EXHIBIT A

PART I

Unless otherwise specified in this Annual Report on Form 10-K ("Annual Report"), or the context requires, Jack in the Box Inc.(NASDAQ: JACK) is referred to as the "Company," "Jack in the Box," or in the first-person notations of "we," "us" and "our."

ITEM 1. BUSINESS

General

Jack in the Box Inc., based in San Diego, California, operates and franchises Jack in the Box® quick-service restaurants ("QSRs"). We opened our first restaurant in 1951 and have since become one of the nation's largest hamburger chains. Based on number of restaurants, our top 10 major markets comprise approximately 70% of the total system, and Jack in the Box is at least the second largest QSR hamburger chain in eight of those major markets.

As of September 27, 2020, we operated and franchised 2,241 Jack in the Box quick-service restaurants, primarily in the western and southern United States, including one in Guam. Of the 2,241 restaurants at fiscal year-end, 2,097, or 94%, were franchised.

The Company operates as a single segment for reporting purposes. Our revenue is derived from sales by company-operated restaurants and by charging royalties, rent, advertising fees, and franchise and other fees to our franchisees.

Strategy

Our long-term goals are focused on meeting evolving customer needs, with an emphasis on improving operations consistency and targeted investments designed to maximize our returns. The key initiatives of our long-term goals include:

- ***Simplifying Restaurant Operations*** - We will continue focusing on redefining and elevating the guest experience to drive consistency through back-of-the-house simplification, including kitchen equipment / technology that can drive higher throughput, improved quality, and labor cost benefits.
- ***Differentiating Through Innovation -*** We will continue focusing on what makes us different by balancing premium and value innovation and leveraging our unique brand personality to differentiate creatively and focus on our core customer.
- ***Expanding our Brand Footprint -*** We are focused on growing units in existing, developing and new markets, primarily through franchise restaurants.
- ***Enhancing the Guest Experience -*** We are focused on targeted investments designed to maximize our returns while meeting the evolving needs of our customers to drive a consistent experience and brand image in our restaurants and across digital platforms through leveraging technology such as our mobile application to meet the evolving needs of our customers and improve in-store efficiencies.

Our Brand

Jack in the Box restaurants offer a broad selection of distinctive products including classic burgers like our Jumbo Jack® and innovative product lines such as Buttery Jack® burgers. We also offer quality products such as breakfast sandwiches with freshly cracked eggs, and craveable favorites such as tacos and curly fries, along with specialty sandwiches, salads, and real ice cream shakes, among other items. We allow our guests to customize their meals to their tastes and order any product when they want it, including breakfast items any time of day (or night). We are known for variety and innovation, which has led to the development of four strong dayparts: breakfast, lunch, dinner, and late-night.

The Jack in the Box restaurant chain was the first major hamburger chain to develop and expand the concept of drive-thru restaurants. In addition to drive-thru windows, most of our restaurants have seating capacities ranging from 20 to 100 people and are open 18-24 hours a day.

Through the execution of our refranchising strategy, we have increased franchise ownership of the Jack in the Box system to 94% at the end of fiscal 2020. In fiscal 2020, our franchisees developed 27 new franchise restaurants, and we expect the majority of new unit growth will be through franchise restaurants. The following table summarizes the changes in the number of company-operated and franchise restaurants over the past five years:

	Fiscal Year				
	2020	2019	2018	2017	2016
Company-operated restaurants:					
Beginning of period	137	137	276	417	413
New	—	—	1	2	4
Refranchised	—	—	(135)	(178)	(1)
Closed	(1)	—	(5)	(15)	—
Acquired from franchisees	8	—	—	50	1
End of period total	144	137	137	276	417
% of system	6 %	6 %	6 %	12 %	18 %
Franchise restaurants:					
Beginning of period	2,106	2,100	1,975	1,838	1,836
New	27	19	11	18	12
Refranchised	—	—	135	178	1
Closed	(28)	(13)	(21)	(9)	(10)
Sold to company	(8)	—	—	(50)	(1)
End of period total	2,097	2,106	2,100	1,975	1,838
% of system	94 %	94 %	94 %	88 %	82 %
System end of period total	2,241	2,243	2,237	2,251	2,255

Franchising Program

The franchise agreement generally provides for an initial franchise fee of $50,000 per restaurant for a 20-year term, and royalty and marketing payments generally set at 5.0% of gross sales. Royalty rates are typically 5.0% of gross sales but may range as high as 10.0% of gross sales. Some existing agreements provide for lower royalties for a limited time and may have variable rates. We may offer development agreements to franchisees (referred to in this context as "Developers") for construction of one or more new restaurants over a defined period of time and in a defined geographic area. Developers may be required to pay fees for certain company-sourced new sites. Developers may lose their rights to future development if they do not maintain the required opening schedule. To stimulate growth, we have offered a waiver of development fees for new sites, in addition to lower royalty rates or a development loan, to franchisees who open restaurants within a specified timeframe.

Site Selection and Design

Site selections for all new company-operated restaurants are made after an economic analysis and a review of demographic data and other information relating to population density, traffic, competition, restaurant visibility and access, available parking, surrounding businesses, and opportunities for market penetration. Restaurants developed by franchisees are built to brand specifications on sites we have approved.

Our company-operated restaurants have multiple restaurant models with different seating capacities to improve our flexibility in selecting locations. Management believes that this flexibility enables the Company to match the restaurant configuration with the specific economic, demographic, geographic, or physical characteristics of a particular site.

Based on the geographical location and constraints of the potential restaurant property, as well as the prototype building selected for use, typical costs to develop a traditional restaurant, range from approximately $1.4 million to $2.0 million, excluding the land value. The majority of our corporate restaurants are constructed on leased land or on land that we purchase and subsequently sell, along with the improvements, in sale and leaseback transactions. Upon completion of a sale and leaseback transaction, the Company's initial cash investment is reduced to the cost of equipment, which ranges from approximately $0.3 million to $0.4 million.

Restaurant Management and Operations

Jack in the Box restaurants are operated by a company manager or franchise operator who is directly responsible for the operations of the restaurant, including product quality, service, food safety, cleanliness, inventory, cash control, and the conduct and appearance of employees. We focus on attracting, selecting, engaging, and retaining employees and franchisees who share our passion for creating long-lasting, successful restaurants.

Managers of company-operated restaurant are supervised by district managers, who are overseen by directors of operations, who report to the vice president of company operations. Under our performance system, the vice president is eligible for annual incentive compensation based on achievement of goals related to company-wide performance and restaurant level margin. Directors are eligible for an annual incentive compensation based on achievement of goals related to the sales and profit of their assigned region, and a company-wide performance goal. District managers and restaurant managers are eligible for quarterly incentives based on growth in restaurant sales and profit and certain other operational performance standards.

Company-operated restaurant managers are required to complete an extensive management training program involving a combination of in-restaurant instruction and on-the-job training in specially designated training restaurants. Restaurant managers and supervisory personnel train other restaurant employees in accordance with detailed procedures and guidelines using training aids available at each location.

Customer Satisfaction

Company-operated and franchise-operated restaurants devote significant resources toward offering quality food and excellent service at all of our restaurants. One tool we have used to help us maintain a high level of customer satisfaction is our Voice of Guest program, which provides restaurant managers, district managers, and franchise operators with ongoing feedback from guests who complete a short satisfaction survey via an invitation typically provided on the register receipt. In these surveys, guests rate their satisfaction with key elements of their restaurant experience, including friendliness, food quality, cleanliness, speed of service, and order accuracy. Our Guest Relations Department receives feedback that guests provide via phone and our website and communicates that feedback to restaurant managers and franchise operators. We also collect and respond to guest feedback through social media, restaurant reviews and other feedback sources.

Food Safety

Our "farm-to-fork" food safety program is designed to maintain high standards for the food products and food preparation procedures used by our vendors and in our restaurants. We maintain product specifications for our ingredients and our Food Safety and Regulatory Compliance Department must approve all suppliers of food products to our restaurants. We use third-party and internal audits to review the food safety management programs of our vendors. We manage food safety in our restaurants through a comprehensive food safety management program that is based on the Food and Drug Administration ("FDA") Food Code requirements. The food safety management program includes employee training, ingredient testing, documented restaurant practices, and attention to product safety at each stage of the food preparation cycle. In addition, our food safety management program uses American National Standards Institute certified food safety training programs to train our company and franchise restaurant management employees on food safety practices for our restaurants.

Supply Chain

All of our company-operated restaurants and franchisees have a long-term contract with a third-party distributor. Under this contract, the distributor will provide distribution services to our Jack in the Box restaurants through August 2022 through seven distribution centers in the continental United States.

The primary commodities purchased by our restaurants are beef, poultry, pork, cheese, and produce. We monitor and purchase commodities in order to minimize the impact of fluctuations in price and supply. Contracts are entered into and commodity market positions may be secured when we consider them to be advantageous. However, certain commodities remain subject to price fluctuations. Most, if not all essential food and beverage products are available or can be made available upon short notice from alternative qualified suppliers.

Information Systems

Our restaurant software allows for daily polling of sales, inventory, and other data from the restaurants directly. Our company restaurants and traditional-site franchise restaurants use standardized Windows-based touch screen point-of-sale ("POS") platforms. These platforms allow the restaurants to accept cash, credit cards, and our re-loadable gift cards. The single POS system for all restaurants helps franchisees and brand managers adapt more quickly to meet consumer demands and introduce new products, pricing, promotions, and technologies such as the Jack in the Box mobile app, third party delivery, or any other business-driving initiative while maintaining a secure, PCI-compliant payment system.

Our highly franchised business model presents a number of risks, and the failure of our franchisees to operate successful and profitable restaurants could negatively impact our business.

As of September 27, 2020, approximately 94% of our operating restaurant properties were franchised restaurants; therefore, our success increasingly relies on the financial success and cooperation of our franchisees, yet we have limited influence over their operations. Our income arises from two sources: fees from franchised restaurants (e.g., rent and royalties based on a percentage of sales) and, to a lesser degree, sales from our remaining Company-operated restaurants. Our franchisees manage their businesses independently, and therefore are responsible for the day-to-day operation of their restaurants. The revenues we realize from franchised restaurants are largely dependent on the ability of our franchisees to grow their sales. If our franchisees do not experience sales growth, our revenues and margins could be negatively affected as a result. Also, if sales trends worsen for franchisees, their financial results may deteriorate, which could result in, among other things, restaurant closures, or delayed or reduced payments to us. Our refranchising strategy has increased that dependence and the potential effect of those factors. Our success also increasingly depends on the willingness and ability of our independent franchisees to implement shared strategies and major initiatives, which may include financial investment, and to remain aligned with us on operating and promotional plans. Franchisees' ability to contribute to the achievement of our plans is dependent in large part on the availability to them of funding at reasonable interest rates and may be negatively impacted by the financial markets in general or by the credit worthiness of our franchisees or the Company. As small businesses, some of our franchise operators may be negatively and disproportionately impacted by strategic initiatives, capital requirements, inflation, labor costs, employee relations issues, or other causes. In addition, franchisees' business obligations may not be limited to the operation of Jack in the Box restaurants, making them subject to business and financial risks unrelated to the operation of our restaurants. These unrelated risks could adversely affect a franchisee's ability to make payments to us or to make payments on a timely basis. We cannot assure you that our franchisees will successfully participate in our strategic or marketing initiatives or operate their restaurants in a manner consistent with our requirements, standards, and expectations. As compared to some of our competitors, our brand has relatively fewer franchisees who, on average, operate more restaurants per franchisee. There are significant risks to our business if a franchisee, particularly one who operates a large number of restaurants, encounters financial difficulties, including bankruptcy, or fails to adhere to our standards, projecting an image inconsistent with our brand or negatively impacting our financial results.

We are subject to financial and regulatory risks associated with our owned and leased properties and real estate development projects.

We own or lease the real properties on which most of our restaurants are located and lease or sublease to the franchisee a majority of our franchised restaurant sites. We have engaged and continue to engage in real estate development projects. As is the case with any owner or operator of real property, we are subject to eminent domain proceedings that can impact the value of investments we have made in real property, and we are subject to other potential liabilities, cost and damages arising out of owning, operating, leasing, or otherwise having interests in real property.

If we close a restaurant in a leased location, we may remain committed to perform our obligations under the applicable lease, which would include, among other things, payment of the base rent for the balance of the lease term. Additionally, the potential losses associated with our inability to cancel leases may result in our keeping open restaurant locations that are performing significantly below targeted levels. As a result, ongoing lease obligations at closed or underperforming restaurant locations could impair our results of operations. In addition, at the end of the lease term and expiration of all renewal periods, we may be unable to renew the lease without substantial additional cost, if at all. As a result, we may be required to close or relocate a restaurant, which could subject us to construction and other costs and risks and may have an adverse effect on our operating performance.

Our tax provision may fluctuate due to changes in expected earnings.

Our income tax provision is sensitive to expected earnings and, as those expectations change, our income tax provisions may vary from quarter-to-quarter and year-to-year. In addition, we may occasionally take positions on our tax returns that differ from their treatment for financial reporting purposes. The difference in treatment of such positions could have an adverse impact on our effective tax rate.

General Business Risks

We are subject to the risk of cybersecurity breaches, intrusions, data loss, or other data security incidents.

We and our franchisees rely on computer systems and information technology to conduct our business. We have instituted controls, including information security governance controls that are intended to protect our computer systems, our point of sale ("POS") systems, and our information technology systems and networks; and adhere to payment card industry data security standards and limit third party access for vendors that require access to our restaurant networks. We also have business continuity plans that attempt to anticipate and mitigate failures. However, we cannot control or prevent every cybersecurity risk.

ITEM 2. PROPERTIES

The following table sets forth information about our restaurant locations (by state) for all restaurants in operation as of September 27, 2020:

	Company-Operated	Franchise	Total
Arizona	5	168	173
California	108	835	943
Colorado	—	17	17
Hawaii	—	30	30
Idaho	—	32	32
Illinois	—	13	13
Indiana	—	3	3
Kansas	—	5	5
Louisiana	—	17	17
Missouri	—	58	58
Nevada	—	77	77
New Mexico	—	8	8
North Carolina	—	19	19
Ohio	—	2	2
Oklahoma	8	9	17
Oregon	—	53	53
South Carolina	—	10	10
Tennessee	—	9	9
Texas	23	579	602
Utah	—	3	3
Washington	—	149	149
Guam	—	1	1
	144	2,097	2,241

Of the total 2,241 restaurants, our interest in restaurant properties consists of the following:

	Company-Operated	Franchise	Total
Company-owned restaurant buildings:			
On company-owned land	8	199	207
On leased land	54	571	625
Subtotal	62	770	832
Company-leased restaurant buildings on leased land	82	1,037	1,119
Franchise directly-owned or directly-leased restaurant buildings	—	290	290
Total restaurant buildings	144	2,097	2,241

Our restaurant leases generally provide for fixed rental payments (with cost-of-living index adjustments) plus real estate taxes, insurance, and other expenses. In addition, approximately 14% of our leases provide for contingent rental payments between 1% and 12% of the restaurant's gross sales once certain thresholds are met. We have generally been able to renew our restaurant leases as they expire at then-current market rates.

In addition to the restaurant locations, we own our corporate headquarters located in San Diego, California, which consists of approximately 70,000 square feet and approximately four acres of undeveloped land directly adjacent to it. We believe that our current office space is suitable and adequate for its intended purpose.

ITEM 3. LEGAL PROCEEDINGS

See Note 16, *Commitments and Contingencies*, of the notes to the consolidated financial statements for a discussion of our legal proceedings.

Reacquired franchise rights are recorded in connection with our acquisition of franchised restaurants and are amortized over the remaining contractual period of the franchise contract in which the right was granted. As of September 27, 2020 and September 29, 2019, the carrying value of our intangible assets was $0.3 million and $0.4 million, respectively, and are included in “Intangible assets, net” in the accompanying consolidated balance sheets.

Company-owned life insurance — We have purchased company-owned life insurance (“COLI”) policies to support our non-qualified benefit plans. The cash surrender values of these policies were $113.8 million and $112.8 million as of September 27, 2020 and September 29, 2019, respectively, and are included in “Other assets, net”, in the accompanying consolidated balance sheets. Changes in cash surrender values are included in “Selling, general and administrative expenses” in the accompanying consolidated statements of earnings. These policies reside in an umbrella trust for use only to pay plan benefits to participants or to pay creditors if the Company becomes insolvent.

Leases — We evaluate the contracts entered into by the Company to determine whether such contracts contain leases. A contract contains a lease if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. At commencement, contracts containing a lease are further evaluated for classification as an operating or finance lease where the Company is a lessee, or as an operating, sales-type or direct financing lease where the Company is a lessor, based on their terms.

The lease term and incremental borrowing rate for each lease requires judgement by management and can impact the classification of our leases as well as the value of our lease assets and liabilities. When determining the lease term, we consider option periods available, and include option periods in the measurement of the lease right-of-use (“ROU”) asset and lease liability where the exercise is reasonably certain to occur. As our leases do not provide an implicit discount rate, we have determined it is appropriate to use our estimated collateralized incremental borrowing rate, based on the yield curve for the respective lease terms, in calculating our lease liabilities.

Revenue recognition — “Company restaurant sales” include revenue recognized upon delivery of food and beverages to the customer at company-operated restaurants, which is when our obligation to perform is satisfied. Company restaurant sales exclude taxes collected from the Company’s customers. Gift cards, upon customer purchase, are recorded as deferred income and are recognized in revenue as they are redeemed.

“Franchise rental revenues” received from franchised restaurants based on fixed rental payments are recognized as revenue over the term of the lease. Rental revenue from properties owned and leased by the Company and leased or subleased to franchisees is recognized on a straight-line basis over the respective term of the lease. Certain franchise rents, which are contingent upon sales levels, are recognized in the period in which the contingency is met.

“Franchise royalties and other” primarily includes royalties and franchise fees received from our franchisees. Royalties are based upon a percentage of sales of the franchised restaurant and are recognized as earned. Franchise royalties are billed on a monthly basis. Franchise fees when a new restaurant opens or at the start of a new franchise term are recorded as deferred revenue when received and recognized as revenue over the term of the franchise agreement.

“Franchise contributions for advertising and other services” includes franchisee contributions to our marketing fund billed on a monthly basis and sourcing and technology fees, as required under the franchise agreements. Contributions to our marketing fund are based on a percentage of sales and recognized as earned. Sourcing and technology services are recognized when the goods or services are transferred to the franchisee.

Gift cards — We sell gift cards to our customers in our restaurants and through selected third parties. The gift cards sold to our customers have no stated expiration dates and are subject to actual or potential escheatment rights in several of the jurisdictions in which we operate. We recognize income from gift cards when redeemed by the customer.

While we will continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain card balances due to, among other things, long periods of inactivity. In these circumstances, to the extent we determine there is no requirement for remitting balances to government agencies under unclaimed property laws, card balances may be recognized as income in our statement of earnings. Amounts recognized on unredeemed gift card balances were $0.5 million, $0.5 million, and $0.6 million in fiscal 2020, 2019, and 2018, respectively.

Self-insurance — We are self-insured for a portion of our workers’ compensation, general liability, employee medical and dental, and automotive claims. We utilize a paid-loss plan for our workers’ compensation, general liability, and automotive programs, which have predetermined loss limits per occurrence and in the aggregate. We establish our insurance liability (undiscounted) and reserves using independent actuarial estimates of expected losses for determining reported claims and as the basis for estimating claims incurred, but not reported. As of September 27, 2020 and September 29, 2019, our estimated liability for general liability and workers’ compensation claims exceeded our self-insurance retention limits by $1.9 million and $3.6 million, respectively, which we expect our insurance providers to pay on our behalf in accordance with the contractual terms of our insurance policies.

Maturities of long-term debt — Assuming repayment by the Anticipated Repayment Dates and based on the leverage ratio as of September 27, 2020, principal payments on our long-term debt outstanding at September 27, 2020 for each of the next five fiscal years and thereafter are as follows (*in thousands*):

2021	$ 818
2022	844
2023	571,558
2024	351
2025	28
Thereafter	827,462
	$ 1,401,061

8. LEASES

Nature of leases — We own restaurant sites and we also lease restaurant sites from third parties. Some of these owned or leased sites are leased and/or subleased to franchisees. Initial terms of our real estate leases are generally 20 years, exclusive of options to renew, which are generally exercisable at our sole discretion for 1 to 20 years. In some instances, our leases have provisions for contingent rentals based upon a percentage of defined revenues. Many of our restaurants also have rent escalation clauses and require the payment of property taxes, insurance, and maintenance costs. Variable lease costs include contingent rent, cost-of-living index adjustments, and payments for additional rent such as real estate taxes, insurance and common area maintenance, which are excluded from the measurement of the lease liability. We also lease certain restaurant and office equipment with initial terms generally ranging from 3 to 8 years. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As lessor, our leases and subleases primarily consist of restaurants that have been leased to franchisees subsequent to refranchising transactions. The lease descriptions, terms, variable lease payments and renewal options are generally the same as the lessee leases described above. Revenues from leasing arrangements with our franchisees are presented in “Franchise rental revenues” in the accompanying consolidated statements of earnings, and the related expenses are presented in “Franchise occupancy expenses.”

Rent concessions as lessee — In response to the pandemic, certain landlords have agreed to temporary rent concessions. These concessions generally relate to the deferral of certain rent payments for April, May, June, and July 2020 until future periods and total approximately $15.5 million. We considered the FASB’s recent guidance regarding rent concessions related to the effects of the COVID-19 pandemic and have elected to apply the temporary practical expedient to account for rent concessions as though enforceable rights and obligations for those concessions existed in the lease agreements. Therefore, we did not remeasure our lease ROU assets and liabilities, and we have not bifurcated our operating lease liabilities into the portion that remains subject to accretion of $947.8 million, and the portion that is related to the rent deferrals of $7.2 million as of September 27, 2020.

Rent concessions as lessor — We postponed collection of approximately 40% of April 2020 rents due from our franchisees totaling approximately $9.1 million, to be collected over three months beginning July 2020. Furthermore, we passed on to our franchisees approximately $5.6 million of the rent concessions secured from our landlords for April, May, June, and July 2020. As of September 27, 2020, all of the postponed April rent has been repaid and the franchisees have chosen to pay according to the original lease terms on approximately half of the rent concessions that we offered. As of September 27, 2020, rent concessions which remain uncollected were $2.6 million and are included within “Accounts and other receivable, net” in our consolidated balance sheets.

EXHIBIT B

PART I

ITEM 1. BUSINESS

The Company

Overview . Jack in the Box Inc., based in San Diego, California, operates and franchises 2,888 Jack in the Box ® quick-service restaurants ("QSRs") and Qdoba Mexican Grill ® fast-casual restaurants. References to the Company throughout this Annual Report on Form 10-K are made using the first person notations of "we," "us" and "our."

Jack in the Box . The first Jack in the Box restaurant opened in 1951. Jack in the Box is one of the nation's largest hamburger chains and, based on number of restaurants, is the second largest QSR hamburger chain in nine of our top 10 major markets, which comprise approximately 70% of the total system. As of the end of our fiscal year on September 28, 2014 , the Jack in the Box system included 2,250 restaurants in 21 states, as well as Guam, of which 431 were company-operated and 1,819 were franchise-operated.

Qdoba Mexican Grill. To supplement our core growth and balance the risk associated with growing solely in the highly competitive hamburger segment of the QSR industry, in 2003 we acquired Qdoba Restaurant Corporation, operator and franchisor of Qdoba Mexican Grill. As of September 28, 2014 , the Qdoba system included 638 restaurants in 47 states, as well as the District of Columbia and Canada, of which 310 were company-operated and 328 were franchise-operated. Qdoba is the second largest fast-casual Mexican brand in the United States.

Strategic Plan. Our long-term strategic plan focuses on continued growth of our two restaurant brands, increasing average unit volumes, and improving restaurant profitability and returns on invested capital. During 2014, we essentially completed our refranchising initiative focused on increasing franchise ownership in the Jack in the Box system through the sale of company-operated restaurants to new and existing franchisees. Through the sale of 37 company-operated Jack in the Box restaurants to franchisees and the development of 11 new franchise restaurants in fiscal 2014 , we increased franchise ownership of the Jack in the Box system to 81% at the end of fiscal 2014 from 79% at the end of fiscal 2013 . We plan to maintain franchise ownership in the Jack in the Box system at a level between 80-85% . Now that we are within the range of our targeted franchise ownership, we expect the majority of our new unit development will be through franchised restaurants.

Through new unit growth and acquisitions of franchised Qdoba restaurants in select markets, and due to the refranchising of Jack in the Box restaurants, Qdoba has become a more prominent part of our company restaurant operations. As of the end of fiscal 2014 , Qdoba comprised approximately 42% of our total company-operated units as compared with approximately 12% five years ago. We plan to continue to build out the number of Qdoba company locations at an accelerated pace over the next several years. Accelerating the growth of our Qdoba brand by increasing market penetration should generate heightened brand awareness.

Restaurant Concepts

Jack in the Box . Jack in the Box restaurants offer a broad selection of distinctive, innovative products targeted primarily at the adult fast-food consumer. Our menu features a variety of items including hamburgers, tacos, specialty sandwiches, drinks, real ice cream shakes, salads and side items. Jack in the Box restaurants also offer guests the ability to customize their meals and to order any product, including breakfast items, any time of the day.

The Jack in the Box restaurant chain was the first major hamburger chain to develop and expand the concept of drive-thru restaurants. In addition to drive-thru windows, most of our restaurants have seating capacities ranging from 20 to 100 persons and are open 18-24 hours a day. Drive-thru sales currently account for approximately 70% of sales at company-operated restaurants. The average check in fiscal year 2014 was $6.83 for company-operated restaurants.

With a presence in only 21 states, we believe Jack in the Box is a brand with significant growth opportunities. In fiscal 2014 , we continued to expand in both existing and new markets. We opened one company-operated restaurant and franchisees opened 11 Jack in the Box restaurants during the year. In fiscal 2015 , approximately 10-15 new Jack in the Box restaurants are expected to open system-wide.

EXHIBIT C

PART I

ITEM 1. BUSINESS

The Company

Overview . Jack in the Box Inc., based in San Diego, California, operates and franchises 2,237 Jack in the Box ® quick-service restaurants ("QSRs"). References to the Company throughout this Annual Report on Form 10-K are made using the first person notations of "we," "us," and "our."

Jack in the Box opened its first restaurant in 1951, and has since become one of the nation's largest hamburger chains. Based on number of restaurants, our top 10 major markets comprise approximately 70% of the total system, and Jack in the Box is the second largest QSR hamburger chain in nine of those major markets. As of the end of our fiscal year on September 30, 2018 , the Jack in the Box system included 2,237 restaurants in 21 states and Guam, of which 137 were company-operated and 2,100 were franchise-operated.

Through the execution of our refranchising strategy over the last five years, we have increased franchise ownership of the Jack in the Box system from 79% at the end of fiscal 2013 to 94% at the end of fiscal 2018 . In fiscal 2018 , our Jack in the Box franchisees independently developed 11 new franchise restaurants, and we expect the majority of Jack in the Box new unit growth will be through franchise restaurants.

Our long-term goals are focused on meeting evolving customer needs, with emphasis on improving operations consistency and targeted investments designed to maximize our returns. The key initiatives of our long-term goals include:

- ***Simplifying Restaurant Operations*** — We are focused on redefining and elevating the guest experience to drive consistency through the following:
  - Back-of-the-house simplification, including equipment / technology that can drive higher throughput, improved quality, and labor cost benefits.
  - Reduction of redundant stock keeping units. Simplification of operating procedures.
  - Upgrading kitchen equipment.
- ***Leveraging Technology*** — We are implementing technology such as our mobile application to meet the evolving needs of our customers and improve in-store efficiencies.
- ***Differentiating Through Innovation*** — We intend to continue focusing on what makes us different by balancing premium and value innovation and leveraging our unique brand personality to differentiate creatively and focus smartly on our core customer.
- ***Elevating our Brand Image*** — We are focused on targeted investments designed to maximize our returns.
  - Drive-thru enhancements. Since approximately 70% of our sales occur through the drive-thru, drive-thru only remodels can achieve meaningful results at lower costs.
  - Restaurant remodels. Up to 600 mature restaurants will get either a full remodel or drive-thru enhancements over the next 3 years with investment levels tiered based on sales and margins.

Segments

As of September 30, 2018 , the Company consists of one operating segment. On March 21, 2018 we completed the sale of Qdoba Restaurant Corporation to certain funds managed by affiliates of Apollo Global Management, LLC. See additional information related to the sale in Note 1, *Nature of Operations and Summary of Significant Accounting Polices* and Note 2, *Discontinued Operations* , of the notes to the consolidated financial statements.

Restaurant Concept

Jack in the Box restaurants offer a broad selection of distinctive products including classic burgers like our Jumbo Jack ® and innovative product lines such as Buttery Jack ® burgers and our Brunchfast ® menu. We also offer quality products such as breakfast sandwiches with freshly cracked eggs, and craveable favorites such as tacos and curly fries, along with specialty sandwiches, salads, and real ice cream shakes, among other items. We allow our guests to customize their meals to their tastes and order any product when they want it, including breakfast items any time of day (or night). We are known for variety and innovation, which has led to the development of four strong dayparts: breakfast, lunch, dinner, and late-night.

EXHIBIT D

Section 25137 - Jack in the Box Inc. & Subs
Exhibit D - Percentage of Company-Operated and Franchisee-Operated Restaurant Locations by Year.

FYE 2014

	Company	Franchisee	Total
California	241	695	933
Out-of State	190	1127	1317
Everywhere	431	1819	2250
Percentage of Stores – Company vs Franchisee Operated	**19%**	**81%**	**100%**

FYE 2015

	Company	Franchisee	Total
California	243	695	938
Out-of State	170	1141	1311
Everywhere	413	1836	2249
Percentage of Stores – Company vs Franchisee Operated	**18%**	**82%**	**100%**

FYE 2016

	Company	Franchisee	Total
California	243	696	939
Out-of State	174	1142	1316
Everywhere	417	1838	2255
Percentage of Stores – Company vs Franchisee Operated	**18%**	**82%**	**100%**

FYE 2017

	Company	Franchisee	Total
California	170	769	939
Out-of State	106	1206	1312
Everywhere	276	1975	2251
Percentage of Stores – Company vs Franchisee Operated	**12%**	**88%**	**100%**

FYE 2018

	Company	Franchisee	Total
California	109	827	936
Out-of State	28	1273	1301
Everywhere	137	2100	2237
Percentage of Stores – Company vs Franchisee Operated	**6%**	**94%**	**100%**

FYE 2019

	Company	Franchisee	Total
California	109	832	941
Out-of State	28	1274	1302
Everywhere	137	2106	2243
Percentage of Stores – Company vs Franchisee Operated	**6%**	**94%**	**100%**

FYE 2020

	Company	Franchisee	Total
California	108	835	943
Out-of State	36	1262	1298
Everywhere	144	2097	2241
Percentage of Stores – Company vs Franchisee Operated	**6%**	**94%**	**100%**