AMERICAN TECHNOLOGY CORP /DE/
Form 8-K
December 24, 2009

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

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 12/21/2009

American Technology Corporation
(Exact name of registrant as specified in its charter)

Commission File Number: 000-24248

Delaware	**87-0361799**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

15378 Avenue of Science, Ste 100,
San Diego, California 92128
(Address of principal executive offices, including zip code)

858-676-1112
(Registrant s telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] **Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**

[ ] **Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**

[ ] **Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**

[ ] **Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On December 21, 2009, Norman Carmichael, VP of Operations, resigned from American Technology Corporation to pursue other interests.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

American Technology Corporation

Date: December 24, 2009

By: /s/ Thomas R. Brown

Thomas R. Brown
Chief Executive Officer

ALIGN="right">130 Royall Street

Canton, Massachusetts 02021

March 27, 2017

Dear Shareholder:

We cordially invite you to attend our 2017 Annual Meeting of Shareholders on Wednesday, May 10, 2017, at 10:00 a.m. (local time), to be held at the Boston Marriott Quincy, 1000 Marriott Drive, Quincy, Massachusetts 02169.

Again this year, Dunkin Brands has elected to deliver our proxy materials to the majority of our shareholders over the Internet under the Securities and Exchange Commission rules that allow companies to furnish proxy materials to shareholders over the Internet. This delivery process allows us to provide shareholders with the information they need, while at the same time conserving natural resources and lowering the cost of delivery. On March 27, 2017, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our proxy statement for our 2017 Annual Meeting of Shareholders and our 2016 Annual Report. The Notice also provides instructions on how to vote online or by telephone and includes instructions on how to receive a paper copy of the proxy materials by mail.

The Notice will serve as an admission ticket for one shareholder to attend the 2017 Annual Meeting of Shareholders. On March 27, 2017, we also first mailed this proxy statement and the enclosed proxy card to certain shareholders. If you received a paper copy of the proxy materials in the mail, the proxy card includes an admission ticket for one shareholder to attend the 2017 Annual Meeting of Shareholders. You may alternatively present a brokerage statement showing proof of your ownership of Dunkin Brands stock as of March 16, 2017. **All shareholders must also present a valid form of government-issued picture identification in order to attend.**

The proxy statement accompanying this letter describes the business we will consider at the meeting. Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, we encourage you to consider the matters presented in the proxy statement and vote as soon as possible.

We hope that you will be able to join us on May 10th.

Sincerely,

Nigel Travis

Chairman and Chief Executive Officer

Table of Contents

Dunkin Brands Group, Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 10, 2017

The 2017 Annual Meeting of Shareholders of Dunkin Brands Group, Inc. (the Company) will be held at the Boston Marriott Quincy, 1000 Marriott Drive, Quincy, Massachusetts 02169 on Wednesday, May 10, 2017, at 10:00 a.m. (local time) for the following purposes as further described in the proxy statement accompanying this notice:

To elect the two directors specifically named in the proxy statement, each for a term of three years.

To approve, on an advisory basis, the compensation paid by the Company to its named executive officers (the say-on-pay vote).

To ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the current fiscal year.

To approve, if properly presented, a shareholder proposal regarding a report on the environmental impact of K-Cup pods brand packaging.

To conduct any other business properly brought before the meeting.

Shareholders of record at the close of business on March 16, 2017 are entitled to notice of, and entitled to vote at, the Annual Meeting and any adjournments or postponements thereof.

To attend the Annual Meeting, you must demonstrate that you were a Dunkin Brands shareholder as of the close of business on March 16, 2017, or hold a valid proxy for the Annual Meeting from such a shareholder. If you received a Notice of Internet Availability of Proxy Materials, the Notice will serve as an admission ticket for one shareholder to attend the 2016 Annual Meeting of Shareholders. If you received a paper copy of the proxy materials in the mail, the proxy card includes an admission ticket for one shareholder to attend the 2017 Annual Meeting of Shareholders. You may alternatively present a brokerage statement showing proof of your ownership of Dunkin Brands stock as of March 16, 2017. **All shareholders must also present a valid form of government-issued picture identification in order to attend.** Please allow additional time for these procedures.

By Order of the Board of Directors

Rich Emmett

Secretary

Canton, Massachusetts

March 27, 2017

Table of Contents

TABLE OF CONTENTS

Proxy Statement	1
Proxy Summary	2
Board of Directors and Committees of the Board	9
Proposal 1 Election of Directors	15
Corporate Governance	18
Transactions with Related Persons	21
Stock Ownership Information	22
Section 16(a) Beneficial Ownership Reporting Compliance	23
Executive Compensation	24
Compensation Discussion and Analysis	24
Report of the Compensation Committee	45
2016 Summary Compensation Table	46
Grants of Plan-Based Awards Table	48
Outstanding Equity Awards at Fiscal Year End	50
Options Exercises and Stock Vested	52
Non-Qualified Deferred Compensation	52
Potential Payments Upon Termination or Change in Control	53
Proposal 2 Advisory Vote on Named Executive Officer Compensation	61
Audit Committee Matters	62
Audit Committee Report	62
Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm	64
Proposal 4 Shareholder Proposal Regarding a Report on the Environmental Impact of K-Cup Pods	65
Voting Requirements and Proxies	69
Shareholder Proposals and Director Nominations	69
Other Matters	69
Attending the Annual Meeting	70

Table of Contents

Dunkin Brands Group, Inc.

ANNUAL MEETING OF SHAREHOLDERS

May 10, 2017

PROXY STATEMENT

The Board of Directors of Dunkin Brands Group, Inc., or Dunkin Brands, is soliciting your proxy for the 2017 Annual Meeting. Attendance in person or by proxy of a majority of the shares outstanding and entitled to vote at the meeting is required for a quorum for the meeting.

You may vote on the Internet, using the procedures and instructions described on the Notice of Internet Availability of Proxy Materials (the Notice) that you received. If you received a paper copy of these proxy materials, included with such copy is a proxy card or a voting instruction card from your bank, broker or other nominee for the Annual Meeting. In addition to voting on the Internet, you may vote by telephone using the toll-free telephone number contained on the Notice, proxy card, or voting instruction card or by mail by completing and returning a proxy card or voting instruction card. Both Internet and telephone voting provide easy-to-follow instructions and have procedures designed to authenticate your identity and permit you to confirm that your voting instructions are accurately reflected.

You may revoke your proxy at any time before it is voted by voting later by telephone or Internet, returning a later-dated proxy card, or delivering a written revocation to the Secretary of Dunkin Brands.

Shareholders of record at the close of business on March 16, 2017 are entitled to vote at the meeting. Each of the 92,066,316 shares of common stock outstanding on the record date is entitled to one vote.

This proxy statement, the proxy card and the Annual Report to Shareholders for our fiscal year ended December 31, 2016 (fiscal 2016) are being first mailed or made available to shareholders on or about the date of the notice of meeting. Our address is 130 Royall Street, Canton, Massachusetts 02021.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 10, 2017: Our proxy statement is attached. Financial and other information concerning Dunkin Brands is contained in our annual report to shareholders for the fiscal year ended December 31, 2016. The proxy statement and our fiscal 2016 annual report to shareholders are available on our website at http://investor.dunkinbrands.com. Additionally, you may access our proxy materials at www.proxyvote.com, a site that does not have cookies that identify visitors to the site.

Table of Contents

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider before voting and you should read the entire proxy statement. For more complete information regarding the Company s 2016 performance, please review the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

VOTING AND MEETING INFORMATION

It is very important that you vote in order to play a part in the future of the Company. Please carefully review the proxy materials for the 2017 Annual Meeting of Shareholders, which will be held on Wednesday, May 10, 2017 at 10:00 a.m. (local time) at the Boston Marriott Quincy, 1000 Marriott Park Drive, Quincy, Massachusetts.

Who is Eligible to Vote?

Shareholders of record at the close of business on March 16, 2017 are entitled to vote at the 2017 Annual Meeting. Each of the 92,066,316 shares of common stock outstanding on the record date is entitled to one vote.

How You May Vote

Even if you plan to attend the Annual Meeting in person, please vote using one of the following advance voting methods. Make sure to have your proxy card or voting instruction form in hand and follow the instructions:

INTERNET	PHONE	MAIL
Visit the website listed on your proxy card/voting instruction form to vote via the internet.	Call the telephone number on your proxy card/voting instruction form to vote by phone.	Sign, date and return your proxy card/voting instruction form in the enclosed envelope to vote by mail.

Attending the Annual Meeting

To attend the Annual Meeting, you must demonstrate that you were a Dunkin Brands shareholder as of the close of business on March 16, 2017, or hold a valid proxy for the Annual Meeting from such a shareholder. Please see page

70 of the Proxy Statement for further details.

2

Table of Contents

Roadmap of Voting Matters

Shareholders are being asked to vote on the following matters at the 2017 Annual Meeting of Shareholders:

	Board Recommendation
Item 1. **Election of Directors (page 15)**	
The Board believes that each Director nominee has the professional and personal qualifications and experiences to continue to meaningfully contribute to an effective and well-functioning Board.	**FOR each Director Nominee**
Item 2. **Advisory Vote to Approve Executive Compensation (page 61)**	
The Company has designed its compensation programs to attract and retain industry-leading talent, to link compensation actually paid to achievement of our financial, operational and strategic goals, to reward individual performance and contribution to our success, and to enhance shareholder value by aligning the interests of our executive officers and shareholders through delivering a substantial portion of an executive officer s compensation through equity-based awards with a long-term value horizon. The Company seeks a non-binding advisory vote from its shareholders to approve the compensation of its named executive officers as described in the Compensation Discussion and Analysis section beginning on page 24 and the Compensation Tables section beginning on page 46. The Board values shareowners opinions and the Compensation Committee will take into account the outcome of the advisory vote when considering future executive compensation decisions.	**FOR**
Item 3. **Ratification of the Appointment of KPMG LLP as Independent Auditors (page 64)**	
The Audit Committee has appointed KPMG LLP to serve as independent auditors for the fiscal year ending December 30, 2017. The Audit Committee and the Board believe that the continued retention of KPMG LLP to serve as the Independent Auditors is in the best interests of the Company and its shareowners. As a matter of good corporate governance, shareowners are being asked to ratify the Audit Committee s selection of the independent auditors.	**FOR**
Item 4. **Shareholder Proposal Regarding a Report on the Environmental Impact of K-Cup Pods Brand Packaging (page 65)**	
The proposal calls for a report assessing the environmental impacts of K-Cup pods brand packaging. The Company is not the manufacturer of Dunkin Donuts branded K-Cup pods, which are made by our partner Keurig Green Mountain, Inc. (Keurig). As the manufacturer of the packaging, Keurig is in the best position to provide the information called for by the proposal, and has made such information publicly available on its website. We have previously released a statement on sustainable packaging that is publicly available on our website, which acknowledges Keurig s publicly stated intention to make 100 percent of K-Cup pods recyclable by 2020 and also directs readers to Keurig s publicly available information regarding the environmental impact of its K-Cup pods. The Company and the Board believe that all of the information asked for by the report is already publicly	**AGAINST**

available and that the requested report would be a waste of our resources and not in the best interest of our shareholders, franchisees, or our guests.

3

Table of Contents

GOVERNANCE

The Company believes good governance is integral to achieving long-term shareholder value. We are committed to governance policies and practices that serve the interest of Dunkin Brands and our shareholders. The Board of Directors monitors developments in governance at peer companies and in general to assure that it continues to meet its commitment to thoughtful and independent representation of shareholder interests. The following table summarizes certain of our corporate governance best practices and facts about the Board of Directors and the Company:

7 of 8 Directors are Independent	**Diverse Board in Terms of Gender, Ethnicity, Experience and Skills**
Lead Independent Director	**Strong Commitment to Corporate Social Responsibility**
Annual Board and Committee Self-Assessment	**Policy Providing for Return of Incentive Compensation under Certain Circumstances (Clawback Policy)**
Directors are Required to Tender Resignation on receiving less than Majority Vote	**Stock Ownership Guidelines for Executives and Directors**
Directors are Required to Tender Resignation on Job Change	**Hedging, Short Sale and Pledging Policies**
Independent Directors Meet Without Management Present	**Average Director Tenure of 7.4 years**
Robust Shareholder Engagement Practices	**Annual Board Evaluation of Chief Executive Officer**

Table of Contents

BOARD OF DIRECTORS

The following table provides summary information about each member of our Board of Directors, including those who are nominated for election at the Annual Meeting. Detailed information about each Director s background, skillset and areas of experience can be found beginning on page 15.

Name	Age	Director since	Occupation and Experience	Independent	Committee Memberships	Other Current Public Company Boards
Irene Chang Britt*	54	2014	Former President, Pepperidge Farm, a subsidiary of Campbell Soup Company		Audit Nominating & Corporate Governance	TerraVia Holdings, Inc. Tailored Brands, Inc.
Michael Hines*	61	2011	Former Executive Vice President and CFO of Dick s Sporting Goods, Inc.		Audit Nominating & Corporate Governance	GNC Holdings, Inc. The TJX Companies, Inc.
Raul Alvarez+	61	2012	Chairman of the Board at Skylark Co., Ltd.; Former President and COO of McDonald s Corporation		Compensation	Lowe s Companies, Inc. Eli Lilly and Company Realogy Holdings Corp.
Anthony DiNovi	54	2006	Co-President of Thomas H. Lee Partners, L.P.		Compensation	West Corporation
Nigel Travis	67	2009	Chairman and CEO of Dunkin Brands			Office Depot, Inc.
Sandra Horbach	56	2006	Managing Director and Co-Head of the US Buyout Group at The Carlyle Group		Nominating & Corporate Governance Compensation	Nature s Bounty, Inc.
Mark Nunnelly	58	2006	Special Advisor to the Governor and Executive Director of MassIT		Compensation	Genpact, Inc.
Carl Sparks	49	2013	CEO of Academic Partnerships		Audit	Vonage Holdings Corp.

*Nominee

+Lead Independent Director

Table of Contents

2016 PERFORMANCE HIGHLIGHTS

Company Performance

We believe that our named executive officers were instrumental in helping us drive results in 2016 and in assessing our competitive position and shaping a long-term strategic plan that will best position the Company for continued growth in 2017 and beyond. Fiscal 2016 was a year of significant operational achievements and strong financial performance, while we also returned approximately $165 million to shareholders in the form of share repurchases and an increased quarterly dividend. Financial and operational highlights of our fiscal 2016 performance include the following:[1]

Increased revenue: Increased revenue to $828.9 million, a 2.2% increase from fiscal 2015 or $820.1 million on a 52-week basis, a 1.1% increase.

Expanded global presence: Opened 508 net new Dunkin Donuts and 215 net new Baskin-Robbins locations globally, bringing Dunkin Brands to 20,080 total points of distribution as of year-end 2016.

Continued success with the channel business: Dunkin Donuts retail branded products, including Dunkin Donuts K-Cups, bagged coffee and creamers, each grew faster than their respective categories, indicating an increased share of the market for each product.

Leveraged technology to drive results: Grew the DD Perks Loyalty Program to over 6 million members and held our first-ever Perks Week promotion in November, during which transactions by members of the program accounted for more than 11% of Dunkin Donuts total U.S. transactions. In June, we also launched the On-the-Go ordering platform nationwide. In addition, we successfully launched the Baskin-Robbins mobile app in August.

Grew worldwide sales: Grew global systemwide sales by 6.6% over fiscal 2015, or 5.2% on a 52-week basis.

Drove positive comparable store sales in Dunkin Donuts U.S. and Baskin-Robbins U.S.: Increased Dunkin Donuts U.S. comparable store sales by 1.6% and Baskin-Robbins U.S. comparable store sales by 0.7%.

Increased earnings per share and adjusted earnings per share[2]: Increased diluted earnings per share by 95.4% to $2.11, or 92.6% to $2.08 on a 52-week basis, over fiscal 2015; Increased diluted adjusted earnings per share by 17.1% to $2.26, or 15.5% to $2.23 on a 52-week basis, over fiscal 2015.

While driving successful 2016 results, our named executive officers also kept a focus on the long term. While we ended the year within our guidance range, we were not satisfied with the Dunkin Donuts U.S. comparable store sales performance and do not believe that we have yet unleashed the full potential of Dunkin Donuts in the U.S. To improve comparable store sales performance and with the goal of getting back to positive transaction growth, management designed, based on considerable consumer research, and began executing against a new 6-part strategic growth plan, with the support of the franchisees. The plan is focused on (i) further building our coffee culture by more aggressively pursuing coffee innovation, (ii) improving our innovation process in enhancing core product quality and accelerating our ability to take new products to market, (iii) implementing targeted value and smart pricing, (iv) leading in the use of digital technology, including growing our best-in-class loyalty

6

Table of Contents

program, mobile ordering and delivery, (v) continuing to improve our restaurant experience, and (vi) driving Dunkin branded consumer packaged goods into new channels. This plan is designed for the long-term, to drive comparable store sales and traffic for Dunkin Donuts U.S. and to protect and grow the long-term health and relevancy of the brand.

(1) The fiscal year ended December 31, 2016 included 53 weeks, as compared to 52 weeks for the fiscal year ended December 26, 2015. The impact of the extra week in the fiscal year ended December 31, 2016 reflects our estimate of the additional week in fiscal 2016 on certain revenues and expenses.

(2) Adjusted earnings per share is a non-GAAP measure calculated using adjusted net income, reflecting net income adjusted for amortization of intangible assets, long-lived asset impairments, impairment of joint ventures, and certain other items, net of the tax impact of such adjustments. Please refer to the Company s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 21, 2017.

7

Table of Contents

HOW PAY IS TIED TO COMPANY PERFORMANCE

Under our executive compensation program, a significant portion of the CEO s and other Named Executive Officers annual total direct compensation is variable based on our operating performance and/or our stock price, as shown below:

In 2016, over 81% of our CEO s compensation and an average of approximately 71% of the compensation of our other NEO s was tied directly to the Company s operating performance and/or the Company s stock price.

For more information, see *Executive Compensation Compensation Discussion and Analysis Fiscal 2016 Compensation* below.

8

Table of Contents

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Board structure and committee composition

Our Board of Directors has established an audit committee, a compensation committee and a nominating & corporate governance committee with the composition and responsibilities described below. Each committee operates under a written charter approved by our Board of Directors. The members of each committee are appointed by the Board and serve until their successors are elected and qualified, unless they are earlier removed or resign. In addition, from time to time, special committees may be established under the direction of the Board when necessary to address specific issues. While each committee has designated responsibilities, the committees act on behalf of the entire Board. The committees regularly report on their activities to the entire Board.

Our Board of Directors held 5 meetings in fiscal 2016. During fiscal 2016, each director attended at least 75% of the Board meetings and the total meetings held by all of the committees on which he or she served during the periods that he or she served.

During fiscal 2016, the Board had three standing committees: Audit, Compensation and Nominating & Corporate Governance. The table below provides information about the membership of these committees during fiscal 2016:

Name	Audit	Compensation	Nominating & Corporate Governance
Raul Alvarez		X*	
Irene Chang Britt	X		X*
Anthony DiNovi		X	
Michael Hines	X*		X
Sandra Horbach		X	X
Mark Nunnelly		X	
Carl Sparks	X		
Nigel Travis			
Joseph Uva (1)		X	X
Number of meetings during fiscal 2016	7	5	2

* Chair

(1) Mr. Uva resigned from the Board and each committee on which he served effective June 28, 2016. At that time, Ms. Chang Britt joined the Nominating & Corporate Governance Committee as its Chair.

Audit Committee

The audit committee s primary duties and responsibilities are to:

Appoint, compensate, retain and oversee the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and review and appraise the audit efforts of our independent accountants;

Table of Contents

Establish procedures for (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and (ii) confidential and anonymous submissions by our employees of concerns regarding questionable accounting or auditing matters;

Engage independent counsel and other advisers, as necessary;

Determine funding of various services provided by accountants or advisers retained by the committee;

Review our financial reporting processes and internal controls;

Review and approve related-party transactions or recommend related-party transactions for review by independent members of our Board of Directors; and

Provide an open avenue of communication among the independent accountants, financial and senior management and the board.

The audit committee consists of Ms. Chang Britt, Mr. Hines and Mr. Sparks. The Board has determined that each member of the audit committee is an independent director pursuant to the requirements of the Sarbanes-Oxley Act of 2002, NASDAQ and all other applicable laws and regulations and that Mr. Hines is an audit committee financial expert within the meaning of Item 407 of Regulation S-K. Mr. Hines serves as chair of the audit committee. Our Board of Directors has adopted a written charter under which the audit committee operates. A copy of the charter is available on our website.

Compensation Committee

The purpose of the compensation committee is to assist the Board of Directors in fulfilling its responsibilities relating to oversight of the compensation of our directors, executive officers and other employees and the Company s benefit and equity-based compensation programs. The compensation committee reviews and recommends to our Board of Directors compensation plans, policies and programs and approves specific compensation levels for all executive officers. Under the committee charter, the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel, or other adviser only after conducting an independence assessment of such advisor as required under NASDAQ rules. The compensation committee consists of Mr. Alvarez, Mr. DiNovi, Ms. Horbach and Mr. Nunnelly. Mr. Uva served as a member of the compensation committee prior to his resignation from the Board in June 2016. Mr. Alvarez serves as chair of the compensation committee. The Board has determined that each member of the compensation committee is an independent director as defined under SEC and NASDAQ rules. Our Board of Directors has adopted a written charter under which the compensation committee operates. A copy of the charter is available on our website.

Nominating & Corporate Governance Committee

The purpose of the nominating & corporate governance committee is to identify individuals qualified to become members of the Board of Directors, to recommend director nominees for each annual meeting of shareholders, to recommend nominees for election to fill any vacancies on the Board of Directors, and to address related matters. The nominating & corporate governance committee reviews

10

Table of Contents

and recommends to the Board of Directors any required changes to the corporate governance principles applicable to the Company and is responsible for leading the annual review of the Board s performance. The nominating & corporate governance committee consists of Ms. Chang Britt, Mr. Hines, and Ms. Horbach. Ms. Chang Britt was appointed as a member and the chair of the nominating & corporate governance committee in June 2016, replacing Mr. Uva. The Board has determined that each member of the nominating & corporate governance committee is an independent director as defined under NASDAQ rules. Our Board of Directors has adopted a written charter under which the nominating & corporate governance committee operates. A copy of the charter is available on our website.

Our Board s Role in Risk Oversight

It is management s responsibility to manage risk and bring to the Board s attention risks that are material to Dunkin Brands. The Board has oversight responsibility for the systems established to report and monitor the most significant risks applicable to Dunkin Brands. The Board believes that evaluating the executive team s management of the various risks confronting Dunkin Brands is one of its most important areas of oversight.

In accordance with this responsibility, the Board administers its risk oversight role directly and through its committee structure and the committees regular reports to the Board at Board meetings. The Board reviews strategic, financial and execution risks and exposures associated with the annual plan and multi-year plans, major litigation and other matters that may present material risks to the Company s operations, plans, prospects or the Company s or either of our brands reputation, acquisitions and divestitures and senior management succession planning. The Audit Committee reviews risks associated with financial and accounting matters, including financial reporting, accounting, disclosure, internal controls over financial reporting, ethics and compliance programs, regulatory compliance, compliance with orders and data security. The Compensation Committee reviews risks related to executive compensation and the design of compensation programs, plans and arrangements.

Table of Contents

Compensation of Directors

Non-Employee Director Compensation Program

We designed our non-employee director compensation program with input from the Compensation Committee s independent compensation consultant, Pearl Meyer, to provide compensation levels at the median of our peer group then used for compensation purposes. Under our non-employee director compensation program, each member of our Board of Directors who is not an employee of the Company is eligible to receive compensation for his or her service as a director. Non-employee directors receive an annual board retainer, inclusive of meeting fees, of $70,000. The Lead Director receives an additional annual retainer of $25,000. The chair of the Audit Committee receives an additional annual retainer of $15,000, the chair of the Compensation Committee receives an additional annual retainer of $12,500 and the chair of the Nominating and Corporate Governance Committee receives an additional annual retainer of $7,500. In addition to cash retainers, non-employee directors receive an annual grant of restricted stock units, the fair market value of which is approximately $110,000. These restricted stock units become fully vested on the first anniversary of the date of grant, subject to the director s continued service through the vesting date. In addition, the Board may approve additional compensation for our non-employee directors in recognition of significant additional responsibilities undertaken by the director, as it did for Ms. Chang Britt during our 2016 fiscal year, as described below.

We maintain two non-qualified deferred compensation plans: the Dunkin Brands Non-Qualified Deferred Compensation Plan (the NQDC Plan I) and the Dunkin Brands, Inc. Non-Qualified Deferred Compensation Plan II (the NQDC Plan II), which we refer to collectively as the Deferred Compensation Plan . The NQDC Plan II replaced the NQDC Plan I effective as of January 1, 2015 with respect to deferrals made after that date. Under the Deferred Compensation Plan, a non-employee director may elect to defer all or part of the cash we would otherwise pay him or her and/or the shares of our common stock he or she would otherwise receive upon settlement of his or her restricted stock units. Amounts deferred by a non-employee director under the Deferred Compensation Plan are credited to a deferred stock unit account, which is credited with dividend equivalents upon the payment of any dividends by us to our shareholders. All amounts deferred under the Deferred Compensation Plan are only distributable upon the termination of the non-employee director s board service. During fiscal 2016, Messrs. Alvarez, DiNovi, Hines and Sparks and Mss. Chang Britt and Horbach elected to defer cash and/or restricted stock unit awards under the Deferred Compensation Plan.

Table of Contents

Director Compensation for 2016

The following table sets forth information concerning the compensation earned by our non-employee directors during our 2016 fiscal year. Directors who are employees of the Company do not receive any fees for their service as directors. Mr. Travis s compensation is included with that of our other named executive officers below in Executive Compensation.

Name	Fees Earned Or Paid In Cash (1)	Stock Awards (2)	Total
Raul Alvarez (3)	$ 107,500	$ 110,029	$ 217,529
Irene Chang Britt (4)	$ 103,791	$ 110,029	$ 213,820
Anthony DiNovi	$ 70,000	$ 110,029	$ 180,029
Michael Hines (5)	$ 85,000	$ 110,029	$ 195,029
Sandra Horbach	$ 70,000	$ 110,029	$ 180,029
Mark Nunnelly	$ 70,000	$ 110,029	$ 180,029
Carl Sparks	$ 70,000	$ 110,029	$ 180,029
Joseph Uva (6)			