

JACK IN THE BOX
RESTAURANT MANAGEMENT PERFORMANCE INCENTIVE PLAN
Fiscal Year 2020 – Effective Q2 (January 20, 2020)

PURPOSE

The purpose of the Restaurant Management Performance Incentive Plan, (the “Plan”) is to promote the interests of Jack in the Box Inc. and its stockholders by providing performance-based incentives that encourage future employee loyalty and align incentive awards with restaurant performance achievement.

DEFINITIONS

Whenever the following terms are used in the Plan, with their initial letter(s) capitalized, they shall have the meanings set forth below:

- (a) “Bonus” means any lump sum cash incentive payment;
- (b) “Company” means Jack in the Box Inc.;
- (c) “CY” means the Company’s current fiscal year;
- (d) “Employee” means any person who is treated as an Employee by the Company;
- (e) “Leave of Absence” shall have the same meaning as provided in the Company’s Leave of Absence (LOA) Policy;
- (f) “Period” means each full four-week accounting Period in the Company’s Fiscal Year (FY);
- (g) “Plan” means the Jack in the Box Restaurant Management Performance Incentive Plan, as amended from time to time;
- (h) “PY” means the Company’s prior fiscal year;
- (i) “Quarter” means the time period of which performance results are measured, and corresponds with each Quarter in the Company’s Fiscal Year (FY): Quarter I is Periods 1-4 (16 Weeks); Quarter II is Periods 5-7 (12 Weeks); Quarter III is Periods 8-10 (12 Weeks); Quarter IV is Periods 11-13 (12 Weeks);
- (j) “Remodel” means a restaurant that is closed for a period of 14 days or more;
- (k) “Week” is defined as Monday through Sunday.

ELIGIBILITY

To become a “Participant” in the Plan, an Employee must meet the qualifications of sub-paragraphs I, II, and III below, as well as any other eligibility requirements set forth in the Plan. Other eligibility requirements include, but are not limited to, those set forth in the Termination of a Participant provision in the Terms and Conditions section below.

- I. The Employee must be employed by the Company for at least four full weeks during the Quarter;
- II. The Employee must be classified as a Restaurant Manager or Assistant Manager in “active” status (*in MyUltiStuff*) (“Position”) for at least four full weeks in the Quarter;
- III. The Employee must not be eligible to participate in any other performance incentive plan offered by the Company.

TERMS AND CONDITIONS

Effective Date

The Plan shall be effective as of January 20, 2020 and shall remain in effect for each fiscal year unless modified or terminated.

Bonus Payment Schedule

It is anticipated that Participants may receive a Bonus payment, if any, within 4 weeks following the end of each Quarter for which the Bonus is intended. No Participant has a vested right to any Bonus under this Plan and no Bonus will be considered earned until it is actually paid to the Participant.

Less Than Full Quarter (i.e. Promotion/demotion/transfer)

Subject to the Eligibility section above, an Employee who becomes a Participant in the Plan (or who becomes ineligible to participate in the plan) for a portion of the Quarter, will receive a prorated Bonus payment, if any, based on a fraction, the numerator of which is the number of full Week(s) during the Quarter the employee was a Participant in the Plan, and the denominator of which is the number of full Week(s) in the Quarter. The prorated amount will be applied to the actual restaurant performance for the full Quarter.

Leave of Absence

Subject to the Eligibility section above, if a Participant is on an approved LOA during the Quarter, an Award, if any is to be made, will be prorated based on the number of full Week(s) the Participant was in "active" status during the Quarter.

Termination of a Participant

- A Participant whose employment terminates *voluntarily or involuntarily* **prior to the end of the Quarter** for which the Bonus is intended will not be eligible to receive a Bonus payment.
- A Participant **whose employment terminates *voluntarily* after the end of the Quarter** for which the Bonus is intended, **but before payment**, will not be eligible to receive a Bonus payment.
- The Company reserves the right in its absolute discretion to determine if any payment will be made to a Participant **whose employment terminates *involuntarily* after the end of the Quarter** for which the Bonus is intended, **but before payment.**
- A Participant whose employment terminates due to a Company-operated restaurant converting to a franchise-operated restaurant, may receive a prorated Bonus, if any, for the period of time as a Company-operated restaurant.

Administration

The Compensation & Benefits Department, in coordination with and approval of the Senior Vice President, Chief Operating Officer, shall have the power and authority at any time to adopt, modify, or eliminate eligibility and other rules and regulations for the administration of the Plan.

Plan Revision

The Compensation & Benefits Department, in coordination with and the approval of the Vice President, Chief Operating Officer, upon determining that the purpose and intent of the Plan are not being fulfilled, may terminate, alter, suspend or amend the Plan at any time as deemed necessary to further the best interests of the Company. Such actions may be effective for any fiscal year and with respect to any Bonus awards which have not been made. Amendments during the fiscal year will be effective immediately and retroactively unless otherwise stated.

Plan Interpretation

If any provision of the Plan is contrary to or inconsistent with applicable law, that provision shall be disregarded or interpreted so that the Plan is fully consistent with the law.

Employment Duration/Employment Relationship

The Plan does not, and the policies and practices of Jack in the Box Inc. in administering the Plan will not, constitute a contract or other agreement concerning the duration of any Participant's employment with Jack in the Box Inc. The employment relationship of each Participant is "at will" and may be terminated at any time by Jack in the Box Inc., or by the Participant with or without cause. A Participant who accepts any cash distribution under the Plan is agreeing that the Participant's employment is "at will".

HOW THE PLAN WORKS

Sales Tier by Sales Volume – At the start of the Fiscal Year, each restaurant is assigned to a Sales Tier based on the restaurants' PY Sales Volume as follows:

Sales Tier	Annual Sales Volume
Tier 1	Up and equal to \$1.80M
Tier 2	\$1.81M up and equal to \$2.50M
Tier 3	\$2.51M up and equal to \$3.0M
Tier 4	Above \$3.0M

Performance Metrics – A Participant may receive an Bonus each Quarter, if any is to be made, if CY sales and/or CY Bonusable Location Operating Contribution (“BLOC”) for the restaurant is above PY sales and/or above PY BLOC.

Performance is measured on the restaurant's full Quarter results and prorated between performance levels (Threshold – Target – Exceptional) for each performance metric.

Note: For restaurants in the District that were remodeled in FY19 (PY) or in FY20 (CY), the bonus calculation will be adjusted for CY and PY to reflect only the number of full open weeks in the Quarter.

Performance Goals – Performance is measured against Goals set by Quarter, as follows:

Performance Goals (Increase vs PY)						
Quarter	Sales			BLOC		
	Threshold	Target	Exceptional	Threshold	Target	Exceptional
Q2	0.0%	3.5%	7.0%	0.0%	1.0%	6.0%
Q3	0.0%	1.8%	3.6%	0.0%	1.0%	6.0%
Q4	0.0%	1.8%	3.6%	0.0%	2.0%	8.5%

BONUS PAYOUT

Provided a Participant meets all eligibility requirements, and subject to other *Terms and Conditions* of this Plan, a Participant's Bonus opportunity (see below) represents the level of performance achievement attained relative to the performance goals established for the Quarter.

Assistant Manager

	Performance Metric:	CY Sales vs. PY Sales			CY BLOC vs. PY BLOC			Total Bonus Potential Opportunity	
		Weight:	70%			30%			
			Performance Level:	Threshold ⁽¹⁾	Target	Exceptional	Threshold ⁽¹⁾		Target
Restaurant Sales Tier	Tier 1	<= \$1.8M	\$170 →	\$610 →	\$1,220	\$90 →	\$260 →	\$520	\$1,740
	Tier 2	<= \$2.5M	\$210 →	\$720 →	\$1,450	\$100 →	\$310 →	\$620	\$2,070
	Tier 3	<= \$3.0M	\$250 →	\$870 →	\$1,740	\$120 →	\$370 →	\$750	\$2,490
	Tier 4	>\$3.0M	\$300 →	\$1,050 →	\$2,100	\$150 →	\$450 →	\$900	\$3,000
				payout range ⁽²⁾			payout range ⁽²⁾		

Restaurant Manager

	Performance Metric:	CY Sales vs. PY Sales			CY BLOC vs. PY BLOC			Total Bonus Potential Opportunity	
		Weight:	70%			30%			
			Performance Level:	Threshold ⁽¹⁾	Target	Exceptional	Threshold ⁽¹⁾		Target
Restaurant Sales Tier	Tier 1	<= \$1.8M	\$380 →	\$1,330 →	\$2,660	\$190 →	\$570 →	\$1,140	\$3,800
	Tier 2	<= \$2.5M	\$460 →	\$1,600 →	\$3,190	\$230 →	\$680 →	\$1,370	\$4,560
	Tier 3	<= \$3.0M	\$550 →	\$1,910 →	\$3,820	\$270 →	\$820 →	\$1,640	\$5,470
	Tier 4	>\$3.0M	\$660 →	\$2,310 →	\$4,620	\$330 →	\$990 →	\$1,980	\$6,600
				payout range ⁽²⁾			payout range ⁽²⁾		

(1) No Payout for performance results below "Threshold".

(2) Actual Performance results and payout is prorated between performance levels