Blue Buffalo Pet Products, Inc.
Form DEF 14A
April 17, 2017

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 ý
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))
ý Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under §240.14a-12

Blue Buffalo Pet Products, Inc.
(Name of Registrant as Specified In Its Charter)
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Blue Buffalo Pet Products, Inc.
11 River Road
Wilton, Connecticut 06897

April 17, 2017

To Our Stockholders:

We are pleased to invite you to attend the Annual Meeting of Stockholders of Blue Buffalo Pet Products, Inc. to be held on Thursday, June 1, 2017, at 10:00 A.M., local time, at Dolce Norwalk, 32 Weed Avenue, Norwalk, Connecticut, 06850.

The following pages include a formal notice of the meeting and the proxy statement. These materials describe various matters on the agenda for the meeting and provide details regarding admission to the meeting. Please read these materials so that you will know what we plan to do at the meeting. It is important that your shares be represented at the Annual Meeting, regardless of whether or not you plan to attend the meeting in person. You may vote your shares through any of the voting options available to you as described in this proxy statement.

We hope you will exercise your rights as a stockholder and fully participate in Blue Buffalo Pet Products, Inc.'s future. On behalf of management and our Board of Directors, we thank you for your continued support of Blue Buffalo Pet Products, Inc.

Sincerely,
William Bishop
Founder and Chairman

Blue Buffalo Pet Products, Inc.
11 River Road
Wilton, Connecticut 06897

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Blue Buffalo Pet Products, Inc.:

The 2017 Annual Meeting of Stockholders of Blue Buffalo Pet Products, Inc. (the "Company") will be held at 10:00 A.M., local time, on Thursday June 1, 2017, at Dolce Norwalk, 32 Weed Avenue, Norwalk, Connecticut, 06850. The business matters for the Annual Meeting are as follows:

1. The election of three Class II directors;
2. The ratification, in a non-binding vote, of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2017 fiscal year; and
3. The recommendation, in a non-binding advisory vote, whether future non-binding stockholder votes to approve the compensation paid to our named executive officers should occur every one, two or three years.

Stockholders who hold our common stock at the close of business on April 6, 2017, are entitled to receive notice of, attend, and vote at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, to ensure that your shares are represented at the Annual Meeting, please complete, sign, date, and return the proxy card in the envelope provided, or submit your voting instructions by telephone using the toll-free number printed on your proxy card or over the internet as described in the enclosed materials.

If you plan to attend the Annual Meeting and are a registered stockholder, please bring the invitation attached to your proxy card. If your shares are registered in the name of a bank or your broker, please bring your bank or brokerage statement showing your beneficial ownership with you to the Annual Meeting or request an invitation by writing to me at the address set forth above.

Important notice regarding the availability of proxy materials for the 2017 Annual Meeting of Stockholders of Blue Buffalo Pet Products, Inc. to be held on June 1, 2017:

This Proxy Statement and the Annual Report to Stockholders are available at http://ir.bluebuffalo.com.

The Board of Directors recommends that you vote FOR Proposal Nos. 1 and 2, and for the frequency option of ONE YEAR in Proposal No. 3.

By Order of the Board of Directors,
Lawrence Miller
Senior Vice President, General Counsel and Secretary
Wilton, Connecticut
April 17, 2017

Blue Buffalo Pet Products, Inc.
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INFORMATION ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Why am I receiving this proxy statement?

The Board of Directors of Blue Buffalo Pet Products, Inc. ("we," "us," "our," "Blue," or the "Company") is soliciting proxies f our 2017 Annual Meeting of Stockholders on June 1, 2017 (the "Annual Meeting"). This proxy statement and accompanying proxy card are first being mailed on or about April 17, 2017, to stockholders of record as of April 6, 2017, the record date.

You are receiving this proxy statement because you owned shares of Blue's common stock on the record date and are, therefore, entitled to vote at the Annual Meeting. By use of a proxy, you can vote regardless of whether you attend the Annual Meeting. This proxy statement provides information about the matters on which the Company's Board of Directors (the "Board") would like you to vote so that you can make an informed decision.

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to vote on the following three proposals:

1. The election of three Class II directors (see page 6); and
2. The ratification, in a non-binding vote, of the appointment of KPMG LLP ("KPMG") as the Company's independent registered public accounting firm for fiscal year 2017 (see page 32).
3. The recommendation, in a non-binding advisory vote, of whether future non-binding stockholder votes to approve the compensation paid to our named executive officers should occur every one, two or three years (see page 33).

Who is asking for my vote?

The Company is soliciting your proxy on behalf of the Board. The Company is paying for the costs of this solicitation and proxy statement.

Who can attend the Annual Meeting?

All stockholders of record, or their duly appointed proxies, may attend the Annual Meeting.

What are my voting rights?

You are entitled to one vote for each share of common stock held by you on the record date. As of the record date, there were 196,776,609 shares of common stock issued and outstanding.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with the Company's transfer agent, American Stock Transfer & Trust Company, LLC ("AST"), you are considered the stockholder of record for these shares. As the stockholder of record, you have the right to grant your voting proxy directly to the persons listed on your proxy card or vote in person at the Annual Meeting.

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held "in street name." These proxy materials are being forwarded to you together with a voting instruction card. As a beneficial owner, you have the right to direct your broker, trustee, or nominee how to vote, and you are also invited to attend the Annual Meeting. Because you are a beneficial owner and not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a proxy from the broker, trustee, or nominee that holds your shares. Your broker, trustee, or nominee should have provided directions for you to instruct the broker, trustee, or nominee on how to vote your shares.

What is a broker non-vote?

If you are a beneficial owner whose shares are held of record by a broker and you do not provide voting instructions to your broker, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a "broker non-vote." Your broker only has discretionary authority to vote on Proposal 2 (the ratification, in a non-binding vote, of the appointment of KPMG as the Company's independent registered public accounting firm for the 2017 fiscal year). Therefore, your broker will not have discretion to vote on Proposal 1 (the election of three Class II directors) or Proposal 3 (the recommendation, in a non-binding vote, of the frequency of future non-binding votes on the compensation paid to our named executive officers) unless you specifically instruct your broker on how to vote your shares by returning your completed and signed voting instruction card.

What are my choices when casting a vote with respect to the election of Class II directors, and what vote is needed to elect the director nominees?

In voting on the election of Class II directors (Proposal 1), stockholders may:

1. vote "FOR" any of the nominees, or
2. vote "WITHHOLD" with respect to any of the nominees.

Pursuant to our by-laws, the nominees who receive a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting, and entitled to vote on the election of the directors at the Annual Meeting, will be elected as Class II directors. This means that the director nominees with the greatest number of votes cast, even if less than a majority, will be elected. Votes that are "withheld" will not count as votes "for" or "against" a director because directors are elected by plurality voting. Broker non-votes will have no effect on the outcome of Proposal 1.

What are my choices when voting on the ratification of the appointment of KPMG as the Company's independent registered public accounting firm for fiscal 2017, and what vote is needed to approve this Proposal?

In voting on the ratification of KPMG (Proposal 2), stockholders may:

1. vote for the ratification of KPMG's appointment,

2. vote against the ratification of KPMG's appointment, or

3. abstain from voting on the ratification of KPMG's appointment.

The approval of Proposal 2 requires the affirmative vote of a majority of the voting power of the shares of our common stock present in person or represented by proxy and entitled to vote on Proposal 2 at our Annual Meeting. Abstentions will have the effect of a vote against this proposal.

What are my choices when voting on the recommendation of the frequency of future non-binding votes on the compensation paid to the Company's named executive officers?

In voting, in a non-binding advisory vote, on the recommendation of the frequency of future non-binding votes on the compensation paid to our named executive officers, stockholders may:

1. vote for such non-binding future votes to occur every "ONE YEAR,"

2. vote for such non-binding future votes to occur every "TWO YEARS,"

3. vote for such non-binding future votes to occur every "THREE YEARS," or

4. "ABSTAIN" from voting, in a non-binding advisory vote, on the recommendation of the frequency of future non-binding votes on the compensation paid to our named executive officers.

The recommendation of the frequency of future non-binding votes on the compensation paid to our named executive officers requires the affirmative vote of a majority of the voting power of the shares of common stock present in person or represented by proxy and entitled to vote on Proposal 3 at our Annual Meeting. Abstentions will have the effect of a vote against this proposal. Broker non-votes will have no effect on the outcome of Proposal 3.

What constitutes a quorum?

A quorum is the minimum number of shares required to be present to transact business at the Annual Meeting. Pursuant to the Company's by-laws, the presence at the Annual Meeting, in person or by proxy, of the holders of at least a majority in voting power of the issued and outstanding common stock entitled to vote at the Annual Meeting will constitute a quorum. If a quorum is not present, the meeting will be adjourned until a quorum is obtained. Abstentions, withheld votes in the election of the directors, and broker non-votes are counted as present for purposes of determining a quorum.

How does the Board recommend that I vote?

The Board recommends a vote:

FOR the election of each of the nominees for Class II directors (Proposal 1);
FOR the ratification of the appointment of KPMG (Proposal 2); and
For every ONE YEAR with respect to the frequency of future non-binding votes on the compensation paid to our named executive officers (Proposal 3).

How do I vote?

If you are a stockholder of record, you may vote in one of four ways. First, you may vote over the internet by completing the voting instruction form found at www.proxyvote.com. You will need your proxy card when voting over the internet. Second, you may vote by touch-tone telephone by calling 1-800-690-6903. Third, you may vote by mail by signing, dating, and mailing your proxy card in the enclosed envelope. Fourth, you may vote in person at the Annual Meeting.

If your shares are held in a brokerage account or by another nominee, these proxy materials are being forwarded to you together with a voting instruction card. Follow the instructions on the voting instruction card in order to vote your shares. In order to vote in person as a beneficial owner, you must obtain a proxy from the broker, trustee, or nominee that holds your shares.

Can I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy card, you may change or revoke your vote at any time before your proxy votes your shares by submitting written notice of revocation to Lawrence Miller, Senior Vice President, General Counsel and Secretary of Blue Buffalo Pet Products, Inc., at the Company's address set forth in the Notice of Annual Meeting, by submitting another proxy card bearing a later date, by voting in person at the Annual Meeting, or by voting by telephone, or over the internet (only your latest telephone or internet proxy submitted prior to the Annual Meeting will be counted). The powers granted by you to the proxy holders will be suspended if you attend the Annual Meeting in person, although attendance at the Annual Meeting will not by itself revoke a previously granted proxy. If you hold your shares through a broker or other custodian and would like to change your voting instructions, please review the directions provided to you by that broker or custodian.

May I vote confidentially?

Yes. Our policy is to keep your individual votes confidential, except as appropriate to meet legal requirements, to allow for the tabulation and certification of votes, or to facilitate proxy solicitation.

Who will count the votes?

A representative of Broadridge Financial Solutions, Inc. will count the votes and act as the inspector of election for the Annual Meeting.

What happens if additional matters are presented at the Annual Meeting?

As of the date of this proxy statement, the Board knows of no matters other than those set forth herein that will be presented for determination at the Annual Meeting. If, however, any other matters properly come before the Annual Meeting and call for a vote of stockholders, the Board intends for proxies to be voted in accordance with the judgment of the proxy holders.

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

We intend to announce preliminary voting results at the Annual Meeting and publish final results in our current report on Form 8-K within four business days after the Annual Meeting.

How may I obtain a copy of the Company's Annual Report?

A free copy of our fiscal 2016 Annual Report on Form 10-K (the "Annual Report") accompanies this proxy statement and is available at http://ir.bluebuffalo.com. Stockholders may also obtain a free copy of our Annual Report by sending a request in writing to Mr. Miller at the Company's address set forth in the Notice of the Annual Meeting.

Who can help answer my questions?

If you have any questions about the Annual Meeting or how to submit or revoke your proxy, or to request an invitation to the Annual Meeting, contact Mr. Miller at the Company's address set forth in the Notice of Annual Meeting or by calling us at 203-665-3388.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Role and Responsibilities of the Board of Directors

The Board represents stockholders' interests and is responsible for fostering the long-term success and value of the Company, consistent with its fiduciary duty to the stockholders. The Board has responsibility for establishing broad corporate policies, setting strategic direction and overseeing management, which is responsible for the day-to-day operations of the Company. In fulfilling this role, each director must exercise his or her good faith business judgment in the best interests of the Company and its stockholders. The Company is committed to conducting its business in accordance with ethical business principles. Integrity and ethical behavior are core values of the Company. The Board shall provide the best example of these values and shall reinforce their importance at appropriate times.

A director's basic responsibility is to exercise his or her good faith business judgment in the best interests of the Company. In fulfilling this responsibility directors shall:

- adhere to the Code of Ethics and Business Conduct, including acting pursuant to the duty of loyalty owed to the Company;
- approve major strategic decisions and oversee, develop and implement Board policies;
- provide oversight of risk assessment processes and processes designed to promote legal compliance;
- monitor and assess performance and ask appropriate questions of management to address accountability with established goals;
- stay well informed regarding the Company's businesses;
- oversee internal and external audit processes and financial reporting through the Audit Committee;
- select, and, through the Compensation Committee, evaluate and approve the compensation of, the CEO;
- review and approve compensation of other executive officers through the Compensation Committee;
- oversee the Company's disclosure controls and internal controls through the Audit Committee; and
- perform such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

Each director shall be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors absent evidence that makes such reliance unwarranted. The directors shall also be entitled (i) to the benefits of indemnification to the fullest extent permitted by the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), Bylaws and any indemnification agreements, and (ii) to exculpation as provided by Delaware law and the Certificate of Incorporation.

The Board meets at least quarterly each year and special meetings may be held as specified in the Bylaws. Directors are expected to make every effort to attend and participate in Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary, to discharge properly their responsibilities. Directors are also expected to make every effort to attend the Annual Meeting of Stockholders.

Below is a list of our directors and their respective ages and a brief account of the business experience of each of them as of the date of this proxy statement:

Name	Age	Position
William Bishop	78	Chairman and Director
Raymond Debbane	62	Director
Philippe Amouyal	58	Director
Evren Bilimer	39	Director
Aflalo Guimaraes	47	Director
Michael A. Eck	54	Director

Frances Frei	53	Director
Amy Schulman	56	Director
William Bishop, Jr.	46	Director, Chief Executive Officer and President

William ("Bill") Bishop has served as Chairman since 2012 and has served as a member of our Board of Directors since 2007. Bill was President and Chief Executive Officer of Blue Buffalo Company, Ltd. from 2007 to 2012. Bill founded the Blue Buffalo Company in 2002 with his sons Billy Bishop, our Chief Executive Officer and President, and Chris Bishop. Bill has had a long career in advertising and consumer products marketing having started in agency account management for clients like P&G and Unilever. Bill then moved to the corporate side and ran the refreshment beverage business for General Foods until moving back to the advertising side as Chief Executive Officer of a number of agencies including MCA, Ally & Gargano and Ryan Direct Marketing before founding Sierra Communications. Over his long career, Bill has created advertising and marketing programs for many leading brands including Tropicana, Perrier, Nabisco and American Express. In 1995, Bill co-founded SoBe Beverages driving the brand building and product development of SoBe as Chief Operating Officer of SoBe Beverages until its sale to Pepsi in 2001. Bill graduated from Ohio Wesleyan University with a BA in 1961. Bill was selected to serve as a director because of his unique familiarity with our business, structure, culture and history as a co-founder of our business and his significant executive management and leadership experience.

Raymond ("Ray") Debbane has been a director since 2007. Ray served as Chairman from 2007 to 2012. Ray is the President and Chief Executive Officer of Invus Group, LLC, a global investment firm based in New York which he co-founded in 1985. Ray is the chairman of the board of directors of Weight Watchers and Lexicon Pharmaceuticals. He is the Chief Executive Officer of Artal Group S.A., or Artal, and also serves as chairman or director of a number of private Artal or Invus portfolio companies. Before co-founding Invus, Ray was a management consultant in the Paris office of The Boston Consulting Group, where he served a number of major European and international companies. He holds a BS in agricultural sciences and agricultural engineering from American University of Beirut, an MS in food science and technology from the University of California at Davis, and an MBA from Stanford University. Ray is the Chairman of Action Against Hunger USA and a Trustee Emeritus of Connecticut College. Ray was also a member of the Board of Directors of Ceres, Inc. (NASDAQ: CERE) from March 1998 until December 2014. Ray was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, brand management, complex financial matters, and numerous and varied industries.

Philippe Amouyal has been a director since 2007. Philippe is a Managing Director of Invus Group, LLC. He joined Invus in 1999. Philippe is a director of Weight Watchers and Lexicon Pharmaceuticals and also serves on the boards of a number of private Artal or Invus portfolio companies. Prior to joining Invus, Philippe spent 15 years at The Boston Consulting Group in Paris and Boston, where he was a Vice President and Director and coordinated the global electronics and software practice from 1991 on. He holds an MS in engineering and a DEA in management from Ecole Centrale de Paris and was a Research Fellow at the Center for Policy Alternatives of the Massachusetts Institute of Technology. Philippe was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, information technology, research and development, and management operations and structures.

Evren Bilimer has been a director since 2012. Evren is a Managing Director of Invus Group, LLC. He joined Invus in 2002. Evren has served on the boards of a number of private Invus portfolio companies. Prior to joining Invus, Evren was a management consultant with McKinsey & Company in New York, where he worked with clients in a wide range of industries including the consumer sector and financial services. Evren graduated summa cum laude from Yale University, double majoring in Electrical Engineering and Economics. Evren was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, corporate finance and accounting and the consumer sector.

Aflalo Guimaraes has been a director since 2007. Aflalo is a Managing Director of Invus Group, LLC. He joined Invus in 1998. Aflalo also serves on boards of a number of private Invus portfolio companies. Prior to joining Invus, Aflalo worked at Marakon Associates where as a manager he led strategic consulting engagements for large multinational companies in a wide range of industries including financial services, retail and consumer products. Previously he worked at the Federal Reserve. Aflalo was also a member of the Board of Directors of Ceres, Inc. (NASDAQ: CERE) from December 2014 until April 2016. He holds an MBA from the University of Pennsylvania's

The Wharton School and a BA in Economics and Political Science from Yale University. Aflalo was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, corporate finance and accounting and the consumer sector.

Michael ("Mike") A. Eck has served as a director since 2015. Mr. Eck was the Global Head of the Consumer and Retail Investment Banking Group at Morgan Stanley from 2008 until his retirement in 2014. Prior to that, Mr. Eck worked at Citigroup from 1993 to 2008, where he was the Global Head of the Consumer and Retail Banking Group, and at Credit Suisse First Boston from 1987 to 1993. In January 2016, Mr. Eck joined M Klein and Company, a global strategic advisory firm, as a Senior Advisor. He is currently an independent board member of J.Jill. Mr. Eck is a board member of USA Ultimate and the co-founder and chief executive officer of Steer for Student Athletes. In addition, he previously served as a member of the Senior Advisory Board of Shopkick. Mr. Eck received his Masters in Management from Northwestern University and his B.S. in Business from the McIntire School of Commerce at the University of Virginia. He was selected to serve on our board of directors because of his extensive knowledge of corporate strategy, corporate financing and accounting, capital investment and operations and the consumer sector.

Frances Frei has been a director since 2014. Frances has been the UPS Foundation Professor of Service Management at Harvard Business School since July 2009, and has served as the Senior Associate Dean of Harvard Business School since July 2012. In addition, she was Chair of the MBA Required Curriculum at Harvard Business School and Course Head of the school's innovative FIELD (Field Immersion Experience for Leadership Development) Method Course, which is Harvard Business School's companion to the case method. Previously, she served at the Harvard Business School as Associate Professor from July 2003 to July 2009 and as Assistant Professor from July 1998 to July 2003. She holds a PhD in Operations and Information Management from The Wharton School at the University of Pennsylvania, an ME in Industrial Engineering from Pennsylvania State University and a BA in Mathematics from the University of Pennsylvania. Frances was previously a member of the Board of Directors of Advance Auto Parts, Inc. from 2009 until 2013, and currently serves as a member of the Board of Directors of Viewpost, LLC. Frances was selected to serve as a director because of her experience advising companies in operational excellence and her extensive knowledge and understanding of corporate strategy, organizational effectiveness and finance.

Amy Schulman has been a director since 2014. Amy is the Chief Executive Officer of Arsia Therapeutics, a Venture Partner in Polaris Partners, and a Senior Lecturer at Harvard Business School. Amy is a director of Alnylam Pharmaceuticals and Bind Therapeutics. Amy was previously the Executive Vice President and General Counsel of Pfizer from 2008 to 2013 and served as the Business Unit Lead for Pfizer's Consumer Healthcare business from 2012 to 2013. Prior to Pfizer, Amy was a Partner at DLA Piper from 1998 to 2008. She received a JD from Yale Law School, and holds a BA from Wesleyan University. Amy also serves on the Board of Trustees of The Brookings Institution. Amy was selected to serve as a director because of her experience as a chief executive officer, general counsel and business leader, her extensive knowledge and understanding of corporate strategy and management operations and her financial expertise.

William ("Billy") Bishop, Jr. has served as President since 2012 and as of January 1, 2017 serves as our Chief Executive Officer. From 2003 until December 31, 2016, Billy also served as Chief Operating Officer. Billy co-founded the Blue Buffalo Company with his father Bill Bishop, the Chairman of our Board, and his brother Chris Bishop in 2002. He has been leading Marketing, Product Development and Operations since our founding. Billy was Vice President of Marketing at SoBe leading its ground breaking guerilla marketing strategy until its sale to Pepsi in 2001. Billy was also an Account Manager at Sierra Communications from 1993 to 1995. Billy has a BA in Sports Marketing from Ohio Wesleyan University.

Board Committee Functions

Our Board has the following standing committees: Audit Committee and Compensation Committee. The charters for the Company's Audit Committee and Compensation Committee are available free of charge on the Company's website at http://ir.bluebuffalo.com under Corporate Governance: Committee Composition. The Board may also establish other committees to assist in the discharge of its responsibilities. The table below identifies the current committee members and committee chairpersons.

Director	Audit Committee	Compensation Committee
Philippe Amouyal		ü
Evren Bilimer		C

Michael A. Eck	C	
Frances Frei	ü	ü
Amy Schulman	ü	

ü Member
CChair
Audit Committee
The Audit Committee consists of Michael A. Eck, who serves as the Chair, Amy Schulman and Frances Frei. The Board has determined that Michael A. Eck, Amy Schulman and Frances Frei qualify as independent directors under our Corporate Governance Principles, NASDAQ corporate governance standards applicable to boards of directors in general and audit committees in particular and the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our Board of Directors has also determined that Michael A. Eck qualifies as an "audit committee financial expert" as such term is defined in Item 407(d)(5) of Regulation S-K.
For the 2013 fiscal year we generated total EBITDA (as defined and adjusted under the Executive Bonus Plan) of $34.3 million representing an attainment percentage of 95.7% of total budgeted EBITDA which was $35.8 million for the 2013 fiscal year. The following is a reconciliation of our net income (loss) as set forth in our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 29, 2013 to EBITDA (as adjusted) utilized in the calculation of the 2013 bonus under the Executive Bonus Plan:

Net loss	$(13,519)
Benefit from income taxes	(10,397)
Interest expense	18,841
Depreciation and amortization	33,594
EBITDA	28,519
Adjustments:	
Impairment expense	4,462
Stock compensation expense	1,205
Legal fees related to EEOC litigation	85
Other expense	17
EBITDA, as adjusted	34,288
Budgeted EBITDA	35,836
Attainment %	95.7 %

Long-Term Compensation

The long-term incentive compensation utilized by us for our senior management has been an equity based compensation plan designed to create alignment of senior management's interests with those of our long term stockholders. Based upon the recommendation of our Compensation Committee and the approval of our board of directors, beginning in fiscal year 2011 we replaced the use of stock option grants which we previously granted to our CEO and executive officers, including the Named Executive Officers, with restricted stock grants in connection with the long-term incentive component of our overall compensation plan. Our Compensation Committee and our board of directors agreed that the use of restricted stock grants would be a more efficient and effective mechanism to create alignment of senior management's interests with those of our long term stockholders. As a result, in January 2011 we awarded restricted stock grants to our executive officers, including the Named Executive Officers, taking into account job responsibilities, individual performance and the number of shares of our common stock available for grant and issuance under our 2006 Stock Incentive Plan, as amended which we refer to as the "Carrols plan." Restricted stock grants utilized in the Carrols plan have a time-based vesting schedule with a certain percentage of shares vesting over a period of time established by the Compensation Committee under the Carrols plan. During the 2011 fiscal year, our Compensation Committee established a policy with respect to the timing of granting restricted stock under the Carrols plan. This policy provides that restricted stock being granted to employees, including the Named Executive Officers, will be granted on either January 15 or July 15. Accordingly, the measurement of the value of any restricted stock grant would be based upon the price of our common stock at the close of business on those respective grant dates. The Compensation Committee would grant such restricted stock based upon recommendations from our CEO, who would provide such recommendations after evaluating the individual performance of our employees (including the Named Executive Officers, other than the CEO). Such performance evaluations coincide with our normal end of year annual review process for employees and senior management. The granting of stock options and restricted stock have been and are an important component of the total compensation package for the Named Executive Officers and is an important retention tool. Because the Compensation Committee's policy has been to grant stock options or restricted stock on a fixed date, the Compensation Committee may have previously, or may in the future grant stock options or restricted stock at a time when it, as well as the CEO and senior management, may be aware of material non-public information that, once made public, could either have a positive or negative effective on the price of our common stock.

2006 Stock Incentive Plan. The Carrols plan provides for the grant of stock options and stock appreciation rights, stock awards, performance awards, outside director stock options and outside director stock awards. Any officer, employee, associate, director and any consultant or advisor providing services to us are eligible to participate in the Carrols plan.

The Carrols plan is administered by the Compensation Committee which approves awards and may base its considerations on recommendations by our CEO. The Compensation Committee has the authority to (1) approve plan participants, (2) approve whether and to what extent stock options, stock appreciation rights and stock awards are to be granted and the number of shares of stock to be covered by each award (other than an outside director award),

(3) approve forms of agreement for use under the Carrols plan, (4) determine terms and conditions of awards (including, but not limited to, the option price, any vesting restriction or limitation, any vesting acceleration or waiver or forfeiture, and any right of repurchase, right of first refusal or other transfer restriction regarding any award), (5) modify, amend or adjust the terms and conditions of any award, (6) determine the fair market value, and (7) determine the type and amount of consideration to be received by us for any stock award issued.

On July 12, 2013 a restricted stock grant was made to one of our Regional Directors, of 19,000 shares of restricted stock. Other than such award and outside director awards, no other restricted stock grants were made in 2013.

Other Benefits

We offer certain other benefits to the CEO and Named Executive Officers as described below. Such benefits are not taken into account in determining such individuals' base salary, annual incentive bonus or equity based compensation.

Deferred Compensation Plan. We provide certain benefits under The Carrols Corporation and Subsidiaries Deferred Compensation Plan , which we refer to as the "Deferred Compensation Plan", which is discussed under "—, Nonqualified Deferred Compensation."

Change of Control and Severance Benefits. For a discussion of change of control arrangements or severance arrangements and the triggers for payments under such arrangements, please see "—, Potential Payments Upon Termination or Change-of-Control."

Other Post-Employment Benefits. The employment agreement for Mr. Accordino provides, for continued coverage under our welfare and benefits plans for Mr. Accordino and his eligible dependents after cessation of employment with us for the remainder of their respective lives.

Compensation for the Named Executive Officers

In December 2011, we entered into an employment agreement with Mr. Accordino. On September 6, 2013, we entered into a first amendment to the employment agreement. Mr. Accordino's employment agreement is further described under "—, Summary Compensation Table."

None of the other Named Executive Officers have an employment agreement with us.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in both the Company's Annual Report on Form 10-K for the year ended December 29, 2013 and the Company's Proxy Statement on Schedule 14A for the 2014 Annual Meeting of Stockholders.

Compensation Committee

Manuel A. Garcia III, Chairman
Clayton E. Wilhite
David S. Harris

Compensation Committee Interlocks and Insider Participation

The members of the our Compensation Committee for the fiscal year ended December 29, 2013 were Manuel A. Garcia III, Clayton E. Wilhite, and David S. Harris. Nicholas Daraviras resigned as a member of the Compensation Committee on November 15, 2013. None of the members of the our Compensation Committee were, during such year, an officer of us or any of our subsidiaries or had any relationship with us other than serving as a director. In addition, no executive officer served as a director or a member of the compensation committee of any other entity, other than any subsidiary of ours, one of whose executive officers served as a director or on our Compensation Committee. None of the members of our Compensation Committee had any relationship required to be disclosed under this caption under the rules of the SEC.

SUMMARY COMPENSATION TABLE

The following table summarizes historical compensation awarded or paid to, or earned by, each of the Named Executive Officers for the fiscal years ended December 29, 2013, December 30, 2012 and January 1, 2012.

Name and Principal Position	Year	Salary ($)	Bonus (1)($)	Stock Awards (2)($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Nonqualified Deferred Compensation Earnings (3) ($)	All Other Compensation ($)	Total ($)
Daniel T. Accordino	2013	$560,004	$415,469	$—	—	—	—	—	$975,473
President, Chief Executive	2012	$544,000	$368,281	$1,055,918	—	—	—	—	$1,968,199
Officer and Director	2011	$543,697	$146,526	$114,750	—	—	—	—	$804,973
Paul R. Flanders	2013	$319,008	$217,313	$—	—	—	—	—	$536,321
Vice President, Chief	2012	$310,008	$187,796	$616,370	—	—	—	—	$1,114,174
Financial Officer and Treasurer	2011	$275,004	$276,969	$30,600	—	—	—	—	$582,573
Timothy J. LaLonde	2013	$216,000	$99,391	$—	—	—	$ 676	—	$316,067
Vice President, Corporate	2012	$196,008	$79,158	$203,090	—	—	—	—	$478,256
Controller									
William E. Myers	2013	$200,004	$86,803	$—	—	—	—	—	$286,807
Vice President, General Counsel	2012	$153,613	$59,731	$202,767	—	—	—	—	$416,111
Richard G. Cross	2013	$195,000	$87,230	$—	—	—	—	—	$282,230
Vice President, Real Estate	2012	$175,423	$68,214	$203,720	—	—	—	—	$447,357

(1) We provide bonus compensation to our executive officers based on an individual's achievement of certain specified objectives and our achievement of specified increases in stockholder value. See "Compensation Discussion and Analysis" above for a discussion of our Executive Bonus Plan. Amounts include cash bonuses paid in fiscal year 2014, 2013 and 2012 with respect to services rendered in fiscal year 2013, 2012 and 2011, respectively.

(2) The amounts shown represent the aggregate grant date fair value of restricted stock granted and approved by the Compensation Committee in each of the fiscal years presented and is consistent with the grant date fair value of the award computed in accordance with FASB ASC Topic 718.

For the fiscal year ended December 30, 2012, this amount also includes the incremental compensation cost resulting from the conversion of all of our outstanding vested stock options to shares of our common stock and all of our outstanding non-vested stock options to non-vested shares of our common stock on March 5, 2012 in connection with the spin-off. See "Certain Relationships and Related Transactions — The Spin-Off and Related Transactions — Employee Matters Agreement — Treatment of Carrols Restaurant Group Stock Based Awards." See Notes 1 and 13 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 29, 2013, for assumptions used in the calculation of this amount. There were no forfeitures in 2013, 2012 or 2011 by the Named Executive Officers. These amounts reflect the grant date fair value for these awards and do not correspond to the actual value that will be recognized by the Named Executive Officers. The actual value, if any, that a Named

Executive Officer may realize for restricted shares is the stock price at the date of vesting, so there is no assurance that the value realized by a Named Executive Officer will be at or near the value estimated by the Black-Scholes model used in connection with the 2012 conversion of stock options. These grants are included and discussed further in the tables included below under “Outstanding Equity Awards at Fiscal Year-End”.

(3) These amounts represent the above-market portion of earnings on compensation deferred by the Named Executive Officers under our nonqualified Deferred Compensation Plan. Earnings on deferred compensation are considered to be above-market to the extent that the rate of interest exceeds 120% of the applicable federal long-term rate. At December 29, 2013, 120% of the federal long-term rate was 3.99% per annum and the interest rate paid to participants was 8% per annum.

Accordino Employment Agreement

On November 1, 2011, we and Mr. Accordino mutually agreed that Mr. Accordino would become our President and Chief Executive Officer effective on January 1, 2012. In December 2011, we and Carrols LLC entered into a new employment agreement with Mr. Accordino. Mr. Accordino’s employment agreement which commenced on the Effective Date and is subject to automatic renewals for successive one-year terms unless either Mr. Accordino, we or Carrols LLC elects not to renew Mr. Accordino’s employment agreement by giving written notice to the others at least 30 days before a scheduled expiration date. Mr. Accordino’s employment agreement provides that Mr. Accordino will receive an annual base salary of $544,000 and provides that such amount may be increased annually at the sole

discretion of our Compensation Committee. Pursuant to Mr. Accordino's employment agreement, Mr. Accordino will participate in our Executive Bonus Plan, and any stock option or other equity incentive plans applicable to executive employees, as determined by our Compensation Committee. Mr. Accordino's employment agreement also provides that if Mr. Accordino's employment is terminated without "cause" (as defined in Mr. Accordino's employment agreement) or Mr. Accordino terminates his employment for "good reason" (as defined in Mr. Accordino's employment agreement), in each case within twelve months following a "change of control" (as defined in Mr. Accordino's employment agreement), Mr. Accordino will receive a cash lump sum payment equal to 2.99 times his average salary plus his average annual bonus (paid under our Executive Bonus Plan or deferred under our Deferred Compensation Plan) for the prior five years. Mr. Accordino's employment agreement also provides that if Mr. Accordino's employment is terminated by us or Carrols LLC without "cause", as defined in Mr. Accordino's employment agreement (other than following a change of control as described above), or Mr. Accordino terminates his employment for "good reason", as defined in Mr. Accordino's employment agreement (other than following a change of control as described above), Mr. Accordino will receive a lump sum cash payment in an amount equal to 2.00 times his average salary plus average annual bonus (paid under our Executive Bonus Plan or deferred under our Deferred Compensation Plan) for the prior five years. Mr. Accordino's employment agreement includes non-competition and non-solicitation provisions effective during the term of Mr. Accordino's employment agreement and for two years following its termination. Prior to December 2011, Mr. Accordino had an employment agreement with us that provided for substantially similar terms as the existing agreement. On September 6, 2013 we and Carrols LLC entered into an amendment to Mr. Accordino's employment agreement to provide, among other things, that in the event that we or Carrols LLC elect not to renew the term of the employment agreement for any reason other than for "cause" (as defined in the employment agreement), we or Carrols LLC shall (1) pay to Mr. Accordino a lump sum cash payment equal to his annual base salary and vacation pay in effect on the last day of the term of the employment agreement; (2) pay to Mr. Accordino any amounts he is entitled to under the Deferred Compensation Plan; (3) pay to Mr. Accordino the annual bonus for the year in which the term of the employment agreement ended that is payable under the terms of the Executive Bonus Plan; and (4) continue certain health benefits and insurance policies.

GRANTS OF PLAN-BASED AWARDS

There were no grants of plan-based awards made to the Named Executive Officers during the fiscal year ended December 29, 2013.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth certain information with respect to the value of all Carrols Restaurant Group equity awards that were outstanding at the December 29, 2013 fiscal year end for each of the Named Executive Officers.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (2) ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That

									Have Not Vested ($)
Daniel T. Accordino (1)	—	—	—	—	—	159,995	$1,065,567	—	—
Paul R. Flanders (1)	—	—	—	—	—	77,367	$515,264	—	—
Timothy J. LaLonde (1)	—	—	—	—	—	28,847	$192,121	—	—
William E. Myers (1)	—	—	—	—	—	28,347	$188,791	—	—
Richard G. Cross (1)	—	—	—	—	—	29,831	$198,674	—	—

(1) On March 5, 2012, we converted all of our outstanding vested stock options to shares of our common stock and all of our outstanding non-vested stock options to non-vested restricted shares of our common stock. The non-vested restricted shares issued in connection with such conversion vest according to the same period and anniversary date as the original stock options, with a pro-rated portion of the shares vesting on the anniversary date of the original option award.

In July 2012, we granted restricted stock awards to each Named Executive Officer pursuant to the Carrols plan. All such restricted stock awards vest over periods of four years with one-fourth of such restricted shares vesting on the first anniversary of the grant date and annually on the anniversary of the grant date thereafter.

(2) The market value of the restricted stock awards was determined based on the closing price of our common stock on the last trading day of the 2013 fiscal year, December 27, 2013, which was $6.66.

OPTIONS EXERCISED AND STOCK VESTED

The following table summarizes the options exercised and vesting of restricted stock awards for each of our Named Executive Officers during the fiscal year ended December 29, 2013.

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Stock Awards Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
Daniel T. Accordino	—	—	65,587	$412,889
Paul R. Flanders	—	—	27,923	$180,103
Timothy J. LaLonde	—	—	10,654	$68,718
William E. Myers	—	—	10,339	$65,888
Richard G. Cross	—	—	11,056	$71,311

(1) Based on the per-share market price of our common stock on the vesting date, multiplied by the number of shares vested.

NONQUALIFIED DEFERRED COMPENSATION

We have a Deferred Compensation Plan for employees not eligible to participate in the Carrols Corporation Retirement Savings Plan, which we refer to as the “Retirement Plan”, because they have been excluded as “highly compensated” employees (as so defined in the Retirement Plan), to voluntarily defer portions of their base salary and annual bonus. An eligible employee may elect, on a deferral agreement, to defer all or a specified percentage of base salary and, if applicable, all or a specified percentage of cash bonuses. All amounts deferred by the participants earn interest at 8% per annum. We do not match any portion of the funds. All of the Named Executive Officers are eligible to participate in our Deferred Compensation Plan.

The following table describes contributions, earnings and balances at December 29, 2013 under our Deferred Compensation Plan.

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($) (1)	Aggregate Withdrawals/Distributions ($)	Aggregate Balance at Last FYE ($)
Daniel T. Accordino	—	—	—	—	—
Paul R. Flanders	—	—	—	—	—
Timothy J. LaLonde	$30,000	—	$1,332	—	$31,332
William E. Myers	—	—	—	—	—
Richard G. Cross	—	—	—	—	—

(1) Earnings represent the interest earned on amounts deferred at 8.0% per annum.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-OF-CONTROL

Accordino Employment Agreement

On September 6, 2013, we and Carrols LLC entered into an amendment to Mr. Accordino's employment agreement to provide, among other things, that in the event that we or Carrols LLC elect not to renew the term of the employment agreement for any reason other than for "cause" (as defined in the employment agreement), we or Carrols LLC shall (1) pay to Mr. Accordino a lump sum cash payment equal to his annual base salary and vacation pay in effect on the last day of the term of the employment agreement; (2) pay to Mr. Accordino any amounts he is entitled to under the Deferred Compensation Plan; (3) pay to Mr. Accordino the annual bonus for the year in which the term of the employment agreement ended that is payable under the terms of the Executive Bonus Plan; and (4) continue certain health benefits and insurance policies.

Mr. Accordino’s employment agreement also provides that if Mr. Accordino’s employment is terminated without "cause" (as defined in his employment agreement) or Mr. Accordino terminates his employment for "good reason" (as defined in his employment agreement), (a) in each case within twelve months following a "change of control" (as defined his employment agreement), or (b) and a binding agreement with respect to a change of control transaction

was entered into during the term of his employment and such change of control

transaction occurs within 12 months after the date of his termination of employment, then in either case, Mr. Accordino will receive a cash lump sum payment equal to 2.99 multiplied by the average of the sum of his base salary and the annual bonus paid under the Executive Bonus Plan or deferred in accordance with the Deferred Compensation Plan in the five calendar years prior to the date of termination.

The employment agreement also provides that if Mr. Accordino's employment is terminated by us or Carrols without cause more than 12 months following a change of control or Mr. Accordino terminates his employment for good reason more than 12 months following a change of control, Mr. Accordino will receive a cash lump sum payment in an amount equal to 2.00 multiplied by the average of the sum of his base salary and the annual bonus paid under the Executive Bonus Plan or deferred in accordance with the Deferred Compensation Plan in the five calendar years prior to the date of termination. The employment agreement includes non-competition and non-solicitation provisions effective during the term of the employment agreement and for two years following the termination of the employment agreement.

Change of Control/Severance Agreement

On June 3, 2013, we, Carrols and Carrols LLC entered into a change of control and severance agreement, which we refer to as the "change of control and severance agreement," with each of Messrs. Flanders, Myers, LaLonde, Cross and one other executive officer. Each change of control and severance agreement provides that if within one year following a "change of control" (as defined in the change of control and severance agreement), such employee's employment is terminated by us, Carrols or Carrols LLC without "cause" (as defined in the change of control and severance agreement) or by such employee for "good reason" (as defined in the change of control and severance agreement), then such employee will be entitled to receive (a) a cash lump sum payment in the amount equal to the product of 18 and the employee's monthly base salary at the then current rate, (b) an amount equal to the aggregate bonus payment for the year in which the employee incurs a termination of employment to which the employee would otherwise have been entitled had his employment not terminated under the Executive Bonus Plan then in effect, and (c) continued coverage under our welfare and benefits plans for such employee and his dependents for a period of up to 18 months. Each change of control and severance agreement also provides that if at any time other than within one year following a change of control, such employee's employment is terminated by us, Carrols or Carrols LLC without cause or by such employee for good reason, then such employee will be entitled to receive (a) a cash lump sum payment in the amount equal to one year's salary at the then current rate, (b) an amount equal to the pro rata portion of the aggregate bonus payment for the year in which the employee incurs a termination of employment to which the employee would otherwise have been entitled had his employment not terminated under our Executive Bonus Plan then in effect, and (c) continued coverage under our welfare and benefits plans for such employee and his dependents for a period of up to 18 months. The payments and benefits due under each change of control and severance agreement cannot be reduced by any compensation earned by the employee as a result of employment by another employer or otherwise. The payments are also not subject to any set-off, counterclaim, recoupment, defense or other right that we, Carrols or Carrols LLC may have against the employee.

The following table summarizes estimated benefits that would have been payable to Mr. Accordino if (1) the term of his employment agreement had not been renewed by us or Carrols LLC without cause; (2) his employment had been terminated on December 29, 2013 by us without cause or by him for good reason within 12 months of a change of control of us or such change of control is a result of (a) a binding agreement with respect to a change of control transaction was entered into during the term of his employment and (b) such change of control transaction occurs within 12 months after the date of termination of his employment; (3) his employment had been terminated on December 29, 2013 by us without cause or by him for good reason; (4) his employment had been terminated by us for cause or by him without good reason on December 29, 2013; (5) his employment had been terminated on December 29, 2013 by us due to disability; and (6) his employment had been terminated on December 29, 2013 due to death.

	Non-renewal of Employment Agreement	Terminated Without Cause or by Employee for	Terminated Without Cause or by Employee	Terminated For Cause or by Employee	Disability ($)	Death ($)

	Without Cause	Good Reason Within 12 Months of a Change in Control ($)	for Good Reason More than 12 Months following a Change in Control (2)($)	Without Good Reason ($)		
Severance	$560,004	$ 2,479,313 (1)	$1,658,403 (2)	$—	$1,680,012 (3)	$—
Bonus (4)	415,469	415,469	415,469	—	415,469	—
Accrued Vacation (5)	43,077	43,077	43,077	43,077	—	—
Welfare Benefits (6)	318,770	318,770	318,770	—	318,770	173,112
Deferred Compensation Plan	—	—	—	—	—	—
Equity (7)	—	1,065,567	1,065,567	—	—	1,065,567
Total	$1,337,320	$ 4,322,196	$3,501,286	$43,077	$2,414,251	$1,238,679

(1) Reflects a lump sum cash payment in an amount equal to 2.99 multiplied by the average of the sum of the base salary and the annual bonus paid under the Executive Bonus Plan or deferred in accordance with the Deferred Compensation Plan in the five calendar years prior to the date of termination, which we refer to as the "Five-Year Compensation Average".

(2) Reflects a lump sum cash payment in an amount equal to 2.00 multiplied by Mr. Accordino's Five Year Compensation Average.

(3) Such amounts based on the base salary in effect at December 29, 2013 of $560,004 for Mr. Accordino, for a period of three years.

(4) Reflects a lump sum cash payment in an amount equal to the pro rata portion of Mr. Accordino's annual bonus under our Executive Bonus Plan for the year in which his employment is terminated. Amount represents the bonus earned by Mr. Accordino for the fiscal year ended December 29, 2013.

(5) Amount represents four weeks of accrued but unpaid vacation as of December 29, 2013 based on the annual salary of $560,004 in effect at December 29, 2013 for Mr. Accordino.

(6) Mr. Accordino's employment agreement requires continued coverage under our welfare and benefits plans for him and his eligible dependents for the remainder of their respective lives. The amount included in this table was actuarially determined based on the present value of future health care premiums paid for by us discounted at a rate of 4.48%.

(7) The amount represents vesting of the outstanding shares of restricted stock held at December 29, 2013 based upon the closing price of our common stock on the last trading day of the 2013 fiscal year, December 27, 2013, which was $6.66.

The following table summarizes estimated benefits that would have been payable to each Named Executive Officer identified in the table if the employment of such Named Executive Officer had been terminated on December 29, 2013 by us without cause or by the Named Executive Officer for good reason within one year after a change of control; or if the employment of such Named Executive Officer had been terminated on December 29, 2013 by us without cause or by the Named Executive Officer for good reason prior to a change of control or more than one year after a change of control.

	Paul R. Flanders		Timothy J. LaLonde		William E. Myers		Richard G. Cross	
	Terminated Without Cause or by Employee for Good Reason Within 12 Months of a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Prior to a Change in Control or More Than One Year After a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Within 12 Months of a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Prior to a Change in Control or More Than One Year After a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Within 12 Months of a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Prior to a Change in Control or More Than One Year After a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Within 12 Months of a Change in Control ($)	Terminated Without Cause or by Employee for Good Reason Prior to a Change in Control or More Than One Year After a Change in Control ($)
Severance	$493,466 (1)	$328,993 (3)	$324,000 (1)	$222,761 (3)	$300,006 (1)	$206,264 (3)	$292,500 (1)	$201,104 (3)
Bonus	217,313 (2)	217,313 (4)	99,391 (2)	99,391 (4)	86,803 (2)	86,803 (4)	87,230 (2)	87,230 (4)
	21,800	21,800	31,116	31,116	31,153	31,153	11,682	11,682

Welfare Benefits (5)								
Equity (6)	515,264	515,264	192,121	192,121	188,791	188,791	198,674	198,674
Total	$1,247,843	$1,083,370	$646,628	$545,389	$606,753	$513,011	$590,086	$498,690

(1) Reflects a cash lump sum payment in an amount equal to 18 multiplied by the amount of the Named Executive Officer's monthly base salary in effect at December 29, 2013 plus interest of 6.25% per annum (determined as the prime commercial rate established by the principal lending bank at December 29, 2013 of 3.25% plus 3%) until the time of payment which would be the fifth business day following the six month anniversary of termination.

(2) Reflects an amount equal to the aggregate bonus payment for the year in which the Named Executive Officer incurs a termination of employment to which he would otherwise have been entitled had his employment not terminated under the Executive Bonus Plan in effect at December 29, 2013. Such payment would be made no later than March 15th of the calendar year following the calendar year the Named Executive Officer's employment is terminated.

(3) Reflects a cash lump sum payment in the amount equal to one year of base salary in effect at December 29, 2013 plus interest of 6.25% per annum (determined as the prime commercial rate established by the principal lending bank at December 29, 2013 of 3.25% plus 3%) until the time of payment which would be the fifth business day following the six month anniversary of termination.

(4) Reflects an amount equal to the pro-rata portion of the aggregate bonus payment for the year in which the Named Executive Officer incurs a termination of employment to which the Named Executive Officer would otherwise have been entitled had his employment not terminated under the Executive Bonus Plan in effect at December 29, 2013.

(5) Reflects continued coverage of group term life and disability insurance and group health and dental plan coverage for such Named Executive Officer and his dependents for a period of 18 months based on rates in effect at December 29, 2013 without discounting.

(6) All unvested shares of stock held by the Named Executive Officer will automatically vest. Unlike other payments in this table, the shares vest in accordance with the Carrols plan even if the Named Executive Officer's employment is not terminated following a change of control (i.e. it is a "single trigger"). The amount is based on the unvested shares held by each Named Executive Officer at December 29, 2013 and the closing price of our common stock on the last trading day of the 2013 fiscal year, December 27, 2013, which was $6.66.

DIRECTOR COMPENSATION

We use a combination of cash and stock-based compensation to attract and retain qualified non-employee directors to serve on our board of directors. The members of the board of directors, except for any member who is an executive officer or employee, each receives a fee for serving on our board of directors or board committees. Non-employee directors receive compensation for board service as follows:

- Annual retainer of $30,000 year for serving as a director with the exception of the chairman of the board of directors who receives an annual retainer of $45,000.
- Attendance fees of an additional $2,000 for each board of directors meeting attended in person and $500 for each board of directors meeting attended telephonically or by videoconference. The chairman of the Audit Committee receives an additional fee of $10,000 per year and each other member of the Audit Committee receives an additional fee of $2,500 per year. The chairman of the Compensation Committee receives an additional fee of $5,000 per year and each other member of the Compensation Committee receives an additional fee of $2,500 per year. The chairman of the Corporate Governance and Nominating Committee receives an additional fee of $2,500 per year and each other member of the Corporate Governance and Nominating Committee receives an additional fee of $1,500 per year. All directors will be reimbursed for all reasonable expenses they incur while acting as directors, including as members of any committee of the board of directors.
- Our board of directors approved an amendment to Carrols plan pursuant to which beginning on the date of our annual meeting of stockholders in 2010 and on the date of each annual meeting thereafter, members of our board of directors, (except for any member who is an executive officer or employee and except for our two Class A directors) will receive a restricted stock award with an aggregate "fair market value" (as such term is defined in the Carrols plan) of $25,000 on the date of grant. Pursuant to the Carrols plan, upon becoming a director, any future director (except for any future Class A directors) will receive a restricted common stock award with an aggregate fair market value of $100,000 which will vest in equal installments over five years.

The following table summarizes the compensation we paid to our non-employee directors during the fiscal year ended December 29, 2013. Compensation information for Daniel T. Accordino, our Chief Executive Officer is set forth in the Summary Compensation Table above.

Name	Fees Earned or Paid in Cash (1) ($)	Stock Award ($) (2) (5)	Option Award ($)	Non-Equity Incentive Plan Compensation	Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Clayton E. Wilhite	$59,500	$25,005	$—	$ —	$ —	$ —	$84,505
Joel M. Handel	43,000	25,005	—	—	—	—	68,005
Nicholas Daraviras (3)	43,000	—	—	—	—	—	43,000
David S. Harris	50,500	25,005	—	—	—	—	75,505
Daniel Schwartz	38,000	—	—	—	—	—	38,000
Steven Wiborg (4)	28,500	—	—	—	—	—	28,500
Manuel A. Garcia III (5)	4,507	100,005	—	—	—	—	104,512
Alexandre Macedo (6)	9,500	—	—	—	—	—	9,500

(1) The amounts listed in this column include the payment of annual retainers, additional fees for committee service, and attendance fees.

(2) On June 11, 2013, Messrs. Wilhite, Handel and Harris were each granted 4,289 restricted shares of common stock valued at $5.83 per share under the Carrols plan. On November 15, 2013, Mr. Garcia was granted 15,899 restricted shares of common stock valued at $6.29 per share under the Carrols plan. The restricted shares of common stock vest and becomes non-forfeitable and one-fifth on the each anniversary of the award date, provided that, the participant has continuously remained a director of Carrols Restaurant Group. There were no forfeitures in 2013 by these persons. The amounts shown in this column represent the aggregate fair value of restricted common stock

granted and approved by the Compensation Committee and is consistent with the grant date fair value of the award computed in accordance with FASB ASC Topic 718. See Notes 1 and 13 of the consolidated financial statements for the year ended December 29, 2013 included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2013.

(3) On December 18, 2013, Mr. Daraviras resigned as a director of Carrols Restaurant Group effective on December 31, 2013.

(4) Effective October 25, 2013, Mr. Wiborg ceased being a Class A member of our board of directors.

(5) On November 1, 2013, Mr. Garcia was appointed a director of Carrols Restaurant Group effective on November 15, 2013.

(6) Effective October 25, 2013, Mr. Macedo was appointed as a Class A member of our board of directors.

The following table represents the number of unvested restricted stock awards held by each of our non-employee directors as of December 29, 2013:

Name	Outstanding Stock Awards
Clayton E. Wilhite	8,567
Joel M. Handel	8,567
Nicholas Daraviras	—
David S. Harris	25,991
Daniel Schwartz	—
Manuel A. Garcia III	15,899
Alexandre Macedo	—

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity Compensation Plans

The following table summarizes the equity compensation plans under which our common stock may be issued as of December 29, 2013. Our stockholders approved all plans.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	—	—	2,139,570
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	2,139,570

Stock Ownership Information

The following table provides information regarding beneficial ownership of our common stock as of March 24, 2014 and to reflect the conversion of Series A Preferred Stock into shares of our common stock as of March 24, 2014, by:

- each person known by us to beneficially own more than 5% of all outstanding shares of our common stock;
- each of our directors, nominees for director and Named Executive Officers (as defined in “Executive Compensation—Compensation Discussion and Analysis” herein) individually; and
- all of our directors and executive officers as a group.

23,710,910 shares of our common stock were outstanding on March 24, 2014 (without giving effect to the conversion of Series A Preferred Stock).

Except as otherwise indicated, to our knowledge, all persons listed below have sole voting power and investment power and record and beneficial ownership of their shares, except to the extent that authority is shared by spouses under applicable law.

The information contained in this table reflects “beneficial ownership” as defined in Rule 13d-3 of the Exchange Act. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, (i) shares of common stock subject to options held by that person (and/or pursuant to proxies held by that person) that were exercisable on March 24, 2014 or became exercisable within 60 days following that date are considered outstanding, including those options to officers and directors authorized by board resolution, but not yet issued and (ii) shares of common stock issuable upon conversion of Series A Preferred Stock held by that person that were convertible on March 24, 2014 or convertible within 60 days following that date are considered outstanding. However, such shares are not considered outstanding for the purpose of computing the percentage ownership of any other person, nor is there any obligation to exercise any of the options or convert the Series A Preferred Stock. Except as otherwise indicated, the address for each beneficial owner is c/o Carrols Restaurant Group, Inc., 968 James Street, Syracuse, NY 13203.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class	Percent of Class Giving Effect to the Conversion of Series A Preferred Stock (1)
Burger King Corporation (2)	9,414,580	—	28.4 %
Keeley Asset Management Corp. (3)	2,860,521	12.1 %	8.6 %
First Manhattan Co. (4)	2,165,521	9.1 %	6.5 %
Brigade Capital Management, LLC (5)	1,700,000	7.2 %	5.1 %
Highland Investment Fund (6)	1,551,312	6.5 %	4.7 %
Royce & Associates, LLC (7)	1,210,274	5.1 %	3.7 %
Daniel T. Accordino	981,590	4.1 %	3.0 %
Paul R. Flanders	201,110	*	*
Richard G. Cross	82,652	*	*
Timothy J. LaLonde	65,603	*	*
William E. Myers	43,413	*	*
Joel M. Handel	28,507	*	*
Clayton E. Wilhite	73,659	*	*
David S. Harris	31,417	*	*
Manuel A. Garcia III	15,899	*	*
Daniel Schwartz (8)(9)	9,414,580	—	28.4 %
Alexandre Macedo (8)	—	—	—
All directors and executive officers as a group (9)	11,019,908	6.8 %	33.3 %

*Less than 1.0%.

(1) Percentages calculated based on the addition of 9,414,580 shares of common stock, which represents the shares of common stock issuable upon the conversion of shares of Series A Preferred Stock, to the outstanding common stock as of March 24, 2014.

(2) Information was obtained from a Schedule 13D filed on June 8, 2012 with the SEC. BKC beneficially owns 9,414,580 shares of common stock issuable upon the conversion of shares of Series A Preferred Stock. The shares held by BKC may be deemed to be beneficially owned by Burger King Worldwide, Inc. as a result of its ownership of 100% of the outstanding common stock of BKC. The address for BKC and Burger King Worldwide, Inc. is 5505 Blue Lagoon Drive, Miami, Florida 33126.

(3) Information was obtained from a Schedule 13G/A (Amendment No. 2) filed on February 7, 2014 with the SEC. The address for Keeley Asset Management Corp. is 111 West Jackson, Suite 810, Chicago, Illinois 60604.

(4) Information was obtained from a Schedule 13G/A (Amendment No. 3) filed on February 13, 2014 with the SEC.The address for First Manhattan Co. is 399 Park Avenue, New York, New York 10022.

(5) Information was obtained from a Schedule 13G filed on February 15, 2013 with the SEC. The address for Brigade Capital Management, LLC is 399 Park Avenue, 16th Floor, New York, New York 10022.

(6) Information was obtained from a Schedule 13D/A (Amendment No.1) filed on March 7, 2014 with the SEC. The address for Highland Investment Fund is 227 Elgin Avenue, Grand Cayman, Cayman Islands, P.O. Box 852 GT.

(7) Information was obtained from Schedule 13G filed on January 7, 2014 with the SEC. The address of Royce & Associates, LLC is 745 Fifth Avenue, New York, New York 10151.

(8) The address of Mr. Schwartz and Mr. Macedo is 5505 Blue Lagoon Drive, Miami, Florida 33126.

(9) Includes 9,414,580 shares held by BKC as reported in footnote (1) above. Mr. Schwartz is Chief Executive Officer of Burger King Worldwide, Inc. and BKC and therefore he may be deemed to share voting and investment power

over the shares owned by BKC, and therefore to beneficially own such shares.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related Party Transaction Procedures

The board of directors has assigned responsibility for reviewing related party transactions to our Audit Committee. The board of directors and the Audit Committee have adopted a written policy pursuant to which certain transactions between us or our subsidiaries and any of our directors or executive officers must be submitted to the Audit Committee for consideration prior to the consummation of the transaction as required by the rules of the SEC. The Audit Committee reports to the board of directors on all related party transactions considered.

The Spin-Off and Related Transactions

We and Fiesta Restaurant Group have operated separately, each as independent public companies, since the completion of the spin-off on May 7, 2012. At the time of the spin-off, we and Fiesta Restaurant Group entered into agreements which facilitated the spin-off, govern Fiesta Restaurant Group's relationship with us after the spin-off and provide for the allocation of employee benefits, tax and other liabilities and obligations. The following is a summary of some of the terms of the material agreements that were entered into among Fiesta Restaurant Group, Carrols and us prior to the spin-off.

Separation and Distribution Agreement

The separation and distribution agreement, which we refer to as the "separation agreement", dated as of April 24, 2012, among Fiesta Restaurant Group, Carrols and us provides a framework for the relationship between Fiesta Restaurant Group and us following the spin-off, requires cooperation between the parties to fulfill the terms of the spin-off and specifies the terms and conditions of the spin-off. The separation agreement provides that, except as otherwise provided in such agreement, Fiesta Restaurant Group will assume all of the liabilities and perform all of the obligations arising under or relating to the operation of the Pollo Tropical and Taco Cabana businesses whether incurred before or after the spin-off. The separation agreement also contains certain mutual releases of liability and cross indemnification provisions customary for this type of transaction.

Carrols is currently a guarantor under 35 Pollo Tropical and Taco Cabana restaurant property leases and the primary lessee on five Pollo Tropical restaurant property leases. The separation agreement provides that the parties will cooperate and use their commercially reasonable efforts to obtain the release of such guarantees. Unless and until any such guarantees are released, Fiesta Restaurant Group agrees to indemnify Carrols for any losses or liabilities or expenses that it may incur arising from or in connection with any such lease guarantees.

Carrols is currently a primary lessee of five Pollo Tropical restaurants which it subleases to a subsidiary of Fiesta Restaurant Group. The separation agreement provides that the parties will cooperate and use their commercially reasonable efforts to cause Fiesta Restaurant Group or a subsidiary of Fiesta Restaurant Group to enter into a new master lease or individual leases with the lessor with respect to the Pollo Tropical restaurants where Carrols is currently a lessee.

Fiesta Restaurant Group, on the one hand, and Carrols and us, on the other hand, have agreed to release each other and each other's respective directors, officers, members, managing members, agents and employees from all liabilities existing or arising from any acts or events occurring or failing to occur on or before the distribution date. These releases are subject to certain exceptions, including claims arising under the separation agreement and the ancillary agreements; any specified liabilities; any liability assumed by a party pursuant to the separation agreement; and liability for claims of third parties for which indemnification or contribution is available under the separation agreement.

Each of Carrols and us, on the one hand, and Fiesta Restaurant Group, on the other hand, have agreed to indemnify the other party and the other party's respective affiliates, successors and assigns, stockholders, directors, officers, members, managing members, agents and employees against liabilities arising out of or resulting from the failure of the indemnifying party to perform or discharge liabilities for which it is responsible under the separation agreement; the business of such party; any liability contemplated to be assumed or retained by such party; any breach or failure to perform by such party of its obligations under the separation agreement or ancillary agreements; or any untrue

statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated or necessary to make the statements not misleading of such party in SEC filed registration statements or information statements.

Tax Matters Agreement

The tax matters agreement, which we refer to as the "tax matters agreement", dated as of April 24, 2012, among Fiesta Restaurant Group, Carrols and us (1) governs the allocation of the tax assets and liabilities between Fiesta Restaurant Group and Carrols and us, (2) provides for certain restrictions and indemnities in connection with the tax treatment of the spin-off and (3) addresses certain other tax related matters, including, without limitation, those relating to (a) the obligations of Fiesta Restaurant Group, Carrols and us with respect to the preparation or filing of tax returns for all periods, and (b) the control of any income tax audits and any indemnities with respect thereto. The tax matters agreement provides that if Fiesta Restaurant Group takes any actions after our distribution of Fiesta Restaurant Group’s shares in the spin-off that result in or cause the distribution to be taxable to itself or us, Fiesta Restaurant Group will be responsible

under the tax matters agreement for any resulting taxes imposed on Fiesta Restaurant Group or on Carrols or us. Similarly, the tax matters agreement provides that if we take any such actions that result in or cause the distribution to be taxable to us or Fiesta Restaurant Group, we will be responsible for such taxes. Further, the tax matters agreement provides that Fiesta Restaurant Group and we will each be responsible for 50% of the losses and taxes of Carrols Restaurant Group and its affiliates and Fiesta Restaurant Group and its affiliates resulting from the spin-off not attributable to any such action of Fiesta Restaurant Group or us.

Employee Matters Agreement

The employee matters agreement, which we refer to as the "employee matters agreement", dated as of April 24, 2012, among Fiesta Restaurant Group, Carrols and us provides for the transition of employee benefits arrangements and allocates responsibility for certain employee benefits matters on and after the spin-off, including, without limitation, the treatment of our existing welfare benefit plans, savings and retirement plans, equity-based plan and deferred compensation plan, and Fiesta Restaurant Group’s establishment of new plans.

Treatment of Carrols Restaurant Group Stock Based Awards. Employees of Carrols Restaurant Group, Carrols and its subsidiaries have been eligible to participate in the Carrols plan. Under the Carrols plan, our compensation committee granted certain stock-based awards, including shares of restricted common stock of Carrols Restaurant Group and stock options to purchase our common stock to employees and other eligible participants. The outstanding stock-based awards held by employees and other eligible participants of Carrols, us and our subsidiaries in connection with the spin-off were treated as set forth below. Pursuant to the employee matters agreement we have continued to maintain the Carrols plan after the completion of the spin-off, and Fiesta Restaurant Group has established a separate stock incentive plan.

Stock Options. In connection with the spin-off and in accordance with the Carrols plan, all outstanding vested stock options under the Carrols plan were converted on March 5, 2012 into shares of our common stock using a conversion formula to preserve the intrinsic value of each option to the holder. As part of the spin-off, holders who received shares of our common stock upon the conversion of vested stock options under the Carrols plan received a distribution of one share of common stock of Fiesta Restaurant Group for one share of our common stock on the distribution date. On March 5, 2012, we issued 666,090 shares of our common stock upon the conversion of outstanding vested stock options under the Carrols plan, and therefore, an additional 666,090 shares of Fiesta Restaurant Group common stock were issued and distributed on the distribution date.

In connection with the spin-off and in accordance with the Carrols plan, all outstanding unvested stock options under the Carrols plan were converted on March 5, 2012 into restricted shares of our common stock using a conversion formula to preserve the intrinsic value of each option to the holder. The time period of the restrictions on transferability of the restricted shares of our common stock issued upon the conversion of unvested stock options under the Carrols plan equal the remaining vesting period of such unvested stock options, and such restricted shares continue to be governed by the terms of the Carrols plan. As part of the spin-off, holders who received restricted shares of our common stock upon the conversion of unvested stock options under the Carrols plan received a distribution of one restricted share of common stock of Fiesta Restaurant Group for one restricted share of our common stock on the distribution date subject to the same terms and conditions applicable to the restricted shares of our common stock, including, but not limited to, the time period remaining on the restrictions on transfer and forfeiture provisions. Following the distribution date, (a) employees of Fiesta Restaurant Group and other eligible participants under the Carrols plan continue to hold restricted shares of our common stock subject to the terms of the Carrols plan and (b) our employees and other eligible participants under the Carrols plan continue to hold the restricted shares of Fiesta Restaurant Group common stock received on the distribution date subject to the terms of the Carrols plan. On March 5, 2012, we issued 288,435 restricted shares of our common stock upon the conversion of unvested stock options under the Carrols plan, and therefore, 288,435 restricted shares of Fiesta Restaurant Group common stock were issued and distributed on the distribution date.

Restricted Stock. In connection with the spin-off and in accordance with the Carrols plan, on the distribution date persons who held shares of our restricted common stock issued under the Carrols plan received restricted shares of Fiesta Restaurant Group common stock subject to the same terms and conditions applicable to the restricted shares of

our common stock, including, but not limited to, the time period remaining on the restrictions on transfer and forfeiture provisions. The restricted shares of Fiesta Restaurant Group common stock received on the distribution date continue to be governed by the terms of the Carrols plan. Each holder of restricted shares of our common stock received a distribution of one share of restricted common stock of Fiesta Restaurant Group for each one share of our restricted common stock held by such holder on the spin-off record date. Following the distribution date, (a) employees of Fiesta Restaurant Group and other eligible participants under the Carrols plan continue to hold restricted shares of our common stock subject to the terms of the Carrols plan and (b) our employees and other eligible participants under the Carrols plan continue to hold the restricted shares of Fiesta Restaurant Group common stock received on the distribution date subject to the terms of the Carrols plan. On the distribution date, 434,400 restricted shares of our common stock issued under the Carrols plan, which includes the 288,435 restricted shares of our common stock issued upon the conversion of unvested stock options under the Carrols plan, were outstanding, and therefore, 434,400 restricted shares of Fiesta Restaurant Group common stock were issued and distributed on the distribution date.

Transition Services Agreement

Under the transition services agreement, which we refer to as the "transition services agreement", dated as of April 24, 2012, entered into by Fiesta Restaurant Group, Carrols, us and Carrols LLC (solely with respect to indemnification), we and Carrols agreed to provide certain support services (including accounting, tax accounting, treasury management, internal audit, financial reporting and analysis, human resources, and employee benefits management, information systems, restaurant systems support, legal, property management and insurance and risk management services) to Fiesta Restaurant Group, and Fiesta Restaurant Group agreed to provide certain limited management services (including certain legal services) to Carrols and us. In December 2013, Fiesta Restaurant Group terminated all of the services provided by us and Carrols under the transition services agreement.

The Acquisition

On May 30, 2012, we and Carrols LLC closed on the purchase from BKC of 278 acquired BKC restaurants located in Ohio, Indiana, Kentucky, Pennsylvania, North Carolina, South Carolina and Virginia. The acquired BKC restaurants were purchased by us and Carrols LLC for (1) a 28.9% equity ownership interest in us by issuance by us to BKC of 100 shares of Series A Preferred Stock (discussed more fully below), (2) cash payments of approximately $2.9 million, which were paid at the closing of the 2012 acquisition, for cash on hand and inventory at the acquired BKC restaurants and (3) other cash payments of approximately $13.3 million, of which approximately $9.6 million was paid at closing of the 2012 acquisition and the balance to be paid over five years.

Series A Convertible Preferred Stock

Upon the closing of the 2012 acquisition, we issued to BKC 100 shares of Series A Preferred Stock pursuant to the certificate of designation which are convertible into an aggregate of 28.9% of the shares of our common stock outstanding, on a fully diluted basis, on May 30, 2012 after giving effect to the issuance of the Series A Preferred Stock (or 9,414,580 shares of our common stock in the aggregate, which we refer to as the "conversion shares". The Series A Preferred Stock and the conversion shares are subject to a three-year restriction on transfer by BKC from the date of the issuance of the Series A Preferred Stock. So long as the number of shares of our common stock into which the outstanding shares of Series A Preferred Stock held by BKC are then convertible constitutes greater than 10% of the outstanding shares of our common stock (on an as-converted basis) and there is no prohibited transfer of the Series A Preferred Stock or the conversion shares during the holding period, BKC has certain approval rights with regards to, among other things: (a) our annual budget for each of the first two fiscal years following the issuance of the Series A Preferred Stock; (b) changes to the restaurant remodeling plan agreed to at the time of the closing of the acquisition; (c) modifying our organizational documents; (d) amending the size of our board of directors; (e) the authorization or consummation of any liquidation event, except as permitted pursuant to the operating agreement; (f) engaging in any business other than the acquisition and operation of Burger King restaurants, except following a bankruptcy filing, reorganization or insolvency proceeding by or against BKC or its parent company, Burger King Worldwide, Inc., which filing has not been dismissed within 60 days; (g) issuing, in any single transaction or series of related transactions, shares of our common stock in an amount exceeding 35% of the total number of shares of our common stock outstanding immediately prior to the time of such issuance; and (h) entering into certain affiliated transactions. The Series A Preferred Stock votes with our common stock on an as-converted basis and provides for the right of BKC to elect two members our board of directors as Class A members until the date on which the number of shares of our common stock into which the outstanding shares of the Series A Preferred Stock held by BKC are then convertible constitutes less than 14.5% of the total number of outstanding shares of our common stock, which we refer to as the "director step-down date". From the director step-down date to the date on which the number of shares of our common stock into which the outstanding shares of Series A Preferred Stock held by BKC are then convertible constitute less than 10% of the total number of outstanding shares of our common stock or the date on which there is a prohibited transfer of the Series A Preferred Stock or the conversion shares during the holding period, BKC will have the right to elect one member to our board of directors as a Class A member. The Series A Preferred Stock ranks senior to our common stock with respect to rights on liquidation, winding-up and dissolution of Carrols Restaurant Group up to its stated value of $0.01 per share and thereafter pro rata with our common stock on an as converted basis. The Series A Preferred Stock receives dividends pro rata with our common stock on an as converted basis. The Series A Preferred Stock does not pay interest, is perpetual and has no mandatory prepayment features.

Operating Agreement

Upon the closing of the 2012 acquisition, Carrols LLC and BKC also entered into an operating agreement, which we refer to as the "operating agreement," which has a term commencing on May 30, 2012 and ending (unless earlier terminated in accordance with the provisions thereof) on the earlier to occur of (i) 20 years from May 30, 2012 or (ii) the date that we operate 1,000 Burger King restaurants. Pursuant to the operating agreement, BKC assigned to us its right of first refusal on sales of restaurants by franchisees, which we refer to as the “ROFR”, under franchise agreements with its franchisees to purchase all of the assets of a Burger King restaurant or all or substantially all of the voting stock of the franchisee, whether direct or indirect, on the same terms proposed between such franchisee and a third party purchaser, in 20 states as follows: Connecticut (except Hartford county), Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts (except for Middlesex, Norfolk and Suffolk counties), Michigan, New Hampshire, New Jersey, New York (except for Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk and Westchester counties), North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Washington DC, and West Virginia, which we refer to as the “DMAs.” The continued assignment of the ROFR is subject to suspension or termination in the event of non-compliance by us with respect to the agreed upon remodeling schedule of our existing restaurants and the acquired BKC restaurants as further described below.

In addition, pursuant to the operating agreement, BKC granted us franchise pre-approval, which we refer to as the "franchise pre-approval," to build new restaurants or acquire restaurants from franchisees in the DMAs until the date that we operate 1,000 restaurants, which we refer to as "new restaurant growth." We will pay BKC approximately $3.8 million for the ROFR and the franchise pre-approval rights in equal quarterly installments of $190,227 over a five year period, with the first payment made on May 30, 2012, the closing date of the acquisition.

The grant by BKC to us of franchise pre-approval to develop new restaurants in the DMAs is a non-exclusive right, subject to customary BKC franchise, site and construction approval. Beginning on January 1 of the calendar year following the third anniversary of the closing date of the 2012 acquisition, a minimum of 10% of new restaurant growth by us in each calendar year during the term of the operating agreement must come from new development of Burger King restaurants (including offsets). As part of franchise pre-approval, BKC will grant us pre-approval for acquisitions of restaurants from franchisees in the DMAs where we then have an existing restaurant.

Pursuant to the operating agreement, we agreed to remodel 455 existing restaurants and acquired BKC restaurants to BKC's 20/20 restaurant image, including 57 restaurants in 2012, 154 restaurants in 2013, 154 restaurants in 2014 and 90 restaurants in 2015, which we refer to as the "remodel plan." We completed a total of 201 restaurant remodels to BKC's 20/20 restaurant image as of December 29, 2013. If we fail to be in compliance with the remodel plan, BKC's sole remedy will be the suspension of the ROFR by written notice given by BKC to us on or before January 31 of the calendar year following the year in which we are not in compliance with the remodel plan. The suspension of the ROFR will begin in the calendar year following the calendar year of such non-compliance, and such suspension shall automatically terminate as soon as we are into compliance with the remodel plan. We will be deemed in compliance with the remodel plan in each calendar year so long as we complete at least 90% of the remodel plan for such calendar year. In any calendar year that we complete 90% but less than 100% of the remodel plan for that calendar year, we must complete the shortfall of remodels that were required plus 90% of the remodel plan for the next calendar year in order to remain in compliance with the remodel plan. In any calendar year that the ROFR has been suspended, we will be deemed to be back in compliance with the remodel plan and the ROFR will automatically be restored as soon as we complete 100% of the remodels that were required for the calendar year resulting in the suspension of the ROFR (assuming that all remodels completed in such subsequent year shall first apply to remedying the prior year's shortfall).

Pursuant to the operating agreement, we entered into franchise agreements with BKC for the acquired BKC restaurants with terms of varying durations up to 20 years, depending upon the term of the underlying leases or subleases. Each franchise agreement provides for a royalty rate of 4.5% of sales, an advertising contribution payment of 4% of sales and a commitment to spend on local advertising during the term of no less than a 0.75% of sales in each of the DMAs, which we refer to as "investment spending" (provided that if any investment spending contract approved by 66.7% of the franchisees in a DMA calls for investment spending of less than 0.75% of sales, we will only be obligated to investment spending to such lesser amount.) Effective on the date of the closing of the 2012 acquisition, the franchise agreements for our restaurants were amended to add an investment spending commitment consistent with the terms set forth in the franchise agreements for the acquired BKC restaurants.

Pursuant to the operating agreement, we agreed to operate our restaurants at or above the U.S. Burger King system's national average (measured on a quarterly basis) for the following operational metrics: (i) Speed of Service; (ii) Operational BKC Visits (OER or its current equivalent); (iii) Food Safety Scores; and (iv) Guest Trac (or the then current guest recovery program), which we refer to as the "operations metrics." Subject to a six month grace period with respect to the acquired BKC restaurants, if more than 10% of our restaurants are rated below the national average for any of the individual operations metrics for more than two consecutive quarters, we and BKC will meet and develop a cure period for and a cure plan that details how we will address the operational issues and by what date we will bring our performance up to and exceed the national average. If at least 90% of our restaurants do not meet or exceed the national average for any of the operations metrics after the cure period, franchise pre-approval for franchisee to franchisee transfers of restaurants or rights with respect to new restaurant growth will be suspended until such time as at least 90% of our restaurants meet or exceed the national average for each of the operations metrics.

The operating agreement also provides that we and BKC will indemnify the other for all losses, damages and/or contractual liabilities to third parties arising out of or relating to any of the obligations, undertakings, promises and representations of BKC and us, as the case may be, under the operating agreement, and for all claims or demands for

damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

Registration Rights Agreement

Upon the closing of the 2012 acquisition, we and BKC entered into a registration rights agreement, which we refer to as the "BKC registration rights agreement," pursuant to which we agreed to file one shelf registration statement on Form S-3 covering the resale of at least 30% of the conversion shares as promptly as possible upon written request of BKC at any time after the 36-month anniversary of the closing of the 2012 acquisition. The BKC registration rights agreement also provides that BKC may make up to three demands to register for the resale of at least 33.3% of the conversion shares held by BKC under the Securities Act on the date of the closing of the 2012 acquisition upon the written request by BKC at any time following the 30-month anniversary of the closing of the 2012 acquisition. The BKC registration rights agreement also provides that whenever we register shares of our common stock under the Securities Act (other than on a Form S-4 or Form S-8), BKC has the right as specified therein to register its conversion shares as part of that registration, provided, however, that such registration rights are subject to the rights of the managing underwriters, if any, to reduce or exclude certain conversion shares owned by BKC from an underwritten registration (and subject to certain rights of certain persons, including members

of our management that have piggyback registration rights). Except as otherwise provided in the BKC registration rights agreement, the BKC registration rights agreement requires us to pay for all costs and expenses, other than underwriting discounts, commissions and underwriters' counsel fees, incurred in connection with the registration of our common stock, stock transfer taxes and the expenses of BKC's legal counsel in connection with the sale of the conversion shares, provided that we will pay the reasonable fees and expenses of one counsel for BKC up to $50,000 in the aggregate for any registration thereunder, subject to the limitations set forth therein. We will also agree to indemnify BKC against certain liabilities, including liabilities under the Securities Act. We have also agreed, to the extent a shelf registration is effective, to file up to two prospectus supplements in connection with a block sale or non-marketed underwritten offering by BKC of Carrols Restaurant Group common stock held by BKC and pay one half of the accounting and printing fees related thereto to the extent such sale or offering is for a sales price of no less than 90% of the average closing price of our common stock for the five trading days ending immediately prior to such sale or offering and is not less than 300,000 shares of common stock.

Franchise Agreements and Leases

We operate all of our restaurants (including the acquired BKC restaurants) pursuant to franchise agreements entered into with BKC. In addition, we have entered into real property leases with BKC for a number of our restaurants (excluding the acquired BKC restaurants) and real property leases or subleases with respect to all of the acquired BKC restaurants.

Other

Pursuant to a registration agreement, which we refer to the the "registration agreement" dated March 27, 1997 and amended December 14, 2006, Daniel T. Accordino, CEO of Carrols Restaurant Group, and two former executive officers of Carrols Restaurant Group have the right, whenever we register shares of our common stock under the Securities Act (other than on a Form S-4 or Form S-8) to register their shares subject to the registration agreement as part of that registration. Such registration rights are subject to the rights of the managing underwriters, if any, to reduce or exclude certain shares owned by such stockholders from the registration. The registration agreement requires us to pay for all costs and expenses, other than underwriting discounts and commissions for these stockholders, incurred in connection with the registration of their shares under the registration agreement. Under the registration agreement, we have agreed to indemnify these stockholders against certain liabilities, including liabilities under the Securities Act.

Independence of Directors

As required by the listing standards of NASDAQ, a majority of the members of our board of directors must qualify as "independent," as affirmatively determined by our board of directors. Our board of directors determines director independence based on an analysis of such listing standards and all relevant securities and other laws and regulations regarding the definition of "independent."

Consistent with these considerations, after review of all relevant transactions and relationships between each director, any of his or her family members, and us, our executive officers and our independent registered public accounting firm, the board of directors has affirmatively determined that a majority of our board of directors is comprised of independent directors. Our independent directors pursuant to NASDAQ are Messrs. Handel, Wilhite, Harris and Garcia.

Item 14. Principal Accountant Fees and Services

Fees for Professional Services

The following table sets forth the aggregate fees billed (or expected to be billed) to us for the fiscal years ended December 29, 2013 and December 30, 2012 by our independent registered public accounting firm, Deloitte & Touche LLP:

	Year Ended	
	December 29, 2013	December 30, 2012
	(Amounts in thousands)	
Audit Fees (1)	$813	$771
Audit-Related Fees (2)	—	188
Total Audit and Audit Related Fees	813	959
Tax Fees (3)	68	191
All Other Fees	—	—
Total	$881	$1,150

(1) Audit fees represents the aggregate fees billed or to be billed for professional services rendered for the audit of our annual consolidated financial statements, review of interim quarterly financial statements included in our quarterly reports on Form 10-Q, and for the effectiveness of our internal controls over financial reporting.

(2) Audit related fees shown include fees for assurance and related services that are traditionally performed by independent auditors. This includes due diligence related to mergers and acquisitions, and consulting on financial accounting/reporting standards.

(3) The aggregate tax fees billed for professional services rendered for tax consulting and compliance.

Policy on Audit Committee Pre-Approval of Services Provided by Deloitte & Touche LLP

The Audit Committee has established policies and procedures regarding pre-approval of all services provided by the independent registered public accounting firm. The Audit Committee pre-approves all audit and non-audit services provided by the independent registered public accounting firm, other than de minimis non-audit services, and shall not engage the independent registered public accounting firm to perform the specific non-audit services proscribed by law or regulation. The Audit Committee may form one or more subcommittees, each of which shall take such actions as shall be delegated by the Audit Committee; provided, however, the decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

(a) (3) Exhibits

EXHIBIT INDEX

Exhibit Number	Description
2.1	Asset Purchase Agreement, dated as of March 26, 2012, among Carrols Restaurant Group, Inc., Carrols LLC and Burger King Corporation (incorporated by reference to Exhibit 2.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on March 28, 2012)
3.1	Form of Restated Certificate of Incorporation of Carrols Restaurant Group, Inc. (incorporated by reference to Exhibit 3.1 to Carrols Restaurant Group Inc.'s Registration Statement on Form S-1, as amended (Registration No. 333-137524))
3.2	Form of Amended and Restated Bylaws of Carrols Restaurant Group, Inc. (incorporated by reference to Exhibit 3.2 to Carrols Restaurant Group Inc.'s Registration Statement on Form S-1, as amended (Registration No. 333-137524)

3.3	Amendment to Carrols Restaurant Group, Inc. Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on January 6, 2012)
3.4	Carrols Restaurant Group, Inc. Certificate of Designation of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)

4.1	Form of Registration Agreement by and among Carrols Restaurant Group, Inc., Atlantic Restaurants, Inc., Madison Dearborn Capital Partners, L.P., Madison Dearborn Capital Partners II, L.P., Alan Vituli, Daniel T. Accordino and Joseph A. Zirkman (incorporated by reference to Exhibit 10.24 to Carrols Corporation's 1996 Annual Report on Form 10-K)
4.2	Form of Stock Certificate for Common Stock (incorporated by reference to Exhibit 4.1 to Carrols Restaurant Group, Inc.'s Quarterly Report on Form 10-Q filed on May 10, 2012)
4.3	Form of Registration Rights Agreement between Carrols Restaurant Group Inc. and Burger King Corporation (incorporated by reference to Exhibit 4.2 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on March 28, 2012)
4.4	Indenture governing the 11.25% Senior Secured Second Lien Notes due 2018, dated as of May 30, 2012, between Carrols Restaurant Group, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
4.5	Form of 11.25% Senior Secured Second Lien Note due 2018 (incorporated by reference to Exhibit 4.13)
4.6	Registration Rights Agreement, dated as of May 30, 2012, between Carrols Restaurant Group, Inc., the guarantors named therein and Wells Fargo Securities, LLC (incorporated by reference to Exhibit 4.3 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
10.1	Carrols Corporation Retirement Savings Plan dated April 1, 1999 (incorporated by reference to Exhibit 10.29 to Carrols Corporation's 1999 Annual Report on Form 10-K) †
10.2	Carrols Corporation Retirement Savings plan July 1, 2002 Restatement (incorporated by reference to Exhibit 10.29 to Carrols Corporation's September 29, 2002 Quarterly Report on Form 10-Q) †
10.3	Addendum incorporating EGTRRA Compliance Amendment to Carrols Corporation Retirement Savings Plan dated September 12, 2002 (incorporated by reference to Exhibit 10.30 to Carrols Corporation's September 29, 2002 Quarterly Report on Form 10-Q) †
10.4	First Amendment, dated as of January 1, 2004, to Carrols Corporation Retirement Savings Plan (incorporated by reference to Exhibit 10.35 to Carrols Corporation's December 31, 2003 Annual Report on Form 10-K) †
10.5	2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.27 to Carrols Restaurant Group Inc.'s Registration Statement on Form S-1, as amended (Registration No. 333-137524)) †
10.6	Amendment to Carrols Restaurant Group, Inc. 2006 Stock Incentive Plan, dated as of March 24, 2010 (incorporated by reference to Appendix A of Carrols Restaurant Group, Inc.'s Definitive Proxy Statement filed on April 28, 2011) †
10.7	Amendment to Carrols Restaurant Group, Inc. 2006 Stock Incentive Plan, dated as of April 11, 2011 (incorporated by reference to Appendix A of Carrols Restaurant Group, Inc.'s Definitive Proxy Statement filed on April 28, 2011) †
10.8	Form of Change of Control/Severance Agreement (incorporated by reference to Exhibit 10.1 to Carrols Restaurant Group Inc.'s Current Report on Form 8-K filed on June 7, 2013) †
10.9	Form of Change of Control and Severance Agreement (incorporated by reference to Exhibit 10.2 to Carrols Restaurant Group Inc.'s Current Report on Form 8-K filed on June 7, 2013) †
10.10	Form of Agreement, by and among Carrols Restaurant Group, Inc., Madison Dearborn Capital Partners, L.P., Madison Dearborn Capital Partners, II, L.P., BIB Holdings (Bermuda) Ltd., Alan Vituli, Daniel T. Accordino and Joseph A. Zirkman (incorporated by reference to Exhibit 10.31 to Carrols Restaurant Group Inc.'s Registration Statement on Form S-1, as amended (Registration No. 333-137524))
10.11	Form of Amendment No. 1 to Registration Agreement, by and among Carrols Restaurant Group, Inc., Madison Dearborn Capital Partners, L.P., Madison Dearborn Capital Partners, II, L.P., BIB Holdings (Bermuda) Ltd., Alan Vituli, Daniel T. Accordino and Joseph A. Zirkman (incorporated by reference to Exhibit 10.32 to Carrols Restaurant Group Inc.'s Registration Statement on Form S-1, as amended (Registration No. 333-137524))
10.12	

	Employment Agreement dated as of December 22, 2011 among Carrols Restaurant Group, Inc., Carrols LLC and Daniel T. Accordino (incorporated by reference to Exhibit 10.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on December 27, 2011) †
10.13	First Amendment to Employment Agreement, dated as of September 6, 2013, among Carrols Restaurant Group, Inc., Carrols LLC and Daniel T. Accordino (incorporated by reference to Exhibit 10.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on September 11, 2013) †
10.14	Amended and Restated Carrols Corporation and Subsidiaries Deferred Compensation Plan dated December 1, 2008 (incorporated by reference to Exhibit 10.23 to Carrols Restaurant Group's and Carrols Corporation's 2008 Annual Report on Form 10-K) †
10.15	Separation and Distribution Agreement dated as of April 24, 2012 among Carrols Restaurant Group, Inc., Carrols Corporation, Carrols LLC and Fiesta Restaurant Group, Inc. (incorporated by reference to Exhibit 10.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on April 26, 2012)
10.16	Tax Matters Agreement dated as of April 24, 2012 among Carrols Restaurant Group, Inc., Carrols Corporation, Carrols LLC and Fiesta Restaurant Group, Inc. (incorporated by reference to Exhibit 10.2 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on April 26, 2012)

10.17	Employee Matters Agreement dated as of April 24, 2012 among Carrols Restaurant Group, Inc., Carrols Corporation, Carrols LLC and Fiesta Restaurant Group, Inc. (incorporated by reference to Exhibit 10.3 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on April 26, 2012)
10.18	Transition Services Agreement dated as of April 24, 2012 among Carrols Restaurant Group, Inc., Carrols Corporation, Carrols LLC and Fiesta Restaurant Group, Inc. (incorporated by reference to Exhibit 10.4 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on April 26, 2012)
10.19	Second Lien Security Agreement, dated as of May 30, 2012, between Carrols Restaurant Group, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as collateral agent (incorporated by reference to Exhibit 10.1 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
10.20	First Lien Security Agreement, dated as of May 30, 2012, between Carrols Restaurant Group, Inc., the guarantors named therein, and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.2 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
10.21	Amendment No. 1 to Asset Purchase Agreement, dated as of May 30, 2012, among Carrols Restaurant Group, Inc., Carrols LLC and Burger King Corporation (incorporated by reference to Exhibit 10.3 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
10.22	Operating Agreement, dated as of May 30, 2012, between Carrols LLC and Burger King Corporation (incorporated by reference to Exhibit 10.4 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
10.23	Credit Agreement, dated as of May 30, 2012, between Carrols Restaurant Group, Inc., the guarantors named therein, the lenders named therein and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.6 to Carrols Restaurant Group, Inc.'s Current Report on Form 8-K filed on June 1, 2012)
14.1	Carrols Restaurant Group, Inc. and Carrols Corporation Code of Ethics (incorporated by reference to Exhibit 14.1 to Carrols Restaurant Group, Inc.’s and Carrols Corporation’s 2006 Annual Report on Form 10-K)
21.1	List of Subsidiaries (Filed as Exhibit 21.1 to Carrols Restaurant Group, Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
23.1	Consent of Deloitte & Touche LLP (Filed as Exhibit 23.1 to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
31.1	Chief Executive Officer's Certificate Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Carrols Restaurant Group, Inc.#
31.2	Chief Financial Officer's Certificate Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Carrols Restaurant Group, Inc.#
32.1	Chief Executive Officer's Certificate Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Carrols Restaurant Group, Inc. (Filed as Exhibit 32.1 to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
32.2	Chief Financial Officer's Certificate Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Carrols Restaurant Group, Inc. (Filed as Exhibit 32.2 to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
*101.INS	XBRL Instance Document (Filed as Exhibit 101.INS to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
*101.SCH	XBRL Taxonomy Extension Schema Document (Filed as Exhibit 101.SCH to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (Filed as Exhibit 101.CAL to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (Filed as Exhibit 101.DEF to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)

*101.LAB	XBRL Taxonomy Extension Label Linkbase Document (Filed as Exhibit 101.LAB to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (Filed as Exhibit 101.PRE to Carrols Restaurant Group Inc.'s 2013 Annual Report on Form 10-K filed on March 3, 2014)

Filed herewith.

† Compensatory plan or arrangement

* As provided in Rule 406T of Regulation S-T, this information is deemed furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933, as amended, and Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 28, 2014

CARROLS RESTAURANT GROUP, INC.

/s/ Daniel T. Accordino
(Signature)
Daniel T. Accordino
Chief Executive Officer