



Restricted Stock Units (RSUs) Frequently Asked Questions

What are RSUs?

- RSUs are valued in terms of company stock, but no actual shares are issued at the time of grant.
- Each RSU will be worth the “full-value” of a share of Jack in the Box Inc. common stock on the date certain restrictions are met (called “**vesting**”). RSUs always have value (unless the stock price drops to \$0)
- RSUs have no shareholder rights until after vesting when you receive actual shares and have the same rights as other shareholders (to vote, receive dividends, sell the stock, etc.).

What do I need to do when I receive an RSU grant?

- The Company uses E*Trade as its exclusive broker for employee stock plan transactions and all transactions will occur online. If this is your first grant, you will receive an email from E*Trade at your work email address providing instructions on “activating” your account.
- Once your account is created, you will be able to review an electronic (“online”) version of a Time-Vesting Restricted Stock Unit Award Agreement. You will need to read and accept the terms and provisions of the grant agreement before any shares can be released to you when the RSUs vest.
- NOTE: If you already have an E*Trade account for Jack in the Box stock plans and have activated your account, you will need to logon to your account and accept the terms and provisions of the grant agreement (if you haven’t activated your account, you will need to first activate your account).

What happens when the RSUs vest?

- On the vest date, RSUs will be converted to shares of Jack in the Box Inc. common stock.
- The value of the vested shares is taxed as income (closing price of Jack in the Box stock on the vest date determines the fair market value of the vested shares).
- Upon vesting, the Company is required to withhold income taxes, FICA, and other payroll taxes. To collect the tax withholding, a “sell-to-cover” transaction will be executed, meaning a portion of the vested shares will be automatically sold to cover your tax obligation and any applicable commissions or fees.
- The remaining “net shares” will be deposited in your E*Trade account and will show as “sellable” within 2-3 days after the vest date.
- Example (*Hypothetical Stock Price when 100 shares vest = \$90.00*):
 - **\$9,000 Taxable Income** (Value of Shares on Vest Date = 100 vested shares X \$90.00 per share)
 - **\$3,600 Tax Obligation** (Assuming 40% for tax withholding/commission/fees)
 - 40 shares sold to cover taxes** (Shares sold to cover tax obligation = \$3,600 / \$90.00 per share)
 - 60 Net Shares Deposited** into your E*Trade account (100 vested shares minus 40 shares sold)
- The income and the taxes withheld will be included on your W-2 for the calendar year. Important: When filing your annual tax return with the IRS (for the vesting year of calendar year), be sure to include a completed Schedule D for the sale of stock.

What happens if I leave the Company before the RSUs vest?

- Any unvested RSUs at the time of separation will be forfeited.

Who can I call if I have questions about my E*Trade Account?

- You can call E*Trade’s participant support line at 1-800-838-0908 for assistance with your E*Trade account.