the Company's focus on increasing operating profitability, while same restaurant sales is a key growth metric that represents a fundamental operating performance measure for the Company's business. In selecting these metrics, the Performance Compensation Subcommittee noted that adjusted EBITDA and same restaurant sales are prevalent restaurant industry measures, and management's ability to attain these metrics was critical to achieving the Company's operating and financial goals for 2014 and increasing long-term stockholder value.

The design of the 2014 executive incentive plan was guided by five key principles:

*Growth must be achieved for any payment.* Even at threshold performance payout levels, the Company must achieve adjusted EBITDA growth over the prior year and positive same restaurant sales growth.

*Performance goals should balance stretch and attainability.* Threshold, target and maximum payout levels were calibrated to estimated possible outcomes, with probability of achievement estimated at 80-90% for threshold performance, 60-70% for target performance and 10-20% for maximum performance.

*Reward executives consistent with external stockholder guidance.* Target payouts were established for performance at the low end of the Company's external stockholder guidance, with an acceleration of the payout curve to incentivize management to achieve the high-end of guidance.

*Align executive compensation with Company performance.* Target level payouts were set to provide median pay for median (or slightly above median) performance relative to competitors within the restaurant industry, while performance above (or below) target would result in payouts above (or below) median levels of pay.

*Reward individual performance.* Cash incentive payouts can be adjusted by up to +/-25% based on an assessment of each executive's individual performance. In no event may an executive's payout exceed the maximum incentive award opportunity established for that individual.

The table below identifies the performance metrics, incentive opportunities, and actual results achieved under the 2014 executive incentive plan.

### Performance Metrics for 2014 Executive Incentive Plan

Performance Metric	Weight	Target			2014 Actual Achievement	2014 Actual Payout %	Weighted Payout %
		Threshold (50% payout)	(100% payout)	Maximum (200% payout)			
Adjusted EBITDA <sup>2</sup>	70%	\$371M	\$392M	\$418M	\$377.6M	63.0%	44.1%
Same Restaurant Sales <sup>3</sup>	30%	+0.5%	+2.5%	+3.5%	+2.3%	94.1%	28.2%
2014 Total Payout %							72.3%

<sup>2</sup> Adjusted EBITDA is defined as earnings for fiscal 2014 before interest, taxes, depreciation and amortization, as adjusted to exclude the impact of: (i) acquisitions and dispositions; (ii) integration costs included in G&A; (iii) facilities action charges, net; (iv) foreign exchange; and (v) specific non-recurring and unusual items or other adjustments, to the extent approved by the Subcommittee. The specific adjustments applied in calculating adjusted EBITDA for purposes of the 2014 executive incentive plan from the Company's reported financial results for fiscal 2014 are shown in [Annex A](#). [Annex A](#) also shows the differences between the Company's 2014 reported adjusted EBITDA of \$392.7 million and the 2014 executive incentive plan adjusted EBITDA of \$377.6 million.

<sup>3</sup> Same restaurant sales is defined as same restaurant sales for North America Company-operated restaurants, excluding the impact of currency transactions. Same restaurant sales are reported for new restaurants that have been open for at least 15 continuous months and for remodeled restaurants that have been reopened for three continuous months.

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The table below shows the total payouts for the named executive officers under the 2014 executive incentive plan based on the Company's adjusted EBITDA and same restaurant sales results and the application of the individual performance multipliers. The target annual cash incentive opportunities for the named executive officers were established as part of their overall employment terms with the Company, and are expressed as a percentage of base salary in effect as of the end of 2014.

**Payouts under 2014 Executive Incentive Plan**

<u>Participant</u>	<u>Annual Incentive Target as % of Salary (\$)</u>	<u>Annual Incentive Target (\$)</u>	<u>Weighted Payout for 2014</u>	<u>Individual Performance Multiplier</u>	<u>Total 2014 Annual Incentive Payout (\$)</u> <sup>4</sup>
Emil J. Brolick	150%	1,725,000	72.3%	115%	1,435,000
Todd A. Penegor	75%	487,500	72.3%	112%	395,000
Robert D. Wright	75%	356,250	72.3%	111%	285,000
Craig S. Bahner	75%	356,250	72.3%	100%	257,569
R. Scott Toop	75%	348,750	72.3%	119%	300,000

The Subcommittee determined the individual performance multiplier for Mr. Brolick based on his performance during 2014 in consideration of the Company's improved operating and financial results, the accelerated transformation of the Wendy's brand through Image Activation, the execution of the Company's System Optimization initiative, and the significant value created for stockholders. The Subcommittee also took into account Mr. Brolick's leadership and commitment to growing the Wendy's brand, building a highly-qualified executive team, and consistently delivering A Cut Above restaurant experience to consumers.

The individual performance multipliers for Messrs. Penegor, Wright, Bahner and Toop reflect Mr. Brolick's assessment of each executive's performance during 2014. The Subcommittee determined that positive adjustments were appropriate to reward the executives' contributions to the Company's significant strategic progress and improved financial performance during 2014.

<sup>4</sup> In conjunction with establishing the 2014 executive incentive plan, the Subcommittee approved a Section 162(m)-compliant plan with a threshold performance goal for 2014 of net operating profit (before taxes) of \$129.9 million, excluding certain adjustments relating to asset write-downs (including asset impairment and goodwill impairment charges) and facilities action charges, net. Achievement of this performance goal (which represented a 39% increase from the prior year's performance goal) allowed for the funding of an annual incentive pool for eligible participants. Based on 2014 results, the Subcommittee certified that the Company satisfied the threshold performance goal through its achievement of adjusted net operating profit of \$233.4 million. The Subcommittee then approved incentive payouts under the 2014 executive incentive plan based on the Company's achievement of the performance metrics under that plan (*i.e.*, adjusted EBITDA and same restaurant sales), which resulted in payouts below the maximum incentive award opportunities established for purposes of Section 162(m).

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The 2014 long-term equity incentive framework for senior executives is summarized in the table below.

**Design of 2014 Long-Term Equity Incentive Awards**

Component	Weight	Vesting	Timing of Grant <sup>5</sup>	Rationale
Stock Options	60%	3-year ratable vesting	Third quarter (August 2014)	Delivers value only if the price of our Common Stock increases
			Consistent with historical practice and the timing of long-term equity awards to other eligible employees	Aligns the interests of executives with the interests of stockholders
Performance Units	40%	3-year cliff vesting, subject to the Company's achievement of a pre-determined, objective performance metric (Adjusted Earnings Per Share)	First quarter (February 2014)	Value is dependent on the Company's achievement of multi-year strategic financial goals and the price of our Common Stock
			Performance metric is aligned with the Company's full fiscal years during the performance period	Cliff vesting requires executives to remain with the Company through the vesting date to realize the full value of the award

Payout of the 2014 performance unit awards is based on the Company's achievement of a single performance metric adjusted earnings per share over a three-year performance period (December 30, 2013 through January 1, 2017), as described in the table below.

**Performance Metric for 2014 Performance Unit Awards**

Measure	Threshold (37.5% payout)	Target (100% payout)	Maximum (200% payout)	Rationale
Adjusted Earnings Per Share <sup>6</sup>  (Compounded Annual Growth Rate)	2%	10%	19%	Motivates executives to achieve consistent, long-term earnings growth

Aligns with stockholder interests and the creation of stockholder value

Rewards executives based on an internal operating measure with clear line of sight

Prevalent market and industry performance measure

In selecting adjusted earnings per share as the single performance metric for the 2014 performance units, the Subcommittee considered that the prior year's long-term equity incentive awards had been based on two performance metrics—adjusted earnings per share and the number of Company-operated restaurants opened or remodeled. For 2014, the Subcommittee determined that having a single performance metric—adjusted earnings per share—was preferable, and that achievement of this performance metric would in fact require significant increases in the number of new and remodeled restaurants, consistent with the Company's strategic business objectives.

Following the end of the performance period, the Subcommittee will review the extent to which the performance metric has been achieved and will determine the number of shares of Common Stock that are issuable to each participant. Under the terms of the awards, there is no vesting of performance units if actual performance falls below the threshold level of performance, and vesting for achievement between the threshold, target and maximum performance levels is tied to the percentages set forth in the vesting schedule for the performance metric. Consistent with prior year awards, the performance units include dividend equivalent rights, representing the right to receive additional performance units in lieu of cash dividends paid with respect to the shares of Common Stock actually earned, if any, at the completion of the performance period.

<sup>5</sup> The Subcommittee has not adopted any formal policy to time the grant of equity awards with the release of non-public information and retains discretion to determine the grant dates for annual and one-time equity awards taking into account applicable legal requirements and other relevant factors. All of the performance unit awards and stock options granted to senior executives during 2014 were issued during open trading windows established under the Company's Securities Trading Policy.

<sup>6</sup> Adjusted Earnings Per Share is defined as diluted net income (loss) per share (after taxes) attributable to The Wendy's Company as reported on the Company's Consolidated Statements of Operations, as adjusted to exclude the after-tax impact of: (i) debt extinguishment costs; (ii) accelerated depreciation on Image Activation remodels; (iii) facilities action charges, net; (iv) Arby's special dividends; (v) costs associated with restaurant closure programs; (vi) asset write-downs (including asset impairment and goodwill impairment charges and write-downs of other intangibles); (vii) gains or losses from hedging transactions (including swap ineffectiveness); (viii) gains or losses related to acquisitions and dispositions; (ix) tax expense related to the reversal of foreign investment election; (x) changes in accounting principles; and (xi) any other extraordinary, unusual or nonrecurring events as described in Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the Company's annual report to stockholders for the applicable year.

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***Value of 2014 Long-Term Equity Incentive Awards***

The Subcommittee determined the value of the 2014 long-term incentive awards for senior executives in February 2014 by assessing the impact of the value of these awards on each executive's total direct compensation (consistent with the Company's pay philosophy) and considering the performance of the Company and each executive during 2013.

In determining the value of Mr. Brolick's 2014 long-term equity incentive award, the Subcommittee gave particular consideration to the importance of retaining Mr. Brolick as well as his leadership role in driving improved Company performance during 2013, including: (i) enhancing stockholder value by returning \$140 million to stockholders through dividends and share repurchases and delivering total stockholder return of 89%; (ii) transforming the Wendy's brand and contemporizing the restaurant experience through acceleration of the Company's Image Activation initiative and new restaurant development; (iii) optimizing the Company's restaurant portfolio by selling nearly 250 Company-operated restaurants to franchisees as part of the Company's System Optimization initiative; and (iv) improving the Company's economic model through cost savings, reductions in G&A expense, margin improvements, and growth in same restaurant sales, adjusted EBITDA and adjusted earnings per share. After considering all relevant factors, including competitive market data and information provided by its independent outside compensation consultant, Cook & Co., the Subcommittee determined that a 2014 long-term equity incentive award valued at \$4,500,000 (which placed Mr. Brolick's target total direct compensation for 2014 above the competitive range of market median) was appropriate in light of the significant improvements in Company performance and stockholder returns during 2013.

The values of the 2014 long-term equity incentive awards for Messrs. Penegor, Wright, Bahner and Toop were determined by the Subcommittee after consideration of several factors, including the value of prior year awards, competitive market practice, internal pay equity, the terms of individual employment agreements, and individual performance multipliers based on recommendations from Mr. Brolick. In approving these awards, the Subcommittee noted that the 2014 target total direct compensation for senior executives other than Mr. Brolick fell within the competitive range of market median, on average, consistent with the Company's executive compensation philosophy.

***Adding a Second Performance Metric for 2015 Performance Unit Awards***

Under the executive compensation program, 40% of the value of the long-term equity incentive awards for senior executives is delivered in the form of performance units. For 2014, the performance unit awards were based on one performance metric—adjusted earnings per share. For 2015, the Subcommittee, in consultation with its independent outside compensation consultant, Cook & Co., decided to add a second, equally-weighted performance metric—relative total stockholder return—to the performance unit awards. The 2015 performance unit awards, which were granted in February 2015, will vest after a three-year performance period (December 29, 2014 to December 31, 2017) based on the Company's cumulative adjusted earnings per share and the Company's total stockholder return relative to the S&P MidCap 400. The Subcommittee added the relative total stockholder return metric in recognition of evolving marketplace trends in incentive plan design and because the Subcommittee believes that relative total stockholder return is an important indicator of the Company's performance compared to the market and further motivates executives to deliver superior stockholder returns.

***Additional Compensation Decisions***

***Amendments to Mr. Brolick's Employment Agreement***

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In September 2011, the Company entered into an employment agreement with Mr. Brolick in connection with his appointment as President and Chief Executive Officer. The employment agreement provided for an initial three-year term, with a one-year extension of the term upon the mutual agreement of the Company and Mr. Brolick. In June 2014, after considering Mr. Brolick's performance and contributions to the Company's improved financial results, strategic initiatives and stockholder value, the Compensation Committee and the Subcommittee approved certain amendments to Mr. Brolick's employment agreement, as described in the table below.

Amendment	Rationale
The employment term was extended from September 12, 2014 to September 12, 2015, with automatic one-year extensions unless either party provides notice of non-renewal at least 90 days prior to the end of the then-current term	Retain Mr. Brolick as President and Chief Executive Officer while taking into account the need for flexibility and sensitivity with respect to management succession planning
The minimum base salary was increased from \$1,100,000 to \$1,150,000, and the target/guideline award for annual long-term equity incentive awards was increased from \$2,500,000 to \$3,000,000	Update the employment agreement to reflect compensation changes that were previously approved by the Committee and consistent with the Company's pay philosophy
The post-retirement stock option exercise period was changed from one-year following retirement to two-years following the later of retirement or termination of service as a director of the Company	Motivate and reward Mr. Brolick for driving long-term stockholder growth and provide a greater opportunity to realize the potential value of stock option awards



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***Payout of Mr. Brolick's 2011 Performance Units***

In September 2011, the Subcommittee awarded performance units to Mr. Brolick as part of his overall employment terms with the Company. The performance units vested at the end of a performance period that began on September 12, 2011 and ended on June 29, 2014, based on the Company's achievement of a relative total stockholder return performance goal. In July 2014, following the completion of the performance period, the Subcommittee reviewed the Company's achievement of the performance goal and certified that the Company's relative total stockholder return fell slightly below the target achievement level, resulting in an 86.25% payout. Based on the Company's level of achievement, the Subcommittee determined the number of shares of Common Stock that were issuable to Mr. Brolick in respect of his award and approved the share payout to Mr. Brolick, without exercising negative discretion. Mr. Brolick is the only named executive officer who was employed by the Company during 2011.

***One-Time Equity Incentive Awards to Messrs. Penegor and Wright***

In December 2014, the Subcommittee, in consultation with its independent outside compensation consultant, Cook & Co., approved one-time recognition awards of restricted stock units to Messrs. Penegor and Wright upon assuming additional duties and responsibilities with the Company. Mr. Penegor, who was promoted from Senior Vice President and Chief Financial Officer to Executive Vice President, Chief Financial Officer and International, took on additional oversight of the Company's International division, in addition to maintaining his existing responsibilities for Finance, Development and Information Technology. Mr. Wright was promoted to Executive Vice President and Chief Operations Officer and assumed a larger portfolio of customer-facing responsibilities, including in-restaurant technology, restaurant facilities and the continuous improvement of the customer service experience, in addition to maintaining his existing responsibilities for Company and franchise restaurant operations. The restricted stock unit awards, valued at \$1.0 million each and which vest 50% after three years and 50% after four years, were designed to reinforce the retention and engagement of Messrs. Penegor and Wright in their elevated leadership roles.

**Compensation Governance Matters**

***Clawback Provisions in Equity Awards***

All of the equity awards granted to senior executives and other eligible participants during 2014 contain clawback provisions in favor of the Company, as described below.

In the event of a material restatement of the Company's financial statements, the Compensation Committee will review the facts and circumstances underlying the restatement (including any potential wrongdoing by the participant) and may, in its sole discretion, direct the Company to recover all or a portion of the award or any gain realized on the vesting, exercise or settlement of the award.

If a court determines that a participant has engaged in any detrimental activity (as defined in the 2010 Omnibus Award Plan), the Company may cancel the award and require the participant to return the award or any gain realized on the vesting, exercise or settlement of the award.

If the Company is required by law to include an additional clawback or forfeiture provision in an outstanding award, then such provision will apply to the award as if it had been included in the award on

its grant date.

***Stock Ownership and Retention Guidelines***

The Board of Directors has adopted Stock Ownership and Retention Guidelines that require executive officers and directors to own a specified number of shares of Common Stock based on the executive's annual base salary or the director's annual cash retainer for serving on the Board. The guidelines, which are described below under the caption Stock Ownership and Retention Guidelines for Executive Officers and Directors, are intended to encourage executives and directors to maintain a long-term equity stake in the Company, align the interests of executives and directors with the interests of stockholders, and promote the Company's commitment to sound corporate governance. Under the guidelines, shares held in a margin account or pledged as collateral do not count toward satisfaction of the applicable ownership guideline. As of the date of this Proxy Statement, none of the Company's executive officers or directors has pledged any shares of Common Stock.

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***Anti-Hedging Policy***

The Board of Directors has adopted a Securities Trading Policy to assist the Company's employees and directors in complying with securities laws and avoiding even the appearance of improper conduct. Under this policy, executives and directors are prohibited from engaging in speculative transactions or transactions that are intended to hedge or offset the value of Company securities they already own. Specifically, executives and directors: (i) may not sell Company securities that are not then owned; (ii) may not engage in transactions in publicly traded options of Company securities; (iii) may not engage in any other hedging transactions without pre-clearance from the Company's legal department; (iv) may not sell Company securities within six months of their purchase; and (v) are discouraged from pledging or hypothecating Company securities.

***Tax and Accounting Considerations***

Section 162(m) of the Internal Revenue Code imposes a \$1.0 million limit on the deduction that the Company may claim in any tax year with respect to compensation paid to the Chief Executive Officer and the three most-highly compensated executives other than the Chief Executive Officer and the Chief Financial Officer. Certain types of performance-based compensation are exempt from the \$1.0 million limit, including income from stock options, performance-based restricted stock, and certain formula-driven compensation that meets the requirements of Section 162(m).

The Compensation Committee and the Subcommittee seek to structure incentive compensation for senior executives in a manner that complies with Section 162(m) in order to maximize the deductibility of such compensation. At the same time, there may be circumstances in which the Committees determine, in the exercise of their independent judgment and after their review of all relevant factors, that it is in the best interests of the Company to provide compensation to one or more executives that may not be deductible. With respect to the compensation awarded to the named executive officers during 2014, all of the cash incentive awards, stock options, and performance unit awards were designed to satisfy the requirements for deductible compensation.

In recognition of the limitation imposed by Section 162(m), the Company's employment agreement with Mr. Brolick requires that all amounts of base salary in excess of \$1.0 million be deferred under the terms of a special executive deferred compensation plan. The terms of Mr. Brolick's deferred compensation plan are described in the Fiscal 2014 Non-Qualified Deferred Compensation table below.

The Compensation Committee and the Subcommittee also take into consideration the accounting costs associated with long-term equity incentive awards granted to senior executives and other eligible employees. Under U.S. generally accepted accounting principles, grants of stock options, performance units and other share-based awards result in an accounting charge for the Company. In designing the executive compensation program, the Committees consider the accounting implications of equity awards, including the estimated cost for financial reporting purposes and the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

***Consideration of Annual Stockholder Say-on-Pay Vote***

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company provides stockholders with the opportunity to cast an annual advisory vote to approve the compensation of the named executive officers (*i.e.*, an annual say-on-pay vote). At the Company's 2014 annual meeting of stockholders, approximately 90% of the votes cast on the say-on-pay resolution were voted in favor of the compensation of the named executive officers for fiscal 2013 as disclosed in the Company's 2014 proxy statement. In July 2014, the Compensation Committee considered those voting results and determined that no changes to the Company's executive compensation program

were warranted. The Compensation Committee will continue to review the design of the executive compensation program in light of future say-on-pay votes, developments in executive compensation, and the Company's pay-for-performance philosophy to ensure that the executive compensation program continues to serve the best interests of the Company and its stockholders.

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The Summary Compensation Table sets forth the salary, bonus, equity awards, cash incentive awards and all other compensation that was earned by or paid or awarded to the following individuals (collectively, the named executive officers ) for fiscal 2014, 2013 and 2012:

the Company's Chief Executive Officer, **Emil J. Brolick**;

the Company's Chief Financial Officer, **Todd A. Penegor**; and

the Company's three most highly compensated executive officers during 2014, other than Messrs. Brolick and Penegor:

- **Robert D. Wright**, Executive Vice President and Chief Operations Officer;
- **Craig S. Bahner**, former Chief Marketing Officer; and
- **R. Scott Toop**, Senior Vice President, General Counsel and Secretary.

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Non-Equity Incentive Plan Option Awards \$(3)	All Compensation Other Compensation \$(4)	\$(5)	Total (\$)
Emil J. Brolick(6) (President and CEO)	2014	1,137,500		1,799,992	2,699,998	1,435,000	91,708	7,164,198
	2013	1,100,000		1,399,993	2,186,124	2,854,500	66,613	7,607,230
	2012	1,100,000		1,499,998	1,499,999	1,592,745	198,198	5,890,940
Todd A. Penegor(7) (EVP, CFO and International)	2014	643,750		1,439,988	659,999	395,000	30,359	3,169,096
	2013	360,577	250,000	1,649,981	723,375	725,000	87,857	3,796,790
Robert D. Wright(8) (EVP and COO)	2014	385,962	200,000	1,159,990	239,998	285,000	30,000	2,300,950
Craig S. Bahner (9) (Former CMO)	2014	471,250		285,995	428,999	257,569	42,847	1,486,660
	2013	431,058	15,000	259,993	405,993	530,000	27,000	1,669,043
	2012	318,155	150,000	277,997	372,000	307,689	35,238	1,461,079
R. Scott Toop(10)	2014	460,000		275,997	414,000	300,000	27,200	1,477,197

(SVP, GC and Secretary)

2013	440,000		259,993	405,993	520,000	144,225	1,770,210
2012	406,428	200,000	299,995	579,999	282,049	72,355	1,840,826

- (1) The amount shown for 2014 for Mr. Wright reflects a one-time sign-on bonus of \$200,000. The sign-on bonus was approved by the Compensation Committee in October 2013 as part of Mr. Wright's overall employment terms with the Company, and was paid to Mr. Wright in January 2014 following 30 days of active employment.
- (2) The amounts shown represent the aggregate grant date fair value of stock awards made to the named executive officers in the year shown, computed in accordance with FASB ASC Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. See Note 14 (Share-Based Compensation) to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2014 (the 2014 Form 10-K) for the assumptions made in determining these values.

The amounts shown for 2014 reflect, among other items, the target grant date fair values of performance unit awards granted to the named executive officers in February 2014 under the 2010 Omnibus Award Plan, which awards are subject to the Company's achievement of a performance goal established by the Performance Compensation Subcommittee for the performance period beginning December 30, 2013 and ending January 1, 2017, as follows: \$1,799,992 for Mr. Brolick; \$439,993 for Mr. Penegor; \$159,995 for Mr. Wright; \$285,995 for Mr. Bahner; and \$275,997 for Mr. Toop. At maximum achievement levels, the grant date fair values of these awards would be as follows: \$3,599,984 for Mr. Brolick; \$879,986 for Mr. Penegor; \$319,989 for Mr. Wright; \$571,990 for Mr. Bahner; and \$551,994 for Mr. Toop. For more information regarding the performance goal and potential payouts with respect to the 2014 performance unit awards granted to the named executive officers, see Compensation Discussion and Analysis Compensation Decisions for 2014 Long-Term Equity Incentive Compensation above.

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- (3) The amounts shown represent the aggregate grant date fair value of option awards made to the named executive officers in the year shown, computed in accordance with FASB ASC Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. See Note 14 (Share-Based Compensation) to the Company's consolidated financial statements included in the 2014 Form 10-K for the assumptions made in determining these values. For more information regarding the stock options granted to the named executive officers in fiscal 2014, see Compensation Discussion and Analysis Compensation Decisions for 2014 Long-Term Equity Incentive Compensation above.
- (4) The amounts shown represent the annual cash incentive payouts earned by the named executive officers under the 2010 Omnibus Award Plan for the year shown based on the Company's achievement of annual performance goals established by the Performance Compensation Subcommittee, as adjusted for individual performance. For more information regarding the performance goals and potential payouts with respect to the 2014 cash incentive awards granted to the named executive officers, see Compensation Discussion and Analysis Compensation Decisions for 2014 Annual Cash Incentive Compensation above.
- (5) The following table sets forth the details of the All Other Compensation paid to the named executive officers for 2014.

Name	Year	Company Contributions		Other Perquisites			Total
		to 401(k) Plan	Automobile Allowance	Relocation Reimbursements	Use of Company or Personal Aircraft	Benefits	
		\$(a)	(\$)	\$(b)	\$(c)	\$(d)	(\$)
Emil J. Brolick	2014	10,400	19,200		46,513	15,595	91,708
Todd A. Penegor	2014	10,400	16,800	359		2,800	30,359
Robert D. Wright	2014	10,400	16,800			2,800	30,000
Craig S. Bahner	2014	10,400	16,800	12,847		2,800	42,847
R. Scott Toop	2014	10,400	16,800				27,200

- (a) The amounts shown reflect matching contributions made by the Company to the named executive officers respective 401(k) plan accounts.
- (b) The Company maintains a relocation policy that provides for the reimbursement of reasonable relocation expenses incurred by eligible employees who are hired, promoted or transferred at the Company's request. Under the relocation policy, an employee's taxable relocation expenses are generally tax assisted, meaning that the reimbursed expenses are increased to offset the impact of applicable taxes. The relocation policy also provides eligible employees with financial, marketing and other assistance in connection with selling their existing home and buying a new home, including reimbursement of real estate commissions and customary closing costs. Under the relocation policy, eligible employees also may participate in a guaranteed home sale program administered by a third party relocation firm, where a minimum sales price is determined by independent, licensed relocation appraisers.

The amounts shown reflect relocation reimbursements received by Messrs. Penegor and Bahner during 2014 under the Company's relocation policy in connection with their relocation to Ohio following employment by the Company. The amount shown for Mr. Bahner includes a tax assistance payment of \$4,220 made by the Company in accordance with the terms of the relocation policy.

- (c) During 2014, the Company owned fractional interests in corporate aircraft to enable its executives to safely and efficiently travel for business purposes. The aircraft were operated by NetJets, a subsidiary of Berkshire Hathaway Inc., pursuant to fractional program agreements. During 2014, none of the named executive officers, other than Mr. Brolick, used the aircraft solely for personal purposes.

The amount shown for Mr. Brolick reflects the aggregate incremental cost to the Company of personal flights by Mr. Brolick during 2014. Aggregate incremental cost is based on the variable operating costs to the Company associated with such flights, including the hourly fees and fuel costs provided for in the fractional program agreements and other trip-related costs. Fixed costs, which do not change based on usage of the aircraft, such as monthly management fees and general maintenance costs, are excluded from this calculation.

On certain occasions, an executive's spouse or other family members may accompany the executive on the aircraft when the aircraft is already going to a specific destination for a business purpose and has available seating. In those cases, the aggregate incremental cost to the Company is a de minimis amount.



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- (d) The amounts shown reflect reimbursement of medical expenses incurred by Messrs. Brolick, Penegor, Wright and Bahner during 2014 under the Company's executive physical examination program. The Company adopted this program in 2013 to encourage executive officers to have routine medical check-ups in an effort to maintain good health, identify health issues and drive productivity. The amount shown for Mr. Brolick also includes the Company's payment of certain residential security costs (including a tax assistance payment of \$6,135), which were approved by the Compensation Committee following the Company's review of potential security concerns related to Mr. Brolick's service as the Company's President and Chief Executive Officer.
  
- (6) Mr. Brolick was appointed as President and Chief Executive Officer of the Company effective September 12, 2011.
  
- (7) Mr. Penegor joined the Company on June 3, 2013 and assumed the position of Executive Vice President, Chief Financial Officer and International effective December 17, 2014.
  
- (8) Mr. Wright joined the Company on December 2, 2013 and assumed the position of Executive Vice President and Chief Operations Officer effective December 17, 2014.
  
- (9) Mr. Bahner was appointed as Chief Marketing Officer of the Company effective April 2, 2012. Mr. Bahner left the Company on April 2, 2015 following the expiration of the employment term under his employment agreement.
  
- (10) Mr. Toop was appointed as Senior Vice President, General Counsel and Secretary of the Company effective January 17, 2012.

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Table of Contents**FISCAL 2014 GRANTS OF PLAN-BASED AWARDS**

The following table provides information concerning the annual cash incentive awards and long-term equity incentive awards granted to the named executive officers in fiscal 2014.

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Underlying Stock or Units(3)	All Other Option Awards: Number of Securities of Underlying Options(4)	Exercise Price of Awards (\$/Sh)	Closing Market Price on Date of Grant (\$/Sh)	Grant Award Value (\$)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	(\$/Sh)	(\$/Sh)	(\$)
K			862,500	1,725,000	3,450,000								
	2/20/14	2/20/14				69,337	184,899	369,798					1,799
	8/11/14	7/30/14							884,955	8.22	8.25	2,699	
A. or			243,750	487,500	975,000								
	2/20/14	2/20/14				16,948	45,197	90,394					439
	8/11/14	7/30/14							300,054	8.22	8.25	659	
	12/17/14	12/11/14							116,856			999	
D.			178,125	356,250	712,500								
	2/20/14	2/20/14				6,163	16,435	32,870					159
	8/11/14	7/30/14							109,110	8.22	8.25	239	
	12/17/14	12/11/14							116,856			999	
S.			178,125	356,250	712,500								
	2/20/14	2/20/14				11,016	29,378	58,756					289
	8/11/14	7/30/14							195,035	8.22	8.25	429	
tt			174,375	348,750	697,500								
	2/20/14	2/20/14				10,631	28,351	56,702					279
	8/11/14	7/30/14							188,216	8.22	8.25	419	

- (1) Represents threshold, target and maximum payout levels based on fiscal 2014 performance for the annual cash incentive awards granted to the named executive officers under the 2010 Omnibus Award Plan. For more information regarding the performance goals and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2014 Annual Cash Incentive Compensation above. The actual amounts paid to the named executive officers pursuant to such awards based on Company and individual performance during fiscal 2014 were as follows: \$1,435,000 for Mr. Brolick; \$395,000 for Mr. Penegor; \$285,000 for Mr. Wright; \$257,569 for Mr. Bahner; and \$300,000 for Mr. Toop. Such amounts are included in the Non-Equity Incentive Plan Compensation column of the Fiscal 2014

Summary Compensation Table above.

- (2) Represents threshold, target and maximum payout levels based on Company performance over a multi-year period for performance unit awards granted to the named executive officers under the 2010 Omnibus Award Plan. For more information regarding the performance goal and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2014 Long-Term Equity Incentive Compensation above. The performance units include dividend equivalent rights, representing the right to receive additional performance units in lieu of cash dividends paid with respect to the shares of Common Stock underlying the award (if and when the award vests).
  
- (3) Reflects restricted stock unit awards granted to Messrs. Penegor and Wright under the 2010 Omnibus Award Plan. Each award vests in two equal installments on the third and fourth anniversaries of the grant date, subject to the executive's continued employment on the applicable vesting date. For more information regarding the awards, see Compensation Discussion and Analysis Compensation Decisions for 2014 Additional Compensation Decisions above. The restricted stock units include dividend equivalent rights, representing the right to receive additional restricted stock units in lieu of cash dividends paid with respect to the shares of Common Stock underlying the award (if and when the award vests).

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- (4) Reflects stock options granted to the named executive officers under the 2010 Omnibus Award Plan, each having an exercise price equal to the fair market value (*i.e.*, the average of the high and low per share sales price) of the underlying shares of Common Stock on the grant date and expiring 10 years from the grant date, unless sooner exercised or forfeited. All of the stock options vest and become exercisable in three equal installments on the first, second and third anniversaries of the grant date, subject to the executive's continued employment on the applicable vesting date.
- (5) Represents the grant date fair value of equity awards granted to the named executive officers, computed in accordance with FASB ASC Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. The grant date fair value of the performance unit awards granted on February 20, 2014 is based on achieving target levels of performance. See Note 14 (Share-Based Compensation) to the Company's consolidated financial statements included in the 2014 Form 10-K for the assumptions made in determining those values.

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The following table provides information concerning the unexercised stock options and unvested restricted stock unit and performance unit awards held by the named executive officers as of the end of fiscal 2014.

<b>Name</b>	<b>Option Awards</b>				<b>Stock Awards</b>			
	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Number of Shares or Units of Stock That Have Not Vested (#)</b>	<b>Market Value of Shares or Units of Stock That Have Not Vested (\$)</b>	<b>Equity Incentive Plan Award Number of Unearned Shares, Units, or Rights That Have Not Vested (#)</b>	<b>Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Rights That Have Not Vested (\$)</b>
Emil J. Brolick	540,540		4.82	9/12/21				
		833,333(4)	4.68	7/2/22				
	267,907	535,815	7.92	8/9/23				
		884,955	8.22	8/11/24				
						528,680(5)	4,715,826	
						366,224(6)	3,266,718	
						378,718(7)	3,378,165	
Todd A. Penegor	21,860	43,720	5.91	6/3/23				
	72,717	145,436	7.92	8/9/23				
		300,054	8.22	8/11/24				
					150,020(8)	1,338,178		
					116,856(9)	1,042,356		
							99,400(6)	886,648
							92,574(7)	825,760
Robert D. Wright		109,110	8.22	8/11/24				
					116,856(9)	1,042,356		
							33,662(7)	300,265
Craig S. Bahner	133,333	66,667	4.97	4/2/22				
	49,754	99,508	7.92	8/9/23				
		195,035	8.22	8/11/24				
							97,980(5)	873,982
							68,010(6)	606,649
							60,172(7)	536,734
R. Scott Toop	93,333	46,667	5.35	1/17/22				
		166,666(4)	4.68	7/2/22				
	49,754	99,508	7.92	8/9/23				
		188,216	8.22	8/11/24				
							105,734(5)	943,147
							68,010(6)	606,649

- (1) Unless otherwise indicated, all stock options vest and become exercisable in three equal installments on the first, second and third anniversaries of the grant date, subject to the executive's continued employment on the applicable vesting date.
- (2) All stock options expire 10 years from the grant date, unless sooner exercised or forfeited.
- (3) Based on \$8.92 per share, which was the per share closing price of our Common Stock on December 26, 2014, the last business day of fiscal 2014.
- (4) These stock options vest and become exercisable in full on the third anniversary of the grant date, subject to the executive's continued employment on the vesting date.

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- (5) Represents payout levels based on achieving maximum performance levels over a three-year period (July 2, 2012 through June 28, 2015) for performance unit awards granted on July 2, 2012 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of fiscal 2014. Each performance unit represents the right to receive one share of Common Stock subject to the Company's achievement of a performance goal based on relative total stockholder return during the performance period. For more information regarding the performance goal and possible payouts with respect to such awards, see Compensation Discussion and Analysis Elements of Executive Compensation Long-Term Equity Incentive Compensation 2012 Long-Term Equity Incentive Awards in the Company's definitive proxy statement for the 2013 annual meeting of stockholders filed with the SEC on April 8, 2013.
- (6) Represents payout levels based on achieving maximum performance levels over a two and one-half-year period (July 1, 2013 through January 3, 2016) for performance unit awards granted on August 9, 2013 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of fiscal 2014. Each performance unit represents the right to receive one share of Common Stock subject to the Company's achievement of two performance goals based on adjusted earnings per share and restaurant openings and remodels during the performance period. For more information regarding the performance goals and potential payouts with respect to such awards, see Compensation Discussion and Analysis Elements of Executive Compensation Long-Term Incentive Compensation 2013 Long-Term Equity Incentive Awards in the Company's definitive proxy statement for the 2014 annual meeting of stockholders filed with the SEC on April 11, 2014.
- (7) Represents payout levels based on achieving maximum performance levels over a three-year period (December 30, 2013 through January 1, 2017) for performance unit awards granted on February 20, 2014 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of fiscal 2014. Each performance unit represents the right to receive one share of Common Stock subject to the Company's achievement of a performance goal based on adjusted earnings per share during the performance period. For more information regarding the performance goal and potential payouts with respect to such awards, see Compensation Discussion and Analysis Compensation Decisions for 2014 Long-Term Equity Incentive Compensation above.
- (8) Reflects unvested restricted stock units granted to Mr. Penegor on June 3, 2013 under the 2010 Omnibus Award Plan, plus dividends accrued thereon as of the end of fiscal 2014. The restricted stock units vest in three equal installments on the first, second and third anniversaries of the grant date, subject to Mr. Penegor's continued employment on the applicable vesting date.
- (9) Reflects unvested restricted stock units granted to Messrs. Penegor and Wright on December 17, 2014 under the 2010 Omnibus Award Plan. The restricted stock units vest in two equal installments on the third and fourth anniversaries of the grant date, subject to the executive's continued employment on the applicable vesting date.

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**Table of Contents****OPTION EXERCISES AND STOCK VESTED DURING FISCAL 2014**

The following table provides information for fiscal 2014 concerning the vesting of stock awards granted to certain of the named executive officers in prior years. None of the named executive officers exercised any stock options during fiscal 2014.

Name	Option Awards		Stock Awards	
	Number	Value Realized	Number of Shares	Value Realized
	of	on		
Shares Acquired on Exercise	on Exercise	Acquired on Vesting	on Vesting	
	(#)	(\$)	(#)(1)	(\$)(2)
Emil J. Brolick			204,039	1,644,844
Todd A. Penegor			73,413	603,455
Robert D. Wright				
Craig S. Bahner				
R. Scott Toop				

(1) For Mr. Brolick, the number of shares acquired on vesting is composed of the following:

94,059 shares relating to a performance unit award granted on September 12, 2011, and representing the shares earned with respect to Company performance over a performance period that began on September 12, 2011 and ended on June 29, 2014. The shares vested on July 30, 2014 following the Performance Compensation Subcommittee's determination of the Company's level of achievement of a performance goal based on relative stockholder return; and

109,980 shares, representing one-third of the restricted stock units (plus dividends accrued thereon) granted on September 12, 2011 and which vested on September 12, 2014.

The total number of shares of Common Stock actually received by Mr. Brolick was reduced by the withholding of 103,305 shares to pay the income taxes associated with the value realized upon vesting.

For Mr. Penegor, the number of shares acquired on vesting represents one-third of the restricted stock units (plus dividends accrued thereon) granted on June 3, 2013 and which vested on June 3, 2014. The number of shares of Common Stock actually received by Mr. Penegor was reduced by the withholding of 29,978 shares to pay the income taxes associated with the value realized upon vesting.

(2) Based on the average of the high and low per share sales price of our Common Stock on the applicable vesting date.



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Pursuant to the terms of his employment agreement with the Company, Mr. Brolick is required to defer all amounts of his base salary in excess of \$1,000,000 under a Special Executive Deferred Compensation Plan established by the Company. The following table provides information concerning Mr. Brolick's account under the deferred compensation plan for fiscal 2014. Except for Mr. Brolick's deferred compensation plan, the Company did not maintain any nonqualified deferred compensation or defined contribution plans for the named executive officers during fiscal 2014.

<b>Name</b>	<b>Executive Contributions</b>	<b>Registrant Contributions</b>	<b>Aggregate Earnings</b>	<b>Aggregate Withdrawals/ Distributions</b>	<b>Aggregate Balance</b>
	<b>in Last FY</b>	<b>in Last FY</b>	<b>in Last FY</b>	<b>in Last FY</b>	<b>at Last FYE</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Emil J. Brolick	137,500(1)		10,371(2)		354,729(3)
Todd A. Penegor					
Robert D. Wright					
Craig S. Bahner					
R. Scott Toop					

- (1) The amount shown is reported as compensation to Mr. Brolick for 2014 and is included in the Salary column of the Fiscal 2014 Summary Compensation Table above.
- (2) Because Mr. Brolick's deferred compensation plan does not provide for above-market or preferential earnings on his account, the amount shown is not reported in the Fiscal 2014 Summary Compensation Table above.
- (3) Of the amount shown, \$100,000 was previously reported as compensation to Mr. Brolick for 2012, and \$100,000 was previously reported as compensation to Mr. Brolick for 2013. Such amounts are included in the Salary column of the Fiscal 2014 Summary Compensation Table above.

All amounts deferred by Mr. Brolick under the deferred compensation plan will: (i) be vested and nonforfeitable at all times; (ii) generally be distributed to Mr. Brolick in a single lump-sum payment within 60 days following his termination, subject to applicable legal and regulatory requirements; and (iii) bear interest (compounded quarterly) at a rate equal to the three-month LIBOR, plus 500 basis points, not to exceed 120% of the applicable U.S. federal long-term rate. For 2014, interest was credited to Mr. Brolick's account on a quarterly basis using the following interest rates: 4.14% for the first quarter; 3.94% for the second quarter; 3.64% for the third quarter; and 3.43% for the fourth quarter.

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**EMPLOYMENT AGREEMENTS**

A summary of the key terms and provisions of the named executive officers' employment agreements with the Company is set forth below. This summary is qualified in its entirety by reference to the complete text of the employment agreements, copies of which have been filed with the SEC. The severance and termination provisions included in the employment agreements are described below under the caption Potential Payments upon Termination or Change in Control.

**Emil J. Brolick**

Effective September 12, 2011, the Company entered into an employment agreement with Mr. Brolick, as the Company's President and Chief Executive Officer. The employment agreement provided that Mr. Brolick was to be appointed to the Board of Directors as of his date of hire, and the Company will cause Mr. Brolick to be nominated for re-election to the Board each year during his term of employment. The employment agreement stated that the term of Mr. Brolick's employment would run through September 12, 2014, provided that the parties could agree to a one-year extension of the term on mutually satisfactory terms. On June 2, 2014, the Company and Mr. Brolick entered into an amendment to the employment agreement which extended the term of Mr. Brolick's employment to September 12, 2015, subject to automatic renewal for additional one-year periods unless either party gives notice of non-renewal at least 90 days prior to the expiration of the then current term. Under the employment agreement, as amended, Mr. Brolick's annual base salary was set at \$1,150,000, with all amounts in excess of \$1,000,000 required to be deferred under the terms of a special deferred compensation plan. Mr. Brolick's target annual cash incentive opportunity was set at 150% of his base salary, his maximum annual cash incentive opportunity was set at 300% of his base salary, and he received a one-time sign-on bonus and an initial equity award of stock options and restricted stock units. The employment agreement, as amended, provides that Mr. Brolick will be eligible to receive equity awards under the Company's annual long-term equity incentive award program in effect for other senior executives, with an aggregate guideline award value of \$3,000,000. The actual grant date value of such equity awards may be above or below the \$3,000,000 guideline, as determined by the Compensation Committee in its discretion after taking into account the Company's and Mr. Brolick's performance and other relevant factors.

**Todd A. Penegor**

The Company and Mr. Penegor entered into an employment letter dated May 8, 2013 pursuant to which Mr. Penegor joined the Company on June 3, 2013 and assumed the position of Senior Vice President and Chief Financial Officer effective September 1, 2013. Mr. Penegor was promoted to Executive Vice President, Chief Financial Officer and International effective December 17, 2014. Under the employment letter, Mr. Penegor's initial annual base salary was set at \$625,000 (currently set at \$675,000), his annual target cash incentive opportunity was set at 75% of his base salary, and he received a one-time sign-on bonus and an initial equity award of stock options and restricted stock units. The employment agreement also provides that Mr. Penegor will be eligible to receive equity awards under the Company's annual long-term incentive award program in effect for other senior executives.

**Robert D. Wright**

The Company and Mr. Wright entered into an employment letter dated November 1, 2013 pursuant to which Mr. Wright joined the Company on December 2, 2013 and assumed the position of Chief Operations Officer effective March 10, 2014. Mr. Wright was promoted to Executive Vice President and Chief Operations Officer effective

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December 17, 2014. Under the employment letter, Mr. Wright's initial base salary was set at \$375,000 (currently set at \$485,000), his annual target cash incentive opportunity was set at 75% of his base salary, and he received a one-time sign-on bonus. The employment agreement also provides that Mr. Wright will be eligible to receive equity awards under the Company's annual long-term incentive award program in effect for other senior executives (with a prescribed award value for 2014 of \$400,000).

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**Craig S. Bahner**

Effective April 2, 2012, the Company entered into an employment agreement with Mr. Bahner, as the Company's Chief Marketing Officer. The employment agreement provided that the term of Mr. Bahner's employment would run through April 2, 2014, subject to automatic renewal for additional one-year periods unless either party gave notice of non-renewal at least 120 days prior to the expiration of the then current term. Under the employment agreement, Mr. Bahner's initial annual base salary was set at \$425,000 (set at \$475,000 at the time of his departure from the Company), his annual target cash incentive opportunity was set at 75% of his base salary, and he received a one-time sign-on bonus and an initial equity award of stock options. The employment agreement also provided that Mr. Bahner would be eligible to receive equity awards under the Company's annual long-term incentive award program in effect for other senior executives.

On December 17, 2014, the Company announced that Mr. Bahner would be leaving the Company on April 2, 2015 following the expiration of the then-current employment term under his employment agreement. In connection with his termination, Mr. Bahner received (or became entitled to receive) the following payments and benefits:

a cash payment equal to eight months of his then current base salary, payable in semi-monthly installments (\$316,667);

a pro rata portion of his annual cash incentive award for 2015, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives;

all outstanding stock options held by Mr. Bahner vested in full (\$827,328) and will remain exercisable for a period of one year following his termination; and

all outstanding performance units held by Mr. Bahner vested on a pro rata basis based on the assumed achievement of target performance (\$883,155).

The values shown above with respect to the vesting of Mr. Bahner's equity awards were estimated assuming the immediate exercise and sale of all vested stock options, and the immediate sale of all vested performance units, in each case based on the closing price of our Common Stock on April 2, 2015 (\$10.93). In accordance with the Company's severance pay policy for all terminated employees, Mr. Bahner was also eligible to receive continued health and medical insurance coverage (approximately \$600 per month) until the end of his salary continuation period or such earlier date that he becomes covered under another group health plan or is eligible to participate in another employer's health plan.

Prior to receiving any of the severance payments and benefits described above, Mr. Bahner was required to sign a general release and covenant not to sue in favor of the Company. In addition, Mr. Bahner will remain subject to certain non-compete and non-solicitation covenants for eight months following his termination, and will remain subject to certain confidentiality and non-disparagement covenants for four years following his termination.

**R. Scott Toop**

Effective January 17, 2012, the Company entered into an employment agreement with Mr. Toop, as the Company's Senior Vice President, General Counsel and Secretary. The employment agreement stated that the term of Mr. Toop's employment would run through January 17, 2014, subject to automatic renewal for additional one-year periods unless either party provides a notice of non-renewal at least 120 days prior to the expiration of the then current term. Under the employment agreement, Mr. Toop's initial annual base salary was set at \$425,000 (currently set at \$490,000), his annual target cash incentive opportunity was set at 75% of his base salary, and he received a one-time sign-on bonus and an initial equity award of stock options. The employment agreement also provides that Mr. Toop will be eligible to receive equity awards under the Company's annual long-term incentive award program in effect for other senior executives.

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**Table of Contents****POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

The named executive officers are parties to employment agreements with the Company that provide for certain severance payments and benefits upon a qualifying termination event. The named executive officers also have received equity awards under the 2010 Omnibus Award Plan, which provides for the accelerated vesting of certain awards in connection with a qualifying termination event. Awards granted under the 2010 Omnibus Award Plan are subject to double-trigger vesting requirements in connection with a change in control of the Company. This means that, in order for an outstanding award to be accelerated and become vested, a change in control must occur and the participant must be terminated without cause or for good reason within 12 months following the change in control.

The Company considers these limited severance and change in control benefits to be an important part of the executive compensation program and consistent with competitive market practice. The Company believes that providing appropriate severance benefits helps to attract and retain highly-qualified executives by mitigating the risks associated with leaving a previous employer and accepting a new position with the Company, and by providing income continuity following an unexpected termination. These arrangements also allow the Company to protect its interests through corresponding confidentiality, non-compete and other restrictive covenants in the event of an executive's termination.

A summary of the key severance provisions in effect as of the end of fiscal 2014 for the named executive officers is set forth below. This summary is qualified in its entirety by reference to the complete text of the employment agreements and the 2010 Omnibus Award Plan, copies of which have been filed with the SEC. The actual severance payments and benefits received by Mr. Bahner in connection with his departure from the Company on April 2, 2015 are described above under the caption Employment Agreements.

**Employment Agreements Key Severance Provisions****Emil J. Brolick**

Termination event:	Termination due to retirement ( <i>i.e.</i> , termination for any reason other than death or for cause )
Severance payments:	A pro rata portion of Mr. Brolick's annual cash incentive award for fiscal 2014, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives (\$1,435,000)
Treatment of equity awards:	Continued vesting through the end of the applicable vesting periods of all outstanding equity awards as if Mr. Brolick had not experienced a termination of employment (with immediate vesting of such awards in the event a change of control occurs following his termination)

**Todd A. Penegor and Robert D. Wright**

Termination event:	Termination without cause
Severance payments:	A cash payment equal to the sum of the executive's then current base salary and actual cash incentive award paid for fiscal 2013, payable in biweekly installments for a period of



12 months (Mr. Penegor: \$1,375,000; and Mr. Wright: \$510,000)

A cash payment equal to the executive's then current base salary for an additional period of 12 months, payable in biweekly installments commencing 12 months after termination, offset by any compensation earned from subsequent employment (Mr. Penegor: \$650,000; and Mr. Wright: \$475,000)

A lump sum cash payment of \$30,000

A pro rata portion of the executive's annual cash incentive award for fiscal 2014, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives (Mr. Penegor: \$395,000; and Mr. Wright: \$285,000)

Treatment of equity awards:

In the event of a termination without cause, all outstanding stock options and restricted stock units will vest pro rata (on a monthly basis) through the date of termination (Mr. Penegor: \$851,682; and Mr. Wright: \$37,410)

## R. Scott Toop

Termination event:

Termination without cause or termination due to a triggering event

Severance payments:

A cash payment equal to the sum of Mr. Toop's then current base salary and actual cash incentive award paid for fiscal 2013, payable in semi-monthly installments for a period of 12 months (\$985,000)

A cash payment equal to Mr. Toop's then current base salary for an additional period of 12 months, payable in semi-annual installments commencing 12 months after termination, offset by any compensation earned from subsequent employment (\$465,000)

A lump sum cash payment of \$27,500

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A pro rata portion of Mr. Toop's annual cash incentive award for fiscal 2014, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives (\$300,000)

Treatment of equity awards:

In the event of a termination due to disability, all outstanding stock options will fully vest (\$1,104,638)

Termination at or following expiration of employment term:

In the event of a termination by the Company at the expiration of Mr. Toop's employment term, Mr. Toop would receive (i) continuation of his then current base salary for eight months, payable in semi-monthly installments, and (ii) a pro rata portion of his annual cash incentive award for the fiscal year in which the termination occurs, based on actual Company performance, payable in a lump sum on the date annual incentives are paid to other executives

**Employment Agreements Restrictive Covenants**

As a condition to receiving any of the severance payments and benefits described above, the named executive officers are required to comply with certain restrictive covenants set forth in their respective employment agreements, as described below.

Name	General Release/ Covenant Not to Sue	Non-Compete/Non-Solicitation	Confidentiality/ Non-Disparagement
Emil J. Brolick	ü	ü The later of September 12, 2015 and the last day on which his equity awards vest following termination	ü Unlimited
Todd A. Penegor	ü	ü 12 months (termination for cause ) 24 months (termination without cause )	ü 4 years
Robert D. Wright	ü	ü 12 months (termination for cause ) 24 months (termination without cause )	ü 4 years
R. Scott Toop	ü	ü 12 months (termination for cause or termination other than due to a triggering event ) 24 months (termination without cause or termination due to a triggering event )	ü 4 years

**2010 Omnibus Award Plan Key Severance Provisions**

Type of Equity Award	Termination Event	Impact on Outstanding Equity Awards
Stock Options	Termination due to death or disability or termination without cause or for good reason with 12 months following a change in control	All outstanding stock options will fully vest (Mr. Brolick: \$4,689,230; Mr. Penegor: \$486,176; Mr. Wright: \$76,104; and Mr. Toop: \$1,104,638)

	Termination without cause	All outstanding stock options granted on July 2, 2012 will vest pro rata (on a monthly basis) through the date of termination (Mr. Brolick: \$2,849,652; and Mr. Toop: \$569,928)
Restricted Stock Units	Termination due to death or disability or termination without cause or for good reason within 12 months following a change in control	All outstanding restricted stock units will fully vest (Mr. Penegor: \$2,380,534; and Mr. Wright: \$1,042,355)
	Termination without cause	All outstanding restricted stock units granted on December 17, 2014 will fully vest (Mr. Penegor: \$1,042,356; and Mr. Wright: \$1,042,356)
Performance Units	Termination due to death or disability or termination without cause or for good reason within 12 months following a change in control	All outstanding performance units will vest pro rata (on a daily basis) through the date of termination based on actual performance or, if actual performance cannot be reasonably assessed, then based on the assumed achievement of target performance (Mr. Brolick: \$3,188,984; Mr. Penegor: \$321,831; Mr. Wright: \$42,601; and Mr. Toop: \$604,641)

**Table of Contents****Aggregate Potential Payments upon Termination or Change in Control**

The estimated aggregate values of the severance payments and benefits that would be provided to the named executive officers in connection with the qualifying termination events described above pursuant to their respective employment agreements and the 2010 Omnibus Award Plan are shown in the table below.

<u>Name</u>	Termination Due to		Termination Without	Change in Control (\$)
	Death or Disability (\$)	Retirement (\$)	Cause or Due to a Termination Without Cause or for Good Reason Followed by a Triggering Event (\$)	
Emil J. Brolick	7,878,214	1,435,000(1)		11,804,584
Todd A. Penegor	3,188,542		4,315,083	5,638,541
Robert D. Wright	1,161,061		2,350,812	2,461,061
R. Scott Toop	1,709,279		2,347,428	3,486,779

- (1) Does not include the value that would be realized by Mr. Brolick from the continued vesting during the applicable vesting periods of his outstanding equity awards in the event of his termination due to retirement pursuant to his employment agreement.

**Key Assumptions and Definitions**

The following assumptions were made in calculating the value of the severance payments and benefits described in the tables above:

the triggering event took place on December 26, 2014, the last business day of fiscal 2014;

the price of our Common Stock was \$8.92 per share, the closing price on December 26, 2014;

no compensation offset for executives whose second year severance payments would otherwise be subject to reduction for outside earnings;

the immediate exercise and sale of all stock options and the immediate sale of all restricted stock units and performance units that vested as of the December 26, 2014 triggering date;

accelerated vesting of performance units is based on the assumed achievement of target performance; and

no six-month delay in payment to any specified employee that would otherwise be required under Section 409A of the Internal Revenue Code.

*Cause* is generally defined to include: (i) commission of any act of fraud or gross negligence that has a material adverse effect on the business or financial condition of the Company or its affiliates; (ii) willful material misrepresentation to the Company or the Board; (iii) willful failure or refusal to comply with any material obligations or any reasonable and lawful instructions of the President and Chief Executive Officer or the Board; (iv) engagement in any misconduct or commission of any act that is injurious or detrimental to the substantial interest of the Company or any of its affiliates; (v) indictment for any felony; (vi) failure to comply with any material written rules, regulations, policies or procedures of the Company; (vii) willful or negligent failure to comply with the Company's policies regarding insider trading; or (viii) the executive's death or disability.

*Triggering event* is generally defined to include: (i) material reduction in the executive's authority, duties or responsibilities; (ii) requirement to report to any person other than the President and Chief Executive Officer or the Board; (iii) reduction in the executive's base salary or target annual cash incentive opportunity percentage; or (iv) requirement to relocate to a work site outside of Columbus, Ohio.

*Good reason* is generally defined to include: (i) material reduction in the executive's base salary or target annual cash incentive opportunity; or (ii) requirement to relocate to a work site more than 50 miles from the executive's principal residence.

*Change in control* is generally defined to include: (i) acquisition by any person or group of beneficial ownership of 50% or more of the outstanding shares of our Common Stock or the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors, subject to certain exceptions; (ii) during any period of 24 months, individuals who, at the beginning of such period, constitute the Board of Directors (*i.e.*, incumbent directors) cease for any reason to constitute at least a majority of the Board, provided that any director whose election or nomination for election was approved by at least two-thirds of the incumbent directors then on the Board is deemed an incumbent director; (iii) stockholder approval of a plan of complete dissolution or liquidation of the Company; (iv) sale, transfer or other disposition of all or substantially all of the business or assets of the Company; or (v) consummation of a reorganization, recapitalization, merger, consolidation, share exchange or similar transaction involving the Company that requires stockholder approval, subject to certain exceptions. Notwithstanding the foregoing, the acquisition of any portion of the combined voting power of the outstanding voting securities of the Company entitled to vote generally in the election of directors by, or the merger, consolidation or sale of assets of the Company with or to, Nelson Peltz or Peter W. May (or any person controlled by Messrs. Peltz or May) will not constitute a change in control.

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**COMPENSATION OF DIRECTORS**

The Company's compensation program for non-management directors is designed to:

Be competitive with companies against which the Company competes for director talent

Encourage and facilitate ownership of our Common Stock by non-management directors

Take into consideration stockholder concerns regarding director compensation

The Compensation Committee has responsibility for reviewing the competitiveness and appropriateness of the compensation program for non-management directors, and for approving or making recommendations to the Board of Directors with respect to director compensation. In carrying out its duties, the Compensation Committee has established a process to review, on a bi-annual basis, the competitive positioning for compensation elements of the Company's non-management directors. In December 2014, the Compensation Committee requested that its independent outside compensation consultant, Cook & Co., prepare a competitive analysis of the Company's director compensation program to ensure that it was providing appropriate levels of compensation. The analysis compared the compensation of the Company's non-management directors against a peer group of 20 restaurant companies, and confirmed that both the design and compensation levels of the Company's director compensation program were reasonably aligned with market practice.

The components of the Company's compensation program for non-management directors are described below.

**Annual Retainers**

Each non-management director receives an annual retainer for Board service of \$67,500.

Each member of the Audit Committee receives an annual retainer of \$14,000, and the Audit Committee Chairman receives an additional annual chair retainer of \$10,000.

Each member of the Compensation Committee receives an annual retainer of \$10,500, and the Compensation Committee Chairman receives an additional annual chair retainer of \$7,500.

**Meeting Fees**

Except as otherwise specifically determined by the Compensation Committee, no meeting fees are paid to members of the Audit Committee, the Compensation Committee or the Performance Compensation Subcommittee. Members of all other Board committees receive a fee of \$2,000 for each meeting they attend.

### **Restricted Stock Awards**

Each non-management director receives a restricted stock award in connection with his or her initial election and annual re-election to the Board. Each restricted stock award has an annual grant date fair value of \$75,000 and vests on the earlier of the first anniversary of the grant date and the date of the Company's next annual meeting of stockholders, subject to the director's continued Board service on the vesting date.

Non-management directors may elect to receive all or a portion of their annual retainers and meeting fees in shares of Common Stock in lieu of cash. In addition, pursuant to the Company's 2009 Directors' Deferred Compensation Plan (the 2009 Directors' Deferred Compensation Plan), non-management directors may elect to defer a set percentage or amount of their annual retainers, meeting fees and restricted stock awards into restricted stock units. The restricted stock units represent a contingent right to receive shares of Common Stock and, in the case of a deferral of restricted stock awards, are subject to the same vesting schedule as the restricted stock. Dividend equivalent units accrue on all amounts deferred under the 2009 Directors' Deferred Compensation Plan. All deferred amounts are payable in Common Stock in a lump sum on the earlier of the director's termination of Board service, a fixed number of years, or the director's death, as elected by the director at the time of deferral.

**Table of Contents****FISCAL 2014 DIRECTOR COMPENSATION**

The following table summarizes the compensation earned by or paid to the Company's non-management directors for their Board and Board committee service during fiscal 2014. Emil J. Brolick, the Company's President and Chief Executive Officer, did not receive any additional compensation during fiscal 2014 for his service as a director. The compensation paid to Mr. Brolick during fiscal 2014 for his service as an executive officer is set forth in the Fiscal 2014 Summary Compensation Table above.

<b>Name</b>	<b>Fees Earned</b>		<b>All Other</b>	<b>Total</b>
	<b>or Paid in Cash</b>	<b>Stock Awards</b>	<b>Compensation</b>	
	<b>(\$)(1)</b>	<b>(\$)(2)</b>	<b>(\$)</b>	<b>(\$)</b>
Nelson Peltz	69,500	75,000	723,453(3)	867,953
Peter W. May	69,500	75,000		144,500
Clive Chajet(4)	32,143			32,143
Edward P. Garden	67,500	75,000		142,500
Janet Hill	78,000	75,000		153,000
Joseph A. Levato	104,000	75,000		179,000
J. Randolph Lewis	78,500	75,000		153,500
Peter H. Rothschild	87,500	75,000		162,500
David E. Schwab II	107,500	75,000		182,500
Roland C. Smith(4)	27,816			27,816
Raymond S. Troubh(4)	35,585			35,585
Jack G. Wasserman	92,000	75,000		167,000

- (1) Consists of the annual Board retainer, the annual retainers for members of the Audit Committee and Compensation Committee, and committee meeting fees. For fiscal 2014, Messrs. Peltz, May and Garden elected to receive payment of their entire annual retainers and meeting fees in shares of Common Stock in lieu of cash. The shares received by Messrs. Peltz, May and Garden in lieu of cash were issued quarterly based on the average of the closing price of our Common Stock for the 20 consecutive trading days immediately preceding the date on which their retainers and fees would otherwise have been payable.
- (2) Represents the grant date fair value of restricted stock awards granted to the non-management directors in May 2014 upon their re-election to the Board at the Company's 2014 annual meeting of stockholders, computed in accordance with FASB ASC Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. Messrs. Levato, Schwab and Wasserman elected to defer their entire restricted stock awards into restricted stock units under the 2009 Directors' Deferred Compensation Plan. The following table shows, for each non-management director, the aggregate number of shares of restricted stock, restricted stock units and stock options outstanding as of the end of fiscal 2014.

<b><u>Name</u></b>	<b>Shares of Restricted Stock Outstanding as of 2014 FYE</b>	<b>Restricted Stock Units</b>	<b>Stock Options</b>
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	<b>Outstanding as of 2014 FYE</b>	<b>Outstanding as of 2014 FYE</b>
Nelson Peltz	8,976	12,000
Peter W. May	8,976	12,000
Clive Chajet		
Edward P. Garden	8,976	12,000
Janet Hill	8,976	45,000
Joseph A. Levato		94,927
J. Randolph Lewis	8,976	48,000
Peter H. Rothschild	8,976	45,000
David E. Schwab II		94,927
Roland C. Smith		48,000
Raymond S. Troubh		420,000
Jack G. Wasserman		9,143
		48,000

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- (3) In connection with Mr. Peltz's service as non-executive Chairman, and as a result of the Company's ongoing assessment of security risks, the Board of Directors has approved reimbursement to Mr. Peltz for a portion of certain security services, security personnel and residential security equipment provided to Mr. Peltz and members of his immediate family. The amount shown reflects the aggregate amount of such security-related expenses reimbursed by the Company during fiscal 2014.

An independent professional security consulting firm has provided the Compensation Committee on an ongoing basis with a security assessment regarding Mr. Peltz's security arrangements, including the security issues arising in connection with the business of the Company and the portion of Mr. Peltz's security costs reimbursed by the Company. For 2015, the Company's reimbursable share of these security-related expenses is limited to \$500,000, and the Compensation Committee intends to continue to review this matter.

- (4) Messrs. Chajet, Smith and Troubh retired from the Board on May 28, 2014 when their terms expired at the Company's 2014 annual meeting of stockholders and received a pro-rated portion of their annual retainers for 2014.

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**Table of Contents****EXECUTIVE OFFICERS**

The Company's current executive officers are identified below.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Emil J. Brolick	67	President and Chief Executive Officer
Liliana M. Esposito	40	Chief Communications Officer
Scott A. Kriss	46	Senior Vice President Chief Accounting and Tax Officer
Todd A. Penegor	49	Executive Vice President, Chief Financial Officer and International
R. Scott Toop	60	Senior Vice President, General Counsel and Secretary
Darrell G. van Ligten	50	Senior Vice President President International
Scott A. Weisberg	51	Chief People Officer
Robert D. Wright	47	Executive Vice President and Chief Operations Officer

Additional information concerning the Company's executive officers is provided below, including their respective positions with the Company and prior business experience (other than Mr. Brolick, for whom such information is provided above under the caption "Proposal 1 Election of Directors"). Executive officers are elected by the Board of Directors and hold office until the organizational meeting of the Board following the Company's annual meeting of stockholders next succeeding their election and until their successors are elected and qualified, or until their earlier death, resignation, retirement or removal.

**Todd A. Penegor**

Mr. Penegor joined the Company in June 2013 and has served as Executive Vice President, Chief Financial Officer and International of the Company since December 2014. Mr. Penegor previously served as Senior Vice President and Chief Financial Officer of the Company from September 2013 to December 2014. Prior to joining the Company, Mr. Penegor worked at Kellogg Company, a global leader in food products, from 2000 to 2013, where he held several key leadership positions, including Vice President of Kellogg Company and President of U.S. Snacks from 2009 to June 2013, Vice President and Chief Financial Officer of Kellogg Europe from 2007 to 2009, and Vice President and Chief Financial Officer of Kellogg USA and Kellogg Snacks from 2002 to 2007. Prior to joining Kellogg Company, Mr. Penegor worked for 12 years at Ford Motor Company in various positions, including strategy, mergers and acquisitions, the controller's office and treasury.

**Liliana M. Esposito**

Ms. Esposito has served as Chief Communications Officer of the Company since June 2014. Prior to joining the Company, Ms. Esposito worked at Dean Foods Company, one of the nation's largest dairy processors, where she served as Vice President, Corporate Communications and Public Affairs from January 2012 to March 2014, and as Senior Director, Public Affairs from January 2010 to December 2011. Prior to that, she worked at Mercury Public Affairs, a public strategy firm, where she served as Senior Vice President from January 2008 to January 2010, and as Vice President from July 2005 to December 2007. Prior to joining Mercury Public Affairs, Ms. Esposito served as Public Affairs Manager at Mars, Inc., from July 2000 to July 2005. Previously, she served as a Senior Associate with Burson-Marsteller. Ms. Esposito also serves as a trustee of the Dave Thomas Foundation for Adoption.

**Scott A. Kriss**

Mr. Kriss joined the Company in June 2012 and has served as Senior Vice President – Chief Accounting and Tax Officer of the Company since November 2014. Mr. Kriss previously served as Senior Vice President of Tax of the Company from June 2012 to November 2014. Prior to joining the Company, Mr. Kriss served as Tax Director Americas for Bacardi-Martini, Inc., the largest privately held spirits company in the world, from December 2010 to May 2012. Prior to that, he served as Vice President – Tax and as a member of the Administration Committee at Tween Brands, Inc. from August 2008 to March 2010. Prior to joining Tween Brands, Inc., Mr. Kriss worked for 14 years at Limited Brands Inc. (now known as L Brands, Inc.) where he held various leadership positions, last serving as Vice President – Tax from 2005 to 2008. Previously, Mr. Kriss worked at Arthur Andersen from 1991 to 1994.

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**R. Scott Toop**

Mr. Toop has served as Senior Vice President, General Counsel and Secretary of the Company since January 2012. Prior to joining the Company, Mr. Toop served as Executive Vice President and General Counsel of Tim Hortons Inc. from August 2009 to January 2012. Prior to that, he worked at Yum! Brands and its predecessor, Tricon Global Restaurants Inc., serving as Vice President and Associate General Counsel from 2005 to 2009 and as Vice President and General Counsel, Kentucky Fried Chicken from 1997 to 2005. Previously, Mr. Toop worked at PepsiCo, Inc. (PepsiCo), where he served as Vice President and Division Counsel, Kentucky Fried Chicken from 1993 to 1997, as Division Counsel, Kentucky Fried Chicken from 1990 to 1993, as International Counsel from 1986 to 1990, and as an attorney for Pepsi-Cola Bottling Group from 1984 to 1986. Prior to joining PepsiCo, Mr. Toop was a corporate associate with the law firm of Donovan Leisure Newton & Irvine in New York, NY.

**Darrell G. van Ligten**

Mr. van Ligten has served as Senior Vice President – President International of the Company since May 2013, and has led the Wendy's brand outside of North America since February 2010 as President of the Company's principal international subsidiaries (excluding Canada). He also led the Arby's brand outside of North America prior to the Company's sale of Arby's in July 2011. Mr. van Ligten joined the Company in February 2009 as Senior Vice President, Strategic Development. Prior to joining the Company, Mr. van Ligten was a partner of Regent Golf, a private club management company he co-founded in 2007. From 2006 to 2007, he was an Executive-In-Residence at Catalytic Capital. Mr. van Ligten served as Senior Vice President, Marketing and Operation Services of American Golf Corp. from 2003 to 2006. He served as General Manager, Toybox Group at Toys R Us, Inc. from 2001 to 2003. Prior to that, Mr. van Ligten held management positions in strategic planning and marketing at Tricon Global Restaurants, Inc., Arby's, Taco Bell and PepsiCo.

**Scott A. Weisberg**

Mr. Weisberg has served as Chief People Officer of the Company since April 2012. Prior to joining the Company, Mr. Weisberg served as Senior Vice President and Chief Human Resources Officer of SunEdison Inc. (formerly known as MEMC Electronic Materials, Inc.), a global leader of semiconductor and solar technology, from 2010 to 2011. Prior to that, he worked for 15 years at General Mills, Inc., where he held several key leadership positions, including Vice President, Human Resources for the U.S. Retail Organization from 2007 to 2010, Vice President of Compensation, Benefits and Staffing from 2005 to 2007, as well as Vice President, Human Resources for Supply Chain and Technology. Prior to joining General Mills, Mr. Weisberg held human resources and training positions with Nabisco, Inc. from 1993 to 1995 and with PepsiCo from 1987 to 1993.

**Robert D. Wright**

Mr. Wright joined the Company in December 2013 and has served as Executive Vice President and Chief Operations Officer of the Company since December 2014. Mr. Wright previously served as Chief Operations Officer of the Company from March 2014 to December 2014. Prior to joining the Company, Mr. Wright served as President, Chief Operating Officer and Interim Chief Executive Officer for Charley's Grilled Subs from December 2010 to December 2013. Prior to that, he served as Executive Vice President of Company and Franchise Operations at Checkers Drive-In Restaurants Inc. from January 2008 to August 2010. Previously, Mr. Wright worked for 10 years at Wendy's International in various corporate roles, including as Franchise Area Director from 1998 to 2000, as Director of Area Operations from 2000 to 2005, as President of Cafe Express, LLC from 2005 to 2006, and as Vice President of

Operations and Training Integration from 2006 to 2008. Prior to joining Wendy's International, Mr. Wright worked as a Senior Franchise Consultant at Domino's Pizza from 1993 to 1998.

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**STOCK OWNERSHIP AND RETENTION GUIDELINES FOR EXECUTIVE OFFICERS AND DIRECTORS**

The Board of Directors, upon the recommendation of the Compensation Committee, has adopted Stock Ownership and Retention Guidelines for Executive Officers and Directors (the Stock Ownership and Retention Guidelines), a copy of which is available on the Company's website at [www.aboutwendys.com](http://www.aboutwendys.com). The Stock Ownership and Retention Guidelines were adopted by the Board to further align the interests of executive officers and non-management directors with the interests of stockholders and to promote the Company's commitment to sound corporate governance. A summary of the Stock Ownership and Retention Guidelines is set forth below.

**Stock Ownership and Retention Guidelines for Executive Officers**

Each executive officer must own an amount of Common Stock equal to a multiple of his or her annual base salary. The Chief Executive Officer must own an amount of Common Stock equal to at least five times his base salary, and each of the other executive officers must own an amount of Common Stock at least equal to three times his or her base salary. Until an executive officer satisfies the applicable ownership requirement, he or she is required to hold at least 75% of the net shares received upon the exercise of stock options, the vesting of restricted stock (or restricted stock units) and the payout of performance units. Once the ownership requirement is met, the executive officer must continue to hold that number of shares until leaving his or her position with the Company.

**Stock Ownership and Retention Guidelines for Non-Management Directors**

Each non-management member of the Board must own an amount of Common Stock equal to at least five times the annual cash retainer payable for Board service. Until a director satisfies the ownership requirement, he or she is required to hold at least 75% of the net shares received upon the exercise of stock options, the vesting of restricted stock (or restricted stock units) and the payout of performance units. Once the ownership requirement is met, the director must continue to hold that number of shares until leaving the Board.

**General Provisions**

Because executive officers and non-management directors must retain at least 75% of the net shares received from any exercise of stock options, vesting of restricted stock (or restricted stock units) and payout of performance units until they satisfy the applicable ownership requirement, there is no set time period for initial satisfaction of the Stock Ownership and Retention Guidelines. In the case of financial hardship or other unusual situations, the ownership requirements may be waived upon the approval of the Compensation Committee and, in the case of executive officers, the Chief Executive Officer.

For stock options, net shares means the number of shares of Common Stock received upon exercise of the option, net of any shares used to pay the exercise price and applicable taxes. For restricted stock (or restricted stock units) and performance units, net shares means the number of shares received upon the vesting of the restricted stock (or restricted stock units) or the payout of the performance units, as applicable, net of any shares used to pay applicable taxes.

In addition to shares owned directly by an executive officer or a non-management director, the Stock Ownership and Retention Guidelines provide that shares held in a trust, shares held by immediate family members residing in the same household, shares held in qualified plans, vested shares or share units held in non-qualified plans, and unvested time-based restricted stock (or restricted stock units) will be counted toward satisfaction of the applicable ownership requirement. Shares held by an executive officer or a non-management director in a margin account or otherwise

pledged by an executive officer or a non-management director as collateral for a loan will not be counted toward satisfaction of the applicable ownership requirement. As of the date of this Proxy Statement, none of the Company's executive officers or directors has pledged any shares of Common Stock.



Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth the beneficial ownership as of April 2, 2015 (except as otherwise indicated by footnote) by: (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding shares of our Common Stock (constituting our only class of voting securities); (ii) each of the Company's directors and director nominees; (iii) each of the Company's named executive officers included in the Fiscal 2014 Summary Compensation Table above; and (iv) all of the Company's directors and executive officers as a group. The number of shares beneficially owned by each director and executive officer includes shares of Common Stock that such person had the right to acquire on or within 60 days of April 2, 2015, including upon the exercise of stock options as shown in the second table below. Except as otherwise indicated by footnote, each person has sole voting power and sole dispositive power with respect to such shares.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class Beneficially Owned</b>
Nelson Peltz 280 Park Avenue, 41st Floor New York, NY 10017	89,526,604(1)(2)(3)	24.5%
Peter W. May 280 Park Avenue, 41st Floor New York, NY 10017	89,419,779(1)(2)(3)	24.5%
Edward P. Garden 280 Park Avenue, 41st Floor New York, NY 10017	65,177,764(2)(3)	17.9%
Trian Fund Management, L.P. 280 Park Avenue, 41st Floor New York, NY 10017	64,800,245(3)	17.8%
Horizon Kinetics LLC 470 Park Avenue South, 4th Floor South New York, NY 10016	30,440,342(4)	8.3%
Janus Capital Management LLC 151 Detroit Street Denver, CO 80206	19,397,577(5)	5.3%
Emil J. Brolick	1,035,168	*
Janet Hill	214,762(6)	*
Joseph A. Levato	159,312(7)	*
J. Randolph Lewis	183,317(8)	*
Mich J. Mathews-Spradlin	1,750(9)	*
Peter H. Rothschild	93,881(10)	*
David E. Schwab II	214,642(11)	*
Jack G. Wasserman	150,159(12)	*
Todd A. Penegor	138,012(13)	*
Robert D. Wright	(14)	*
Craig S. Bahner	625,098	*
R. Scott Toop	259,742	*
	93,162,254	25.4%

Directors and executive officers as a group  
(18 persons)

\* Less than 1% of the outstanding shares of our Common Stock.

- (1) In July 2004, Messrs. Peltz and May entered into a voting agreement pursuant to which they agreed not to vote certain shares of Common Stock held by them or their affiliates without the prior approval of both parties. Accordingly, the information set forth in the table above with respect to Messrs. Peltz and May aggregates their respective ownership interests as described in note (2) below.
  
- (2) In the case of Mr. Peltz, includes: (i) 15,662,815 shares of Common Stock held directly (including 8,976 restricted shares of Common Stock that may be voted by Mr. Peltz); (ii) 209,611 shares of Common Stock held by the Peltz 2009 Family Trust, a trust whose trustees are Mr. Peltz's wife, one of Mr. Peltz's adult children and an unrelated person; (iii) 70,650 shares of Common Stock owned by Mr. Peltz's wife; (iv) 128,804 shares of Common Stock owned by Mr. Peltz's children; (v) 311,724 shares of Common Stock owned by the Peltz Family Foundation, a

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non-profit organization whose trustees are Mr. Peltz, Mr. Peltz's wife, one of their adult children and an unrelated person; (vi) options held by Mr. Peltz to purchase 12,000 shares of Common Stock; (vii) 8,318,755 shares of Common Stock held directly by Mr. May (including 8,976 restricted shares of Common Stock that may be voted by Mr. May); (viii) options held by Mr. May to purchase 12,000 shares of Common Stock; and (ix) 64,800,245 shares of Common Stock owned by the Trian Entities identified in note (3) below. Mr. Peltz disclaims beneficial ownership of the shares of Common Stock held by Mr. Peltz's wife, Mr. Peltz's children, the Peltz 2009 Family Trust, the Peltz Family Foundation, Mr. May and the Trian Entities.

In the case of Mr. May, includes: (i) 8,318,755 shares of Common stock held directly (including 8,976 restricted shares of common stock that may be voted by Mr. May); (ii) 276,149 shares of Common Stock owned by the May Family Foundation, a non-profit organization whose trustees are Mr. May, Mr. May's wife and their two adult children; (iii) options held by Mr. May to purchase 12,000 shares of Common Stock; (iv) 15,662,815 shares of Common Stock held directly by Mr. Peltz (including 8,976 restricted shares of Common Stock that may be voted by Mr. Peltz); (v) 209,611 shares of Common Stock held by the Peltz 2009 Family Trust; (v) 128,204 shares of Common Stock owned by Mr. Peltz's children; (vi) options held by Mr. Peltz to purchase 12,000 shares of Common Stock; and (vii) 64,800,245 shares of Common Stock owned by the Trian Entities identified in note (3) below. Mr. May disclaims beneficial ownership of the shares of Common Stock held by the May Family Foundation, Mr. Peltz, the Peltz 2009 Family Trust, Mr. Peltz's children and the Trian Entities.

In the case of Mr. Garden, includes: (i) 365,519 shares of Common Stock held directly (including 8,976 restricted shares of Common Stock that may be voted by Mr. Garden); (ii) options held by Mr. Garden to purchase 12,000 shares of Common Stock; and (iii) 64,800,245 shares of Common Stock owned by the Trian Entities identified in note (3) below. Mr. Garden disclaims beneficial ownership of the shares of Common Stock held by the Trian Entities.

- (3) Based on: (i) information contained in a Schedule 13D/A filed with the SEC on September 18, 2014 by Trian Partners GP, L.P. ( Trian GP ), Trian Partners General Partner, LLC ( Trian GP LLC ), Trian Partners, L.P. ( Trian Onshore ), Trian Partners Master Fund, L.P. ( Trian Master Fund ), Trian Partners Parallel Fund I, L.P. ( Parallel Fund I ), Trian Partners Strategic Investment Fund, L.P. ( Strategic Fund ), Trian Fund Management, L.P. ( Trian Management ), Trian Fund Management GP, LLC ( Trian Management GP ) and, together with the foregoing entities, the Trian Entities ), Nelson Peltz, Peter W. May and Edward P. Garden; (ii) information contained in Form 4s filed by the Trian Entities and by Messrs. Peltz, May and Garden subsequent to September 18, 2014; and (iii) information provided to the Company by Trian Management.

Trian GP LLC is the general partner of Trian GP, which is the general partner of the Trian Onshore and Trian Master Fund. Trian Management GP is the general partner of Trian Management, which serves as the management company for Trian Onshore, Trian Master Fund, Parallel Fund I and Strategic Fund. Each of Trian GP LLC and Trian Management GP are controlled by Nelson Peltz, Peter W. May and Edward P. Garden, who therefore are in a position to determine the investment and voting decisions made by Trian Onshore, Trian GP, Trian GP LLC, Trian Master Fund, Parallel Fund I, Strategic Fund, Trian Management and Trian Management GP.

Trian Onshore, Trian Master Fund, Parallel Fund I, Strategic Fund and Trian GP directly own 18,415,979, 39,523,894, 1,861,851, 4,978,752 and 19,769 shares of Common Stock, respectively. Messrs. Peltz, May and Garden, by virtue of their relationships to the Trian Entities, and Trian Management and Trian Management GP, by virtue of their relationships to Trian Onshore, Trian Master Fund, Parallel Fund I and Strategic Fund, may be deemed to have shared voting power and shared dispositive power with regard to, and therefore may be deemed to beneficially own, the 64,780,476 shares of Common Stock directly owned in the aggregate by Trian Onshore, Trian Master Fund, Parallel Fund I and Strategic Fund. Each of Trian Management, Trian Management GP, Mr. Peltz, Mr. May and Mr. Garden disclaims beneficial ownership of such shares. Messrs. Peltz, May and Garden and Trian GP LLC, by virtue of their relationships to Trian GP, may be deemed to have shared voting power and shared dispositive power with regard to, and therefore may be deemed to beneficially own, the 19,769 shares of Common Stock directly owned by Trian GP. Each of Mr. Peltz, Mr. May and Mr. Garden disclaims beneficial ownership of such shares.

- (4) Based solely on information contained in a Schedule 13G/A filed with the SEC on February 18, 2015 by Horizon Kinetics LLC and one of its wholly-owned registered investment advisers, Horizon Asset Management LLC. According to the Schedule 13G/A, Horizon Kinetics LLC has sole voting and dispositive power over 30,440,342 shares of Common Stock, while Horizon Asset Management LLC has sole voting and dispositive power over 18,859,515 shares of Common Stock.

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- (5) Based solely on information contained in a Schedule 13G filed with the SEC on February 18, 2015 by Janus Capital Management LLC. According to the Schedule 13G, Janus Capital Management LLC, as registered investment adviser or sub-adviser to certain managed portfolios, has sole voting and dispositive power over 19,397,577 shares of Common Stock held by such managed portfolios.
- (6) Includes 8,976 restricted shares of Common Stock that may be voted by Ms. Hill.
- (7) Includes 95,407 restricted stock units held by Mr. Levato under the 2009 Directors' Deferred Compensation Plan, each of which represents a contingent right to receive one share of Common Stock.
- (8) Includes 11,050 shares of Common Stock owned by a trust, as to which shares Mr. Lewis disclaims beneficial ownership. Also includes 8,976 restricted shares of Common Stock that may be voted by Mr. Lewis.
- (9) Includes 1,750 restricted shares of Common Stock that may be voted by Ms. Mathews-Spradlin.
- (10) Includes 8,976 restricted shares of Common Stock that may be voted by Mr. Rothschild.
- (11) Includes 95,407 restricted stock units held by Mr. Schwab under the 2009 Directors' Deferred Compensation Plan, each of which represents a contingent right to receive one share of Common Stock.
- (12) Includes 9,189 restricted stock units held by Mr. Wasserman under the 2009 Directors' Deferred Compensation Plan, each of which represents a contingent right to receive one share of Common Stock.
- (13) Does not include 268,226 restricted stock units held by Mr. Penegor, each of which represents a contingent right to receive one share of Common Stock.
- (14) Does not include 117,447 restricted stock units held by Mr. Wright, each of which represents a contingent right to receive one share of Common Stock.

The beneficial ownership table above includes shares of Common Stock issuable upon the exercise of stock options that are exercisable as of, or will become exercisable within 60 days of, April 2, 2015 by the persons identified in the table below.

<b><u>Name of Beneficial Owner</u></b>	<b><u>Number of Shares Represented by Options</u></b>
Nelson Peltz	12,000
Peter W. May	12,000

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Edward P. Garden	12,000
Emil J. Brolick	808,447
Janet Hill	45,000
Joseph A. Levato	48,000
J. Randolph Lewis	45,000
Mich J. Mathews-Spradlin	
Peter H. Rothschild	
David E. Schwab II	48,000
Jack G. Wasserman	48,000
Todd A. Penegor	94,577
Robert D. Wright	
Craig S. Bahner	544,297
R. Scott Toop	