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JACK IN THE BOX INC /NEW/
Form DEF 14A
January 09, 2004

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange
Act of 1934

Filed by the Registrant

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.240.14a-12

JACK IN THE BOX INC.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Paying of Filing Fee (Check the appropriate box):

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- (1) Amount Previously Paid:
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(4) Date Filed:

[LOGO]JACK IN THE BOX INC.

January 9, 2004

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Jack in the Box Inc. to be held at 2:00 p.m. on Friday, February 13, 2004, at the Marriott Mission Valley, 8757 Rio San Diego Drive, San Diego, California.

We hope you will attend in person. If you plan to do so, please indicate in the space provided on the enclosed proxy. Whether you plan to attend the meeting or not, we encourage you to read this Proxy Statement and vote your shares. Please sign, date and return the enclosed proxy as soon as possible in the postage-paid envelope provided, or if indicated on your proxy card, vote by telephone or Internet. This will ensure representation of your shares in the event that you are unable to attend the meeting.

The matters expected to be acted upon at the meeting are described in detail in the attached Notice of Meeting and Proxy Statement.

The Directors and Officers of the Company look forward to meeting with you.

Sincerely,

ROBERT J. NUGENT

Robert J. Nugent
Chairman of the Board

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JACK IN THE BOX INC.
9330 Balboa Avenue
San Diego, California 92123

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on February 13, 2004

The 2004 Annual Meeting of Stockholders of Jack in the Box Inc. will be held at 2:00 p.m. on Friday, February 13, 2004, at the Marriott Mission Valley, 8757 Rio San Diego Drive, San Diego, California.

The meeting will be held to vote upon the following proposals:

1. To elect nine directors to serve until the next Annual Meeting of Stockholders and until their successors are elected and qualified;
2. To approve the 2004 Stock Incentive Plan;
3. To ratify the appointment of KPMG LLP as independent auditors; and
4. To act upon such other matters as may properly come before the meeting, or any postponements or adjournments thereof.

Only stockholders of record at the close of business on December 19, 2003 will be entitled to vote at the meeting.

By order of the Board of Directors

LAWRENCE E. SCHAUF

Lawrence E. Schauf
Secretary

San Diego, California
January 9, 2004

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JACK IN THE BOX INC.
9330 Balboa Avenue
San Diego, California 92123

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
February 13, 2004

SOLICITATION OF PROXIES

This Proxy Statement is furnished in connection with the solicitation of proxies. The Board of Directors of Jack in the Box Inc., a Delaware corporation (the "Company"), is soliciting proxies for use at the 2004 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held at 2:00 p.m. on Friday, February 13, 2004, at the Marriott Mission Valley, 8757 Rio San Diego Drive, San Diego, California, or any postponements or adjournments thereof. This Proxy Statement, form of proxy, and the accompanying Annual Report to Stockholders and Annual Report on Form 10-K were mailed to stockholders on or about January 9, 2004.

The Company will pay for the cost of preparing, assembling and mailing the Notice of Annual Meeting of Stockholders, Proxy Statement and form of proxy. We have engaged D.F. King & Co., Inc. ("D.F. King") to assist us in the solicitation of proxies, for which the Company will pay a fee not to exceed \$5,500 plus out-of-pocket expenses. In addition to solicitation by mail, proxies may be solicited personally, by telephone or other means by D.F. King, as well as by directors, officers or employees of the Company, who will receive no additional compensation for such services.

VOTING INFORMATION

We have fixed the close of business on December 19, 2003 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. On that date, there were 36,306,431 shares of Jack in the Box Inc. Common Stock, \$.01 par value (the "Common Stock"), outstanding, excluding treasury shares. Company treasury shares will not be voted. You are entitled to one vote for each share you own on any matter that may be properly presented for consideration and action by stockholders at the meeting.

The presence, in person or by proxy, of the holders of at least a majority of the total number of shares of Common Stock entitled to vote, is necessary to have a quorum at the Annual Meeting. Abstentions and broker non-votes (i.e., shares held by brokers or nominees that the broker or nominee does not have discretionary power to vote on a particular matter, and as to which instructions have not been received from the beneficial owners or persons entitled to vote) are counted for the purpose of determining whether a quorum is present. If there are insufficient votes to constitute a quorum at the time of the Annual Meeting, we may adjourn the Annual Meeting to solicit additional proxies.

A director will be elected by a plurality of the votes present or represented by proxy. A majority of the votes present or represented by proxy will be required to approve the 2004 Stock Incentive Plan and to ratify the appointment of KPMG LLP as independent auditors of the Company for the 2004 fiscal year.

With regard to the election of directors, your vote may be cast in favor of the proposed directors or withheld. Votes that are withheld will be excluded

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entirely from the vote and will have no effect. Abstentions may be specified on all proposals, other than the election of directors, and will be counted as present for purposes of the item on which the abstention is voted. Therefore, such abstentions will have the effect of a negative vote. Broker non-votes are not counted for purposes of determining whether a proposal has been approved and, therefore, have the effect of reducing the number of votes required to achieve a majority of the votes cast for such proposal.

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Your proxy will be voted as you direct, either in writing or by telephone or Internet. If you give no direction, your proxy will be voted FOR management's nominees for election as directors and FOR Proposals 2 and 3. The enclosed proxy gives discretionary authority as to any matters not specifically referred to therein. See "Other Business". The telephone and Internet voting procedures, available only if you are a stockholder of record, are designed to authenticate your identity, to allow you to vote your shares and to confirm that your instructions have been properly recorded. The enclosed proxy card sets forth specific instructions that you must follow if you qualify to vote via telephone or Internet and wish to do so. You may revoke your proxy at any time before it is voted at the Annual Meeting by giving written notice of revocation to the Secretary of the Company, by filing a duly executed written proxy bearing a later date or, if you qualify, by a later proxy delivered using the telephone or Internet voting procedures. Your proxy will not be voted if you are present at the Annual Meeting and elect to vote in person.

PROPOSAL ONE - ELECTION OF DIRECTORS

The nine directors of the Company are elected annually and serve until the next Annual Meeting and until their successors are elected and qualified. The current nominees for election as directors are set forth below. Should any nominee become unavailable to serve as a director, your proxy will be voted for such other person as the Board of Directors of the Company (the "Board") designates. To the best of our knowledge, all nominees are and will be available to serve. Stockholders' nominations for election of a director may be made only pursuant to the provisions of the Company's Bylaws, described under "Other Business".

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES.

Nominees for Director

The following table provides certain information about each of management's nominees for director as of January 1, 2004:

Name	Age	Position(s) with the Company	Director Since
Michael E. Alpert (4) (5).....	61	Director	1992
Edward W. Gibbons (3) (4).....	67	Director	1985
Anne B. Gust (2) (5).....	45	Director	2003
Alice B. Hayes, Ph.D. (2) (5).....	66	Director	1999
Murray H. Hutchison (1) (2).....	65	Director	1998
Linda A. Lang.....	45	President, Chief Operating Officer and Director	2003
Michael W. Murphy (1) (2).....	46	Director	2002
Robert J. Nugent (3).....	62	Chairman of the Board and Chief Executive Officer	1988
L. Robert Payne (1) (3) (4).....	70	Director	1986

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- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Executive Committee.
- (4) Member of the Finance Committee.
- (5) Member of the Nominating and Governance Committee.

The business experience, principal occupations and employment of the nominees follows:

Mr. Alpert has been a director of the Company since August 1992 and is Chairman of the Nominating and Governance Committee. Mr. Alpert was a partner in the San Diego office of the law firm of Gibson, Dunn & Crutcher LLP for more than five years prior to his retirement in August 1992. He is currently Advisory Counsel to Gibson, Dunn & Crutcher LLP, although he no longer provides services to the firm. Gibson, Dunn & Crutcher LLP provides legal services to us from time-to-time.

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Mr. Gibbons has been a director of the Company since October 1985 and has been the President of Gibbons & Co. Inc., an investment banking firm, for one year. Prior to his appointment to President of Gibbons & Company Inc., he was a general partner of the investment banking firm Gibbons, Goodwin, van Amerongen for more than five years. Mr. Gibbons is also a director of Robert Half International, Inc. and Summer Winds Garden Centers, Inc.

Ms. Gust has been a director of the Company since January, 2003. She has been Chief Administrative Officer of The Gap, Inc. since March 2000 and an Executive Vice President since September 1998. Prior to her appointment to Executive Vice President, she served as Senior Vice President, Legal and Corporate Administration.

Dr. Hayes has been a director of the Company since September 1999. She was the President of the University of San Diego from 1995 to 2003, and is now President Emerita. From 1989 to 1995, Dr. Hayes served as Executive Vice President and Provost of Saint Louis University. Previously, she spent 27 years at Loyola University of Chicago, where she served in various executive positions. Dr. Hayes is also a director of the Pulitzer Publishing Company, Con Agra, and Loyola University of Chicago.

Mr. Hutchison has been a director of the Company since May 1998 and is Chairman of the Compensation Committee. He served 24 years as Chief Executive Officer and Chairman of International Technology Corp., a large publicly traded environmental engineering firm, until his retirement in 1996. Mr. Hutchison is the Chairman of the Board of Research Design and the Huntington Hotel Corp. and serves as a director of Cadiz Inc., Senior Resource Corp., The Olson Company and Construction Bid Board.

Ms. Lang became a director of the Company effective November 7, 2003, when she was also promoted to President and Chief Operating Officer. She was Executive Vice President from July 2002 to November 2003, Senior Vice President, Marketing from May 2001 to July 2002, Vice President and Regional Vice President, Southern California Region from April 2000 to May 2001, Vice President, Marketing from March 1999 to April 2000 and Vice President, Products, Promotions and Consumer Research from February 1996 until March 1999. Ms. Lang has 16 years of experience with the Company in various marketing, finance and operations positions.

Mr. Murphy has been director of the Company since September 2002 and is Chairman of the Audit Committee. He has been President and CEO of Sharp

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HealthCare, San Diego's largest integrated health system, since April 1996. Prior to his appointment to President and CEO, Mr. Murphy served as Senior Vice President of Business Development and Legal Affairs. His career at Sharp began in 1991 as Chief Financial Officer of Grossmont Hospital, before moving to Sharp's system-wide role of Vice President of Financial Accounting and Reporting.

Mr. Nugent has been Chairman of the Board since February 2001 and is Chairman of the Executive Committee. He has been Chief Executive Officer since April 1996. Mr. Nugent assumed the title of President effective January 1, 2003 until November 7, 2003 upon Ms. Lang's promotion to President. He was President from April 1996 to February 2001 and Executive Vice President from February 1985 to April 1996. Mr. Nugent has 24 years of experience with the Company in various executive and operations positions.

Mr. Payne has been a director of the Company since August 1986 and is Chairman of the Finance Committee. He has been President and Chief Executive Officer of Multi-Ventures, Inc. since February 1976. Multi-Ventures, Inc. is a real estate development and investment company that is also the managing partner of the San Diego Mission Valley Hilton and the Red Lion Hanalei Hotel. He was a principal in the Company prior to its acquisition by its former parent, Ralston Purina Company, in 1968. Mr. Payne is also a director of Sharp Rees-Stealy Medical Center and director and Chairman of the Board of Sharp HealthCare.

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Committees of the Board of Directors

The Board of Directors has five standing committees as follows:

Audit Committee. The Audit Committee assists the Board of Directors in overseeing the integrity of the Company's financial reports; the Company's compliance with legal and regulatory requirements; the independent auditor's performance, qualifications and independence; and the performance of the Company's internal auditors. A detailed list of the Committee's functions is included in its charter, which is attached to this Proxy Statement as Exhibit A. The Audit Committee meets each quarter with the Company's independent auditor KPMG LLP ("KPMG"), the Company's Director of Internal Audit, and management, to review the Company's interim consolidated financial results before the publication of quarterly earnings press releases. The Audit Committee also meets separately each quarter with each of KPMG, management and the Director of Internal Audit. The Board of Directors has determined that all three members of the Audit Committee satisfy the financial literacy requirements of the New York Stock Exchange and that Michael W. Murphy qualifies as the "audit committee financial expert" as defined by Securities and Exchange Commission ("SEC") rules. The Audit Committee held six meetings in fiscal 2003.

Compensation Committee. The Compensation Committee assists the Board in discharging the Board's responsibilities relating to director, officer and executive compensation. The Compensation Committee evaluates the performance of the Chief Executive Officer; reviews and approves compensation for the Chief Executive Officer and executive officers of the Company; approves the adoption and amendment of incentive compensation and stock-related plans and the granting of stock options and restricted stock awards; makes recommendations to the Board regarding the compensation of directors; and reviews and makes recommendations to the Board regarding long range plans for management development and executive succession. The Compensation Committee is composed of four members, each of whom is independent as defined under applicable requirements of the New York Stock Exchange. The Compensation Committee held four meetings, including one

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telephonic meeting, in fiscal 2003.

Finance Committee. The Finance Committee assists the Board in advising and consulting with management concerning financial matters of importance to the Company. Topics considered by this Committee include the Company's capital structure, financing arrangements, stock repurchase programs, capital investment policies, oversight of the Company's pension and 401(k) plans, and the financial implications of major acquisitions and divestitures. The Finance Committee held five meetings in fiscal 2003.

Nominating and Governance Committee. The Nominating and Governance Committee assists the Board in identifying and recommending to the Board qualified candidates to become directors, including considering nominees properly submitted by stockholders (see "Other Business"); developing and recommending to the Board a set of corporate governance guidelines; providing oversight with respect to the evaluation of Board performance; and recommending to the Board director nominees for each Board committee. The Nominating and Governance Committee is composed of three members, each of whom is independent as defined under applicable requirements of the New York Stock Exchange. The Nominating and Governance Committee held seven meetings, including three telephonic meetings, in fiscal 2003.

Executive Committee. The Executive Committee is composed of three directors. The Committee is authorized to exercise all the powers of the Board in the management of the business and affairs of the Company while the Board is not in session. The Executive Committee met once during fiscal 2003 for the purpose of performing administrative functions between regularly scheduled meetings of the Board.

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Additional Information about the Board of Directors

A majority of the members of the Company's Board of Directors are independent as defined under applicable requirements of the New York Stock Exchange. In fiscal 2003, the Board of Directors held five meetings and acted twice by unanimous written consent. Each current director attended more than 75% of the aggregate number of the general meetings held and the meetings of committees on which such director served. Although the Company has no policy with regard to Board members' attendance at its annual meetings, it is customary for all Board members to attend. All but two Board members attended the Company's 2003 annual meeting of stockholders.

Directors who are also officers of the Company or its subsidiaries receive no additional compensation for their services as directors. The independent directors of the Company each receive compensation consisting of an \$18,000 annual retainer, \$2,000 for each Board meeting attended in person and \$1,000 for each committee meeting attended in excess of five. In addition, independent directors serving as a committee Chair also receive \$1,500 per fiscal year. All directors are reimbursed for out-of-pocket and travel expenses. No additional compensation is paid for written consent actions taken by the Board or committees. Under the Company's Deferred Compensation Plan for Non-Management Directors, each independent director may defer any portion or all of such above compensation. Amounts deferred under the plan's equity option are immediately converted to stock equivalents at the then-current market price of the Company's Common Stock and matched at a 25% rate by the Company. A director's stock equivalent account is distributed in cash, based upon the ending number of stock equivalents and the market value of the Company's Common Stock, at the conclusion of the director's service as a member of the Board. All of the

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independent directors have elected to defer all of their compensation pursuant to this plan.

Pursuant to the Company's Non-Employee Director Stock Option Plan, as amended (the "Director Plan"), each year each independent director also receives stock options to purchase a certain number of shares of the Company's Common Stock based on the relationship of each director's compensation to the fair market value of the stock, but limited to fewer than 10,000 shares in any fiscal year. During fiscal 2003, under the Director Plan, each independent director received stock options to purchase 7,500 shares of the Company's Common Stock at the fair market value on the date of grant.

Corporate Governance

The Board of Directors is committed to ethical business practices and believes that strong corporate governance is important to ensure that the Company is managed for the long-term benefit of its stockholders. The Company regularly monitors developments in the area of corporate governance and has implemented a number of best practices, including the following:

Corporate Governance Principles and Practices. The Company adopted Corporate Governance Principles and Practices in 1998, which are regularly reviewed by the Nominating and Governance Committee.

Code of Ethics. In 1998 the Company adopted a Code of Ethics applicable to all directors, officers and employees. The Company employs a full-time Director of Ethics, and has conducted more than 300 ethics training sessions for all levels of employees and officers. The Company also provides significant vendors with its Ethics Code of Conduct, as well as procedures for the communication of any concerns.

Procedures for the Receipt, Retention and Handling of Complaints. Since 1998 the Company has maintained procedures for the confidential, anonymous submission by employees of any complaints or concerns about the Company, including complaints regarding accounting, internal accounting controls or auditing matters.

Stock Ownership Guidelines. The Board has established ownership guidelines for senior officers as described in the Report of the Compensation Committee.

Meetings of Non-Management Directors. The non-management directors of the Company meet separately on a regular basis.

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Independence. In addition to meeting currently applicable New York Stock Exchange standards of independence, the Board has determined that the non-management directors, who comprise a majority of the Board, are independent under the new standards of independence of the New York Stock Exchange.

Additional information regarding Board Committees appears in the section of this Proxy titled "Committees of the Board of Directors". Stockholders may access the Company's Corporate Governance Principles and Practices, the current charters for the Audit, Compensation, and Nominating and Governance Committees, the Company's Code of Ethics and information regarding its procedures for reporting complaints or concerns about the Company in the Investors - Corporate Governance section of the Company's website at www.jackinthebox.com.

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PROPOSAL TWO - APPROVAL OF THE ADOPTION OF THE 2004 STOCK INCENTIVE PLAN

At the Annual Meeting, the stockholders will be asked to approve the Jack in the Box 2004 Stock Incentive Plan (the "2004 Plan"). The Board of Directors adopted the 2004 Plan on November 7, 2003, subject to its approval by stockholders.

The Board of Directors believes that the Company must offer a competitive equity incentive program if it is to continue to successfully attract and retain the best possible candidates for positions of responsibility within the Company. The Board of Directors expects that the 2004 Plan will be an important factor in attracting, retaining and rewarding the high caliber employees, consultants and directors essential to our success and in motivating these individuals to strive to enhance our growth and profitability. The proposed 2004 Plan is intended to ensure that the Company will continue to have available a reasonable number of shares to meet these goals.

The 2004 Plan is also designed to preserve the Company's ability to deduct in full for federal income tax purposes the compensation recognized by its executive officers in connection with certain awards granted under the 2004 Plan. Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally denies a corporate tax deduction for annual compensation exceeding \$1 million paid to the chief executive officer, or to any of the four other most highly compensated officers of a publicly held company. However, certain types of compensation, including performance-based compensation, are generally excluded from this deductibility limit. To enable compensation in connection with stock options, certain restricted stock grants, performance shares and performance units awarded under the 2004 Plan to qualify as "performance-based" within the meaning of Section 162(m), the 2004 Plan limits the sizes of such awards as further described below. While the Company believes that compensation in connection with such awards under the 2004 Plan generally will be deductible by the Company for federal income tax purposes, under certain circumstances, such as a change in control of the Company, compensation paid in settlement of performance share and performance unit awards may not qualify as "performance-based." By approving the 2004 Plan, the stockholders will be approving, among other things, eligibility requirements for participation in the 2004 Plan, financial performance measures upon which specific performance goals applicable to certain awards would be based, limits on the numbers of shares or level of compensation that could be made subject to certain awards, and the other material terms of the awards described below.

Summary of the 2004 Plan

The following summary of the 2004 Plan is qualified in its entirety by the specific language of the 2004 Plan, a copy of which is available to any stockholder upon written request.

General. The purpose of the 2004 Plan is to advance the interests of the Company by providing an incentive program that will enable the Company to attract and retain employees, consultants and directors upon whose judgment, interest and efforts the Company's success is dependent, and to provide them with an equity interest in the success of the Company in order to motivate superior performance. These incentives are provided through the grant of stock options (including indexed options), stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares and performance units.

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(1,250,000) of the authorized but unissued or reacquired shares of our Common Stock may be issued under the 2004 Plan. However, no more than two hundred fifty thousand (250,000) shares of this 2004 Plan reserve may be issued upon the exercise or settlement of any restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares and performance units. If any award expires, lapses or otherwise terminates for any reason without having been exercised or settled in full, or if shares subject to forfeiture or repurchase are forfeited or repurchased by the Company, any such shares that are reacquired or subject to such a terminated award will again become available for issuance under the 2004 Plan. Upon any stock dividend, stock split, reverse stock split, recapitalization or similar change in our capital structure, appropriate adjustments will be made to the shares subject to the 2004 Plan, to the award grant limitations and to all outstanding awards.

Administration. The 2004 Plan will be administered by the compensation or other committee of the Board of Directors duly appointed to administer the 2004 Plan, or, in the absence of such committee, by the Board of Directors. In the case of awards intended to qualify for the performance-based compensation exemption under Section 162(m) of the Code, administration must be by a compensation committee comprised solely of two or more "outside directors" within the meaning of Section 162(m). (For purposes of this summary, the term "Committee" will refer to either such duly appointed committee or the Board of Directors.) Subject to the provisions of the 2004 Plan, the Committee determines in its discretion the persons to whom and the times at which awards are granted, the types and sizes of such awards, and all of their terms and conditions. The Committee may, subject to certain limitations on the exercise its discretion required by Section 162(m), amend, cancel, renew, or grant a new award in substitution for, any award, waive any restrictions or conditions applicable to any award, and accelerate, continue, extend or defer the vesting of any award. However, the 2004 Plan forbids, without stockholder approval, the repricing of any outstanding stock option and/or stock appreciation right. The 2004 Plan provides, subject to certain limitations, for indemnification by the Company of any director, officer or employee against all reasonable expenses, including attorneys' fees, incurred in connection with any legal action arising from such person's action or failure to act in administering the 2004 Plan. The Committee will interpret the 2004 Plan and awards granted thereunder, and all determinations of the Committee will be final and binding on all persons having an interest in the 2004 Plan or any award.

Eligibility. Awards may be granted to employees, directors and consultants of the Company or any present or future parent or subsidiary corporations of the Company. Incentive stock options may be granted only to employees who, as of the time of grant, are employees of the Company or any parent or subsidiary corporation of the Company. As of September 28, 2003, the Company had approximately 45,730 employees, including 15 executive officers, and nine directors who would be eligible under the 2004 Plan.

Stock Options. Each option granted under the 2004 Plan must be evidenced by a written agreement between the Company and the optionee specifying the number of shares subject to the option and the other terms and conditions of the option, consistent with the requirements of the 2004 Plan. The exercise price of each option may not be less than the fair market value of a share of Common Stock on the date of grant. However, any incentive stock option granted to a person, who at the time of grant owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary corporation of the Company (a "Ten Percent Stockholder") must have an exercise price equal to at least 110% of the fair market value of a share of Common Stock on the date of grant. The exercise price of each indexed stock option, and the terms and adjustments which may be made to such an option, will be determined by the Committee in its sole discretion at the time of grant. On December 19, 2003, the closing price of the Company's Common Stock on the New York Stock Exchange was \$20.88 per share. Subject to appropriate adjustment in

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the event of any change in the capital structure of the Company, no employee may be granted in any fiscal year of the Company options which in the aggregate are for more than two hundred and fifty thousand (250,000) shares.

The 2004 Plan provides that the option exercise price may be paid in cash, by check, or in cash equivalent, by the assignment of the proceeds of a sale with respect to some or all of the shares being acquired upon the exercise of the option, to the extent legally permitted, by tender of shares of Common Stock owned by the optionee having a fair market value not less than the exercise price, by such other lawful consideration as approved by the Committee, or by any combination of these. Nevertheless, the Committee may restrict the forms of payment permitted in connection with any option grant. No option may be exercised unless the optionee has made adequate provision for federal, state, local and foreign taxes, if any, relating to the exercise of the option, including, if permitted or required by the Company, through the optionee's surrender of a portion of the option shares to the Company.

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Options will become vested and exercisable at such times or upon such events and subject to such terms, conditions, performance criteria or restrictions as specified by the Committee. The maximum term of any option granted under the 2004 Plan is ten years, provided that an incentive stock option granted to a Ten Percent Stockholder must have a term not exceeding five years. The Committee will specify in each written option agreement, and solely in its discretion, the period of post-termination exercise applicable to each option.

Stock options are nontransferable by the optionee, other than by will or by the laws of descent and distribution, and are exercisable during the optionee's lifetime only by the optionee. However, a nonstatutory stock option may be assigned or transferred to the extent permitted by the Committee and set forth in the option agreement.

Stock Appreciation Rights. Each stock appreciation right granted under the 2004 Plan must be evidenced by a written agreement between the Company and the participant specifying the number of shares subject to the award and the other terms and conditions of the award, consistent with the requirements of the 2004 Plan.

A stock appreciation right gives a participant the right to receive the appreciation in the fair market value of Company Common Stock between the date of grant of the award and the date of its exercise. The Company may pay the appreciation either in cash or in shares of Common Stock. The Committee may grant stock appreciation rights under the 2004 Plan in tandem with a related stock option or as a freestanding award. A tandem stock appreciation right is exercisable only at the time and to the same extent that the related option is exercisable, and its exercise causes the related option to be canceled. Freestanding stock appreciation rights vest and become exercisable at the times and on the terms established by the Committee. The maximum term of any stock appreciation right granted under the 2004 Plan is ten years. Subject to appropriate adjustment in the event of any change in the capital structure of the Company, no employee may be granted in any fiscal year of the Company stock appreciation rights which in the aggregate are for more than two hundred and fifty thousand (250,000) shares.

Stock appreciation rights are nontransferable by the participant, other than by will or by the laws of descent and distribution, and are exercisable during the participant's lifetime only by the participant.

Restricted Stock Awards. The Committee may grant restricted stock awards

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under the 2004 Plan either in the form of a restricted stock purchase right, giving a participant an immediate right to purchase Common Stock, or in the form of a restricted stock bonus, for which the participant furnishes consideration in the form of services to the Company. The Committee determines the purchase price payable under restricted stock purchase awards, which may be less than the then current fair market value of our Common Stock. Restricted stock awards may be subject to vesting conditions based on such service or performance criteria as the Committee specifies, and the shares acquired may not be transferred by the participant until vested. Unless otherwise provided by the Committee, a participant will forfeit any shares of restricted stock on which the restrictions have not lapsed prior to the participant's termination of service. Participants holding restricted stock will have the right to vote the shares and to receive any dividends paid, except that dividends or other distributions paid in shares will be subject to the same restrictions as the original award. Subject to appropriate adjustment in the event of any change in the capital structure of the Company, no employee may be granted in any fiscal year of the Company more than one hundred thousand (100,000) shares of performance-based restricted stock.

Restricted Stock Units. The Committee may grant restricted stock units under the 2004 Plan which represent a right to receive shares of Common Stock at a future date determined in accordance with the participant's award agreement. No monetary payment is required for receipt of restricted stock units or the shares issued in settlement of the award, the consideration for which is furnished in the form of the participant's services to the Company. The Committee may grant restricted stock unit awards subject to the attainment of performance goals similar to those described below in connection with performance shares and performance units, or may make the awards subject to vesting conditions similar to those applicable to restricted stock awards. Participants have no voting rights or rights to receive cash dividends with respect to restricted stock unit awards until shares of Common Stock are issued in settlement of such awards. However, the Committee may grant restricted stock units that entitle their holders to receive dividend equivalents, which are rights to receive additional restricted stock units for a number of shares whose value is equal to any cash dividends we pay. Subject to appropriate adjustment in the event of any change in the capital structure of the Company, no employee may be granted in any fiscal year of the Company more than one hundred thousand (100,000) restricted stock units on which the restrictions are based on performance criteria.

Performance Awards. The Committee may grant performance awards subject to such conditions and the attainment of such performance goals over such periods as the Committee determines in writing and sets forth in a written agreement between the Company and the participant. These awards may be designated as performance shares or performance units. Performance shares and performance units are unfunded bookkeeping entries generally having initial values, respectively, equal to the fair market value determined on the grant date of a share of Common Stock. Performance awards will specify a predetermined amount of performance shares or performance units that may be earned by the participant to the extent that one or more predetermined performance goals are attained within a predetermined performance period. To the extent earned, performance awards may be settled in cash, shares of Common Stock (including shares of restricted stock) or any combination thereof. Subject to appropriate adjustment in the event of any change in the capital structure of the Company, for each fiscal year of the Company contained in the applicable performance period, no employee may be granted performance shares that could result in the employee receiving more than one hundred thousand (100,000) shares of Common Stock or performance units that could result in the employee receiving more than one million dollars (\$1,000,000). A participant may receive only one performance award with respect

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to any performance period.

Prior to the beginning of the applicable performance period or such later date as permitted under Section 162(m) of the Code, the Committee will establish one or more performance goals applicable to the award. Performance goals will be based on the attainment of specified target levels with respect to one or more measures of business or financial performance of the Company and each parent and subsidiary corporation consolidated therewith for financial reporting purposes, or such division or business unit of the Company as may be selected by the Committee. The Committee, in its discretion, may base performance goals on one or more of the following such measures: sales, revenue, gross margin, operating margin, operating income, pre-tax profit, earnings before interest, taxes, depreciation and/or amortization, net income, cash flow, expenses, stock price, earnings per share, return on stockholders' equity, return on capital, return on assets, economic value added, number of customers, market share, same store sales, average restaurant margin, return on investment, profit after tax and customer satisfaction. The target levels with respect to these performance measures may be expressed on an absolute basis or relative to a standard specified by the Committee. The degree of attainment of performance measures will, according to criteria established by the Committee, be computed before the effect of changes in accounting standards, restructuring charges and similar unusual or extraordinary items occurring after the establishment of the performance goals applicable to a performance award.

Following completion of the applicable performance period, the Committee will certify in writing the extent to which the applicable performance goals have been attained and the resulting value to be paid to the participant. The Committee retains the discretion to eliminate or reduce, but not increase, the amount that would otherwise be payable to the participant on the basis of the performance goals attained. However, no such reduction may increase the amount paid to any other participant. In its discretion, the Committee may provide for the payment to a participant who is awarded performance shares of dividend equivalents with respect to cash dividends paid on the Company's Common Stock. Performance award payments may be made in lump sum or in installments. If any payment is to be made on a deferred basis, the Committee may provide for the payment of dividend equivalents or interest during the deferral period.

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Unless otherwise provided by the Committee, if a participant's service terminates due to the participant's death, disability or retirement prior to completion of the applicable performance period, the final award value will be determined at the end of the performance period on the basis of the performance goals attained during the entire performance period but will be prorated for the number of months of the participant's service during the performance period. If a participant's service terminates prior to completion of the applicable performance period for any other reason, the 2004 Plan provides that, unless otherwise determined by the Committee, the performance award will be forfeited. No performance award may be sold or transferred other than by will or the laws of descent and distribution prior to the end of the applicable performance period.

Change in Control. "Change of Control" is defined in the 2004 Plan. In brief, a Change of Control is an event, which changes the ownership of a majority of the voting securities of the Company. A Change of Control can occur upon (i) a sale or exchange, in a single or series of transactions, of more than 50% of the Company's voting stock; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company. If a Change in Control occurs, the surviving, continuing, successor or purchasing corporation or parent corporation thereof may either assume all

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outstanding awards or substitute new awards having an equivalent value.

In the event of a Change in Control and the outstanding stock options and stock appreciation rights are not assumed or replaced, then all unexercisable, unvested or unpaid portions of such outstanding awards will become immediately exercisable, vested and payable in full immediately prior to the date of the Change in Control.

In the event of a Change in Control, the lapsing of all vesting conditions and restrictions on any shares subject to any restricted stock award, restricted stock unit and performance award held by a participant whose service with the Company has not terminated prior to the Change in Control shall be accelerated effective as of the date of the Change in Control. For this purpose, the value of outstanding performance awards will be determined and paid on the basis of the greater of (i) the degree of attainment of the applicable performance goals prior the date of the Change in Control or (ii) 100% of the pre-established performance goal target.

Any award not assumed, replaced or exercised prior to the Change in Control will terminate. The 2004 Plan authorizes the Committee, in its discretion, to provide for different treatment of any award, as may be specified in such award's written agreement, which may provide for acceleration of the vesting or settlement of any award, or provide for longer periods of exercisability, upon a Change in Control.

Termination or Amendment. The 2004 Plan will continue in effect until the first to occur of (i) its termination by the Committee, (ii) the date on which all shares available for issuance under the 2004 Plan have been issued and all restrictions on such shares under the terms of the 2004 Plan and the agreements evidencing awards granted under the 2004 Plan have lapsed, or (iii) the tenth anniversary of the 2004 Plan's effective date. The Committee may terminate or amend the 2004 Plan at any time, provided that no amendment may be made without stockholder approval if the Committee deems such approval necessary for compliance with any applicable tax or securities law or other regulatory requirements, including the requirements of any stock exchange or market system on which the Common Stock of the Company is then listed. No termination or amendment may affect any outstanding award unless expressly provided by the Committee, and, in any event, may not adversely affect an outstanding award, without the consent of the participant, unless necessary to comply with any applicable law, regulation or rule.

Summary of U.S. Federal Income Tax Consequences

The following summary is intended only as a general guide to the U.S. federal income tax consequences of participation in the 2004 Plan and does not attempt to describe all possible federal or other tax consequences of such participation or tax consequences based on particular circumstances.

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Incentive Stock Options. An optionee recognizes no taxable income for regular income tax purposes as a result of the grant or exercise of an incentive stock option qualifying under Section 422 of the Code. Optionees who neither dispose of their shares within two years following the date the option was granted, nor within one year following the exercise of the option, will normally recognize a capital gain or loss equal to the difference, if any, between the sale price and the purchase price of the shares. If an optionee satisfies such holding periods upon a sale of the shares, the Company will not be entitled to any deduction for federal income tax purposes. If an optionee disposes of shares within two years after the date of grant, or within one year after the date of exercise (a "disqualifying disposition"), the difference between the fair market

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value of the shares on the determination date (see discussion under "Nonstatutory Stock Options" below) and the option exercise price (not to exceed the gain realized on the sale if the disposition is a transaction in which a loss, if sustained, would be recognized) will be taxed as ordinary income at the time of disposition. Any gain in excess of that amount will be a capital gain. If a loss is recognized, there will be no ordinary income, and such loss will be a capital loss. Any ordinary income recognized by the optionee upon the disqualifying disposition of the shares generally will be deductible by the Company for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code.

The difference between the option exercise price and the fair market value of the shares on the determination date of an incentive stock option (see discussion under "Nonstatutory Stock Options" below) is treated as an adjustment in computing the optionee's alternative minimum taxable income and may be subject to an alternative minimum tax which is paid if such tax exceeds the regular tax for the year. Special rules may apply with respect to certain subsequent sales of the shares in a disqualifying disposition, certain basis adjustments for purposes of computing the alternative minimum taxable income on a subsequent sale of the shares and certain tax credits which may arise with respect to optionees subject to the alternative minimum tax.

Nonstatutory Stock Options and Indexed Stock Options. Options not designated or qualifying as incentive stock options, or as indexed stock options, will be nonstatutory stock options having no special tax status. An optionee generally recognizes no taxable income as the result of the grant of such an option. Upon exercise of a nonstatutory stock option, the optionee normally recognizes ordinary income in the amount of the difference between the option exercise price and the fair market value of the shares on the determination date (as defined below). If the optionee is an employee, such ordinary income generally is subject to withholding of income and employment taxes. The "determination date" is the date on which the option is exercised, unless the shares are subject to a substantial risk of forfeiture (as in the case where an optionee is permitted to exercise an unvested option and receive unvested shares which, until they vest, are subject to the Company's right to repurchase them at the original exercise price upon the optionee's termination of service) and are not transferable, in which case the determination date is the earlier of (i) the date on which the shares become transferable or (ii) the date on which the shares are no longer subject to a substantial risk of forfeiture. If the determination date is after the exercise date, the optionee may elect, pursuant to Section 83(b) of the Code, to have the exercise date be the determination date by filing an election with the Internal Revenue Service no later than 30 days after the date the option is exercised. Upon the sale of stock acquired by the exercise of a nonstatutory stock option, any gain or loss, based on the difference between the sale price and the fair market value on the determination date, will be taxed as capital gain or loss. No tax deduction is available to the Company with respect to the grant of a nonstatutory stock option or the sale of the stock acquired pursuant to such grant. The Company generally will be entitled to a deduction equal to the amount of ordinary income recognized by the optionee as a result of the exercise of a nonstatutory stock option, except to the extent such deduction is limited by applicable provisions of the Code.

Restricted Stock Awards. A participant acquiring restricted stock generally will recognize ordinary income equal to the fair market value of the shares on the "determination date" (as defined above under "Nonstatutory Stock Options"). If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. If the determination date is after the date on which the participant acquires the shares, the participant may elect, pursuant to Section 83(b) of the Code, to have the date of acquisition be the determination date by filing an election with the Internal Revenue Service no later than 30 days after the date the shares are acquired. Upon the sale of

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shares acquired pursuant to a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value on the determination date, will be taxed as capital gain or loss. The Company generally should be entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

Performance and Restricted Stock Units Awards. A participant generally will recognize no income upon the grant of a performance share, performance units or restricted stock units award. Upon the settlement of such awards, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any nonrestricted shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. If the participant receives shares of restricted stock, the participant generally will be taxed in the same manner as described above (see discussion under "Restricted Stock"). Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value on the "determination date" (as defined above under "Nonstatutory Stock Options"), will be taxed as capital gain or loss. The Company generally will be entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

New Plan Benefits

No awards will be granted under the 2004 Plan prior to its approval by the stockholders of the Company. Awards under the 2004 Plan will be granted at the discretion of the Committee, and, accordingly, are not yet determinable. In addition, benefits under the 2004 Plan, will depend on a number of factors, including the fair market value of the Company's Common Stock on future dates, actual Company performance against performance goals established with respect to performance awards and decisions made by the participants. Consequently, it is not currently possible to determine the benefits that might be received by participants under the 2004 Plan.

Director Recommendation

The Board believes that the proposed adoption of the 2004 Plan is in the best interests of the Company and its stockholders for the reasons stated above.

THE BOARD RECOMMENDS A VOTE FOR APPROVAL OF THE ADOPTION OF THE 2004 PLAN.

EQUITY COMPENSATION TABLE

The following table summarizes the equity compensation plans under which Company Common Stock may be issued as of September 28, 2003. All plans were approved by stockholders of the Company.

	(a)	(b)	Number of remaining issuance un
	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	compensati (excluding reflected i

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Equity compensation plans approved by security holders.....	4,891,893	\$21.10	1,10
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REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors (the "Audit Committee") is composed of the three directors named below, each of whom is an "independent director" as defined in the applicable listing standards of the New York Stock Exchange. The duties of the Audit Committee are summarized in this Proxy Statement under "Committees of the Board of Directors" on page 5 and are more fully described in the Audit Committee charter adopted by the Board of Directors. The Audit Committee reviews and assesses the adequacy of its charter each fiscal year. The Audit Committee revised its charter, which was then approved by the Board of Directors, in September 2003. The revised charter is attached to this Proxy Statement as Exhibit A.

As more fully described in its charter, one of the Audit Committee's primary responsibilities is to assist the Board in its oversight of the integrity of the Company's financial reports. Management is responsible for the Company's accounting and financial reporting processes, internal controls and the preparation and integrity of the Company's consolidated financial statements. KPMG, the Company's independent auditing firm, is responsible both for performing an independent audit of the Company's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and expressing an opinion on the conformity of those audited consolidated financial statements with accounting principles generally accepted in the United States of America. Jack in the Box Inc. has a full time Internal Audit Department that reports to the Audit Committee and management, and is responsible for reviewing and evaluating the Company's internal controls. The function of the Audit Committee is not to duplicate the activities of management, or the internal or external auditors, but to serve a Board-level oversight role in which it provides advice, counsel, and direction to management and the auditors.

The Audit Committee has sole authority to select, evaluate and when appropriate, to replace the Company's independent auditors. The Audit Committee has appointed KPMG as the Company's independent auditors for fiscal year 2004 and has requested stockholder ratification of its appointment.

The Committee has reviewed and discussed with management and KPMG the disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2003. This review included a discussion with management and KPMG regarding the quality of the Company's accounting principles, the reasonableness of significant estimates and judgments, and the clarity and completeness of disclosure of the Company's consolidated financial statements. Management represented to the Audit Committee that the Company's consolidated financial statements, on which KPMG issued an unqualified opinion, were prepared in accordance with accounting principles generally accepted in the United States of America. The Committee discussed with KPMG, the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees", as amended. In addition, the Audit Committee received the written disclosures and the letter from KPMG required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," and discussed with KPMG its independence from the Company.

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The Committee has discussed with management and KPMG such other matters and received such assurances from them as the Committee deemed appropriate.

In reliance on the review and discussions referred to above, and the report of KPMG, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, the inclusion of the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2003 for filing with the SEC.

Michael W. Murphy, Chair
 Murray H. Hutchison
 L. Robert Payne

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PROPOSAL THREE - RATIFICATION OF THE APPOINTMENT
 OF INDEPENDENT AUDITORS

The Audit Committee has appointed the firm of KPMG LLP as the Company's independent auditor for fiscal year 2004. Although action by stockholders in this matter is not required, the Audit Committee believes it is appropriate to seek stockholder ratification of this appointment in light of the critical role played by the independent auditors in maintaining the integrity of Company financial controls and reporting.

KPMG has served as independent auditor for the Company since 1986. One or more representatives of KPMG will be present at the Annual Meeting and will have the opportunity to make a statement and to respond to appropriate questions from stockholders. The following proposal will be presented at the Annual Meeting:

Action by the Audit Committee appointing KPMG as the Company's independent auditor to conduct the annual audit of the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending October 3, 2004 is hereby ratified, confirmed and approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE

 APPOINTMENT OF KPMG LLP AS INDEPENDENT AUDITORS.

INDEPENDENT AUDITOR FEES AND SERVICES

The following table presents fees billed for professional services rendered by KPMG for the fiscal years ending September 28, 2003 and September 29, 2002.

	2003	2002
	-----	-----
Audit Fees (1).....	\$295,475	\$206,000
Audit Related Fees (2).....	81,800	46,250
Tax Fees (3).....	500	250
All Other Fees.....	0	0
	-----	-----
KPMG Total Fees.....	\$377,775	\$252,500
	=====	=====

(1) Audit fees represent fees billed by KPMG for professional services

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rendered for the audit of the Company's annual consolidated financial statements and for the reviews of the consolidated financial statements included in the Company's Form 10-Q filings for each fiscal year.

(2) These fees consist of assurance and services performed by KPMG that are reasonably related to the performance of the audit or review of the Company's financial statements. This category includes: employee benefit and compensation plan audits; due diligence related to mergers and acquisitions; attestations by KPMG that are not required by statute or regulation; and consulting on financial accounting/reporting standards.

(3) Tax fees consist of aggregate fees billed for professional services rendered by KPMG for tax compliance, tax advice and tax planning.

Auditor Independence. The Audit Committee has considered whether the provision of the above noted services is compatible with maintaining the principal auditor's independence and has determined that the provision of such services has not adversely affected the auditor's independence.

Policy on Audit Committee Pre-Approval. The Company and its Audit Committee are committed to ensuring the independence of the independent auditor, both in fact and in appearance. In this regard, the Audit Committee has established a pre-approval policy in accordance with applicable Securities rules. The Audit Committee's pre-approval policy is set forth in the Policy for the Audit Committee Pre-Approval of Services, included as Exhibit B to this Proxy Statement.

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EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation of the Company's chief executive officer and the other four most highly compensated executive officers of the Company for services in all capacities to the Company and its subsidiaries during the fiscal years indicated. Bonus amounts were earned during the year and paid shortly thereafter.

Name and Principal Position(s)	Year	Annual Compensation			Long-Term Compensation	
		Salary (\$)	Bonus (\$)	Other (\$)(1)	Restricted Stock Awards (\$)(2)	Securities Underlying Options
Robert J. Nugent..... Chairman of the Board and Chief Executive Officer	2003	756,923	0	21,482	0	170,000
	2002	720,000	437,400	21,080	0	113,000
	2001	677,539	174,225	22,850	0	59,600
Linda A. Lang..... President, Chief Operating Officer and Director	2003	400,000	0	12,091	1,152,250	40,900
	2002	311,546	192,000	12,385	0	20,000
	2001	253,308	66,269	12,153	0	13,000
John F. Hoffner(4)..... Executive Vice President and Chief Financial Officer	2003	397,539	0	12,092	1,152,250	40,900
	2002	381,923	184,320	101,298	0	45,000
	2001	36,058	50,000	1,385	0	40,000
Paul L. Schultz.....	2003	387,000	0	12,919	0	35,000

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Senior Vice President, Operations and Franchising	2002	372,308	161,680	12,510	0	27,0
	2001	354,692	72,540	12,216	0	22,9
Lawrence E. Schauf.....	2003	318,308	0	12,111	1,047,500	42,6
Executive Vice President and Secretary	2002	306,923	148,320	12,486	0	19,0
	2001	297,231	60,600	30,464	0	24,3

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- (1) Other annual compensation includes an annual car allowance for each person of approximately \$12,000. Mr. Nugent's other annual compensation also included \$9,482, \$9,080 and \$10,450 in 2003, 2002 and 2001, respectively, for supplemental health insurance. Mr. Hoffner's other annual compensation also included \$88,903 for reimbursed moving expenses in 2002. Mr. Schauf's other annual compensation also included \$20,328 in 2001 for reimbursed moving expenses.
 - (2) Represents the grant of stock awards under which Ms. Lang, Mr. Hoffner and Mr. Schauf were issued 55,000, 55,000 and 50,000 shares of common stock, respectively, subject to continued employment. The value of the restricted stock awards was determined by multiplying the total shares held by each executive by the closing price on the date of grant, November 8, 2002, which was \$20.95. At September 28, 2003, the value of these restricted stock awards was \$938,850, \$938,850 and \$853,500, respectively, based on the closing price of the Company's Common Stock on the last trading day prior to the end of the Company's fiscal year (\$17.07).
 - (3) All other compensation represents the Company's matching contributions to the Deferred Compensation Plan and approximately \$1,400 annually for each person, for premiums on term life insurance paid by the Company for the benefit of the named executive officer. The Company has no interest in such insurance policies.
 - (4) Mr. Hoffner joined the Company on August 27, 2001 as Executive Vice President and Chief Financial Officer at an annual salary of \$375,000.

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Stock Option Grants in Fiscal 2003

Set forth below is information with respect to options granted to the named executive officers in the Summary Compensation Table during fiscal year 2003.

Name	Number of Securities Underlying Options/SARs Granted (#) (1)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share)	Expiration Date	Potential at Assumption of Stock Price for 5%
Robert J. Nugent.....	170,000	20.6%	20.95	11/08/2012	\$2,239,
Linda A. Lang.....	40,900	5.0%	20.95	11/08/2012	538,
John F. Hoffner.....	40,900	5.0%	20.95	11/08/2012	538,
Paul L. Schultz.....	35,000	4.2%	20.95	11/08/2012	461,
Lawrence E. Schauf.....	42,600	5.2%	20.95	11/08/2012	561,

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- (1) Beginning one year from the date of grant, 25% of the total number of shares subject to the option will become exercisable annually.
 - (2) These amounts represent certain assumed rates of appreciation only, based on SEC rules. Actual gains, if any, on stock option exercises are dependent on the future performance of the Common Stock, overall market conditions and the option holder's continued employment through the vesting period. The appreciation amounts reflected in this table may not necessarily be achieved.

Option Exercises in Fiscal 2003 and Fiscal Year-End Values

Set forth below is information with respect to options exercised by the named executive officers in the Summary Compensation Table during fiscal year 2003, and the number and value of unexercised stock options held by the named executive officers at the end of the fiscal year.

Name	Shares Acquired on Exercise(#)	Value Realized	Number of Securities Underlying Unexercised Options/SARs Held at Fiscal Year-End		Value of Unexe Money Opti Fiscal Y
			----- Exercisable	----- Unexercisable	
Robert J. Nugent.....	0	\$ 0	261,860	324,040	\$775,750
Linda A. Lang.....	0	0	49,058	70,500	110,631
John F. Hoffner.....	0	0	25,000	100,900	0
Paul L. Schultz.....	0	0	114,980	80,420	556,930
Lawrence E. Schauf.....	0	0	59,380	84,220	0

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- (1) Based on the difference between the exercise price of the options and the closing price of the Company's Common Stock on the last trading day prior to the end of the Company's fiscal year ended September 28, 2003 (\$17.07).

Pension Plan Table

Retirement Plan. The Company maintains a retirement plan (the "Retirement Plan"), which was adopted effective October 21, 1985, restated effective January 1, 2001 and amended June 7, 2002 and December 31, 2002. The Retirement Plan is a defined benefit plan covering eligible employees employed in an administrative, clerical, or restaurant hourly capacity who have completed one year of service with at least 1,000 hours of service and reached age 21. The Retirement Plan provides that a participant retiring at age 65 will receive an annual retirement benefit equal in amount to one percent of Final Average Pay multiplied by Benefit Service plus .4% of Final Average Pay in excess of Covered Compensation multiplied by Benefit Service, subject to grandfathered minimum benefit accruals under the previous plan as of December 31, 1998. The .4% portion of the calculation is limited to a maximum of 35 years of service. The Employee Retirement Income Security Act of 1974 ("ERISA") and various tax laws may cause a reduction in the annual retirement benefit payable under the Retirement Plan. (The preceding capitalized terms are defined in the Retirement Plan.)

Although normal retirement age is 65, benefits may begin as early as age 55 if participants meet the service requirements defined in the Retirement Plan.

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Benefits payable are reduced for early commencement.

Supplemental Retirement Plan. In 1990, the Company established a non-qualified supplemental retirement plan for selected executives, known as the Supplemental Executive Retirement Plan, which was amended and restated effective May 8, 2001. The plan provides for a percentage of replacement income based on Service and Final Average Compensation (each as defined in the plan). The target replacement income from all Company funded sources, based upon a maximum of 20 full years of service, is 60% of Final Average Compensation. For those executives who have served fewer than 20 years, the target percentage of 60% is reduced by applying a factor determined by dividing the number of years of actual service by 20. The plan is unfunded and represents an unsecured claim against the Company.

EasySaver Plus Plan. In 1985, the Company adopted the Jack in the Box Inc. Savings Investment Plan, currently named the Jack in the Box Inc. EasySaver Plus Plan (the "E\$P"), which was amended and restated effective January 1, 2001, and amended June 7, 2002 and December 31, 2002. The E\$P includes a cash-or-deferred arrangement under Section 401(k) of the Internal Revenue Code. Eligible employees who have completed at least one year of service with a minimum of 1,000 hours of work and who have reached age 21 qualify for the E\$P. Participants in the E\$P may defer up to 30% of their pay on a pre-tax basis, subject to annual limits established by the Internal Revenue Service. In addition, the Company contributes on a participant's behalf 50% of the first 4% of compensation that is deferred by the participant.

Deferred Compensation Plan. Since 1989, all executive officers and certain other members of management have been excluded from participation in the E\$P. In 1990, the Company created for these individuals a non-qualified deferred compensation plan known as the Executive Deferred Compensation Plan. Participants in the plan may defer up to 50% of base and up to 100% (less applicable taxes) of bonus pay. The Company contributes on a participant's behalf 100% of the first 3% of compensation that is deferred by the participant. Benefits under this plan also include an earnings component based upon theoretical investment options designated by the Administrative Committee and selected by the participant. The plan is unfunded, and participants' accounts represent unsecured claims against the Company.

Summary of Retirement and Other Deferred Benefits. The following table shows estimated annual benefits payable to participants as a straight life annuity. The benefits are derived from some or all of the following Company funded sources: Retirement Plan, Company contributions to the E\$P, Company contributions to the Deferred Compensation Plan and Supplemental Retirement Plan.

Estimated Annual Benefits Based on Years of Service			
Average Annual Earnings	10	15	20
\$ 100,000.....	\$ 30,000	\$ 45,000	\$ 60,000
200,000.....	60,000	90,000	120,000
300,000.....	90,000	135,000	180,000
400,000.....	120,000	180,000	240,000
500,000.....	150,000	225,000	300,000
600,000.....	180,000	270,000	360,000
800,000.....	240,000	360,000	480,000
1,000,000.....	300,000	450,000	600,000
1,200,000.....	360,000	540,000	720,000
1,300,000.....	390,000	585,000	780,000

At September 28, 2003, the number of years of service under the retirement

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plans for Messrs. Nugent, Hoffner, Schultz and Schauf, and Ms. Lang was 24, 2, 28, 7 and 16, respectively, and the amount of eligible compensation for each of these individuals approximates the amounts reflected as salary and bonus in the Summary Compensation Table.

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Severance Arrangements

The Company has entered into compensation and benefits assurance agreements with certain of our senior executives, including Messrs. Nugent, Hoffner, Schultz and Schauf, and Ms. Lang, for the payment of certain compensation and the provision for certain benefits in the event of termination of employment following a change in control of the Company. The agreements with Messrs. Nugent, Schultz and Schauf had an initial term expiring on September 29, 1998, and the agreements with Mr. Hoffner and Ms. Lang had an initial term expiring on August 26, 2003 and July 2, 2004, respectively. These agreements are automatically extended for additional two-year terms thereafter, unless a minimum of six-months written notice is given to the contrary. If there is a "change of control" (as defined in the agreements) during the term of any such agreement, the executive will be entitled to receive the payments and benefits specified in the event that employment is terminated within 24 months thereafter: (i) involuntarily, without cause or (ii) voluntarily for "good reason" (as defined in the agreements). Amounts payable under each agreement include all amounts earned by the employee prior to the date of termination and a multiple of the employee's annual base salary, bonus and the Company's matching contributions to the Deferred Compensation Plan. In the case of Messrs. Nugent, Hoffner, Schultz and Schauf, and Ms. Lang, the applicable multiples are 2.5, 2.5, 1.5, 2.5 and 2.5, respectively. In addition, the agreements provide for the continuation of health insurance benefits for a period of up to 18 months following termination and certain incidental benefits.

Compensation of Directors

The independent directors of the Company receive compensation for their services as described in the section of this Proxy Statement captioned "Additional Information about the Board of Directors".

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee, Anne B. Gust, Alice B. Hayes, Murray H. Hutchison and Michael W. Murphy are outside directors and do not have compensation committee interlocks.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The Compensation Committee assists the Board in discharge of the Board's responsibilities relating to compensation of the directors, officers and executives of the Company. The Compensation Committee is comprised of the four directors named below. The Board has determined that all members of the Compensation Committee are (i) independent as defined under applicable requirements of the New York Stock Exchange, (ii) non-employees within the meaning of Rule 16b-3 of the Securities Exchange Act and (iii) "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code. The Compensation Committee administers the Company's executive compensation program and reviews succession planning and leadership development processes. The Compensation Committee reviews and approves salaries and other compensation of executive officers and reviews and recommends to the Board for approval, compensation strategies, plans and policies, including short and long-term incentive compensation plans, and employee welfare benefit plans.

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The Chief Executive Officer ("CEO") recommends, based on the Company's performance evaluation policies and procedures, the compensation to be paid to executive officers other than himself; final determination of the amount of compensation rests with the Compensation Committee. The CEO does not participate in discussions about his compensation matters or in the making of recommendations about his compensation. The Compensation Committee reviews and approves the compensation of the CEO according to established performance evaluation guidelines and competitive survey data. The Board of Directors reviews the Compensation Committee's report to ensure that the CEO is providing the best leadership for the Company. To assist it in making its determination, the Compensation Committee regularly retains the services of third party compensation consultants.

Compensation Philosophy

The objectives of the Company's executive compensation program are to (a) attract, motivate and retain highly competent executives by providing total compensation that is competitive with compensation at other companies in general industry and the restaurant industry, (b) provide incentives for achieving the Company's short-term and long-term goals, and (c) align the financial interests of the Company's executives with those of its stockholders.

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The Compensation Committee reviews total compensation (base salary plus annual bonus) to general industry and restaurant industry companies of similar financial and/or operational scope, which may not be identical to the Restaurant Peer Group included in the Performance Graph on page 22. The Company's programs are designed to deliver salary, incentive compensation, and benefits that approximate the median comparison level of the market. Incentive compensation is based upon the financial performance of the Company. Survey information and compensation targets are reviewed by a third party compensation consulting firm, Towers Perrin.

The Company's executive officer compensation program is comprised of base salary, bonus opportunity, long-term incentive compensation and other benefits such as health insurance.

Base Salary

It is the Company's objective to maintain base salaries that approximate the median level of compensation paid to senior executives with comparable qualifications, experience and responsibilities at other companies engaged in the same or similar business. Salary ranges and individual salaries for executives are reviewed annually. In approving individual salaries, the Committee considers job responsibilities, individual performance, business results, labor market conditions, the Company's budget guidelines and current compensation as compared to market practice.

Annual Incentive

The purpose of the Performance Bonus Plan is to encourage high levels of performance and the loyalty of certain key employees, executives and officers of the Company and its affiliates, by providing incentives, which are aligned with Company performance. The Performance Bonus Plan provides for a bonus as a percent of base salary, which is dependent upon the Company's performance level achieved, and the job classification of the individual. No payout occurs unless the Company achieves certain threshold performance objectives. Based on the failure to achieve the thresholds set for fiscal 2003, no performance bonus amounts were paid to the named executives for fiscal 2003 as reflected in the

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Summary Compensation Table.

Long-Term Incentive Plans

The 2002 Stock Incentive Plan (the "2002 Plan,") approved by stockholders in February 2002, has formed the basis for the Company's long-term incentive plan for officers and key management employees. The proposed 2004 Stock Incentive Plan is intended to replace the 2002 Plan. The purpose of this plan is to furnish an incentive to key employees, executives and officers of the Company, its subsidiaries and affiliates to increase profits, promote retention, and provide an opportunity to acquire equity in the Company based on Company financial performance. Additionally, during 2003 a greater emphasis was placed on stock ownership by executive officers through awards of restricted stock as part of certain officers' annual long-term incentive compensation. The restricted stock will not be distributed until retirement or termination from the Company. Upon retirement or termination, the number of restricted stock shares vested will be determined based on years of service of the individual as of the date of such retirement or termination. Restricted stock will be subject to forfeiture in the case of termination of employment under certain circumstances. Awards will become vested, either partially or completely, and shares of common stock of the Company released from an escrow account maintained by the Company only upon retirement or termination. The Compensation Committee believes this program will further align the interests of these officers with those of the stockholders and will also further encourage their retention.

Stock Ownership Guidelines

In keeping with its belief that companies should align the financial interests of executives to those of stockholders, the Board has established stock ownership guidelines. Under these guidelines, the officers (Senior Vice Presidents and above) are expected to own Jack in the Box Inc. common stock valued at between one and five times their individual base salary amounts, depending on their position in the Company.

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Section 162(m)

Compensation decisions for executive officers are made with full consideration of the Internal Revenue Code Section 162(m) implications. Section 162(m) limits the deductibility of compensation paid to certain executive officers in excess of \$1.0 million, but excludes "performance-based" compensation from this limit. The Company's Performance Bonus Plan and its Stock Incentive Plans are intended to qualify under Section 162(m).

2003 Stock Option Grants

During fiscal 2003, options to purchase the following amounts of the Company's common stock were granted to Messrs. Nugent, Hoffner, Schultz, and Schauf and Ms. Lang: 170,000; 40,900; 35,000; 42,600 and 40,900 shares, respectively. All options were granted at 100% of the market price of the Company's common stock on the date of grant. Beginning one year from the date of grant, 25% of the total number of shares subject to the option will become exercisable annually. Options serve to directly align the interests of executives, including the CEO, with stockholder interests, since such executives will not realize a benefit unless and until the market price of the Company's common stock increases.

2003 Restricted Stock Grants

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During fiscal 2003, the following amounts of restricted stock were granted to Messrs. Hoffner and Schauf, and Ms. Lang: 55,000, 50,000 and 55,000 shares of common stock, respectively. The restricted stock is subject to continued employment and vests upon termination, subject to certain requirements, or retirement. In the event of a change of control of the Company, the restricted stock is considered 100% vested.

CEO Compensation

Mr. Nugent became Chairman of the Board on February 23, 2001 and has been Chief Executive Officer of the Company since April 1, 1996. His base salary as of November 25, 2002, was increased approximately 4.5% over his previous base salary in order to maintain his salary at approximately the mid-range of competitive market practice. An annual cash incentive award is payable to Mr. Nugent if the Company achieves or exceeds specified earnings and return on investment goals. Based on the Company's financial performance in fiscal 2003, Mr. Nugent received no incentive compensation.

Murray H. Hutchison, Chair
Anne B. Gust
Alice B. Hayes
Michael W. Murphy

This report is not deemed to be incorporated by reference in any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this report by reference.

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PERFORMANCE GRAPH

The following graph compares the cumulative return to holders of the Company's Common Stock at September 30th of each year to the yearly weighted cumulative return of a Restaurant Peer Group Index and to the Standard & Poor's ("S&P") 500 Index for the same period. The comparison assumes \$100 was invested on September 30, 1998 in the Company's Common Stock and in each of the comparison groups, and assumes reinvestment of dividends. The Company paid no dividends during these periods.

[A LINE GRAPH CHART WAS INCLUDED HEREIN WHICH GRAPHICALLY REFLECTED THE FOLLOWING DATA]

	1998	1999	2000	2001	2002	2003
Jack in the Box Inc.....	\$100	\$159	\$137	\$178	\$145	\$113
S&P 500 Index	100	128	145	106	84	105
Restaurant Peer Group (1).....	100	99	86	119	131	166

(1) The Restaurant Peer Group Index is comprised of the following companies: Applebee's International, Inc.; Bob Evans Farms, Inc.; Brinker International, Inc.; CBRL Group, Inc.; CKE Restaurants, Inc.; Luby's, Inc.; Papa John's International, Inc.; Ruby Tuesday, Inc.; Ryan's Family Steakhouse, Inc. and Sonic Corp.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 12, 2003, information with respect to beneficial ownership of voting securities of the Company by (i) each person who is known to us to be the beneficial owner of more than 5% of any class of the Company's voting securities, (ii) each director and nominee for director of the Company, (iii) each executive officer listed in the Summary Compensation Table herein and (iv) all directors and executive officers of the Company as a group. Each of the following stockholders has sole voting and investment power with respect to shares beneficially owned by such stockholder, except to the extent that authority is shared with spouses under applicable law, or as otherwise noted.

Name	Number of Shares of Common Stock Beneficially Owned(1)	Percent of Class(1)
Fidelity Investments (2).....	5,401,500	14.9%
Barclays Global Investors, N.A. (3).....	2,583,431	7.1%
Robert J. Nugent.....	853,271	2.3%
Edward W. Gibbons (4).....	440,836	1.2%
Paul L. Schultz.....	177,735	*
Lawrence E. Schauf.....	137,730	*
Linda A. Lang.....	122,943	*
L. Robert Payne.....	120,240	*
John F. Hoffner.....	99,225	*
Michael E. Alpert.....	78,600	*
Murray H. Hutchison.....	36,100	*
Alice B. Hayes.....	28,100	*
Michael W. Murphy.....	7,500	*
Anne B. Gust.....	0	*
All directors and executive officers as a group (22 persons).....	2,441,693	6.5%

* Less than one percent

- (1) For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares as of a given date which such person has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by each person or group of persons named above on a given date, any security which such person or persons has the right to acquire within 60 days after such date is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Messrs. Nugent, Gibbons, Schultz, Schauf, Payne, Hoffner, Alpert, Hutchison and Murphy, and Ms. Lang and Dr. Hayes have the right to acquire through the exercise of stock options within 60 days of the above date, 348,500, 76,100, 137,390, 82,730, 76,100, 44,225, 76,100, 36,100, 7,500, 67,943 and 26,100, respectively, of the shares reflected above as beneficially owned. As a group, all directors and executive officers have the right to acquire through the exercise of stock options within 60 days of the above date 1,222,279 of the shares reflected above as beneficially owned. In addition, the shares reflected as beneficially owned by Messrs. Schauf and Hoffner, and Ms. Lang include 50,000, 55,000 and 55,000 shares, respectively, for restricted stock awards. As a group, the shares reflected as beneficially owned by all directors and executive officers include 242,600 shares for restricted stock awards. Restricted stock shares may be voted by such

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executive officers; however, the shares are not available for sale or other disposition until the expiration of vesting restrictions upon retirement or termination.

- (2) FMR Corp., on behalf of certain of its direct and indirect subsidiaries, Fidelity Management & Research Company, FMR Co., Inc. and Fidelity Management Trust Company, indirectly held and had investment discretion with respect to 5,401,500 shares as of November 30, 2003. Fidelity Management & Research Company and FMR Co., Inc. were the beneficial owners of 5,298,900 shares and Fidelity Management Trust Company was the beneficial owner of 102,600 shares. The address of Fidelity Management & Research Company, FMR Co., Inc. and Fidelity Management Trust Company is 82 Devonshire Street, Boston, Massachusetts 02109.

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- (3) According to its Form 13F filing as of September 30, 2003, Barclays Global Investors, N.A. exercised shared investment discretion with respect to 2,583,431 shares of which it had sole voting power with respect to 2,405,142 shares and no voting power with respect to 178,289 shares. The address of Barclays Global Investors, N.A. is 45 Fremont Street, San Francisco, California 94105.
- (4) Includes 50,000 shares owned by Mr. Gibbons' wife.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, each executive officer, director and beneficial owner of more than 10% of the Company's Common Stock is required to file certain forms with the Securities and Exchange Commission. A report of beneficial ownership of the Company's Common Stock on Form 3 is due at the time such person becomes subject to the reporting requirements and a report on Form 4 or Form 5 must be filed to reflect changes thereafter. Based on written statements and copies of forms provided to us by persons subject to the reporting requirements, we believe that all such reports required to be filed by such persons during fiscal 2003 were filed on a timely basis.

OTHER BUSINESS

We are not aware of any other matters to come before the Annual Meeting. If any matter not mentioned herein is properly brought before the Annual Meeting, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect thereto in accordance with their best judgment.

Pursuant to the Company's Bylaws, in order for a stockholder to present business at the Annual Meeting or to make nominations for election of a director, such matters must be filed in writing with the Secretary of the Company in a timely manner. To be timely, a stockholder's notice to present business at the Annual Meeting must be delivered to the principal executive offices of the Company not less than one hundred twenty (120) days in advance of the first anniversary of the date that the Company's Proxy Statement was first released to stockholders in connection with the previous year's annual meeting, except if the date of the annual meeting is more than thirty (30) calendar days earlier than the date contemplated at the time of the previous years' Proxy Statement, notice must be received not later than the close of business on the tenth (10th) day following the day on which the date of the annual meeting is publicly announced. To be timely, a stockholder's notice to make nominations for the election of a director must be delivered to the principal executive offices of the Company not less than ninety (90) nor more than one hundred and twenty

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(120) days prior to the meeting as originally scheduled; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is made to stockholders, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of the date of the Annual Meeting was mailed or public disclosure was made. Such notices shall set forth, as to the stockholder giving notice, the stockholder's name and address as they appear on the Company's books, and the class and number of shares of the Company which are beneficially owned by such stockholder. Additionally, (i) with respect to a stockholder's notice regarding a nominee for director, such notice shall set forth, as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the Proxy Statement as a nominee and to serving as a director if elected); and (ii) with respect to a notice relating to a matter the stockholder proposes to bring before the Annual Meeting, a brief description of the business desired to be brought before the meeting and any material interest of the stockholder in such business.

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The Nominating and Governance Committee considers suggestions from many sources, including stockholders, regarding possible candidates for director. In order for stockholder suggestions regarding possible candidates for director to be considered by the Nominating and Governance Committee, such information should be provided to the Committee in writing at least one hundred twenty (120) days prior to the date of the next scheduled annual meeting. Stockholders should include in such communications the name and biographical data of the individual who is the subject of the communication and the individual's relationship to the stockholder. The Nominating and Governance Committee does not set specific criteria for directors but believes the Company is well served when its directors bring to the Board a variety of experience and backgrounds, evidence leadership in their particular fields, demonstrate the ability to exercise sound business judgment and have substantial experience in business and outside the business community in, for example, the academic, public or scientific communities. The Nominating and Governance Committee considers stockholder nominees for director in the same manner as nominees for director from other sources. During fiscal 2003, the Company paid approximately \$400 to The Alexander Group, an executive search firm, for its assistance in identifying potential nominees for director.

Stockholders may send any recommendations for director nominees or other communications to the Board of Directors or any individual director at the following address. All communications received are reported to the Board or the individual directors:

Board of Directors (or Nominating and Governance
Committee or name of individual director)
c/o Corporate Secretary
JACK IN THE BOX INC.
9330 Balboa Avenue
San Diego, CA 92123

STOCKHOLDER PROPOSALS FOR 2005 ANNUAL MEETING

Any stockholder of the Company wishing to have a proposal considered for inclusion in the Company's proxy solicitation materials to be distributed in connection with the Company's Annual Meeting of Stockholders to be held in the year 2005 must set forth such proposal in writing and file it with the Secretary

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of the Company on or before September 11, 2004. Any such proposals must comply in all respects with the rules and regulations of the Securities and Exchange Commission. See "Other Business" above.

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Exhibit A

JACK IN THE BOX INC.
AUDIT COMMITTEE CHARTER
Adopted July 16, 1999
Amended and Adopted June 6, 2000
Amended and Adopted August 3, 2001
Amended and Adopted August 2, 2002
Amended and Adopted September 11, 2003

A. AUTHORITY

The Board of Directors ("the Board") of Jack in the Box Inc., by resolution dated November 1, 1985, established the Audit Committee (the "Committee").

B. PURPOSE

The Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities by reviewing and reporting to the Board on (i) the integrity of the financial reports, and (ii) the Corporation's compliance with legal and regulatory requirements. The Committee will also review the qualifications, independence and performance, and approve the terms of engagement of the Corporation's independent auditor, review the performance of the Corporation's internal audit function and prepare any reports required of the Committee under rules of the Securities and Exchange Commission. ("SEC")

C. COMMITTEE MEMBERSHIP

The Committee will have a minimum of three members.

1. All Committee members will meet the independence and experience requirements of the New York Stock Exchange and the SEC. Each member of the Committee must be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. In addition, at least one member should be an "audit committee financial expert" as determined by the Board in accordance with the rules of the SEC.
2. No member of the Committee may receive any compensation from the Corporation other than (i) director's fees (including fees for service as a member of any Committee of the Board) and (ii) a pension or other deferred compensation for prior service that is not contingent on future service.
3. No director may serve as a member of the Committee if such director simultaneously serves on the audit committees of more than two other public companies without prior disclosure to the Committee and the Board and an affirmative determination by the Board that such simultaneous service does not impair the ability of such director to effectively serve on the Committee, which determination will be disclosed in the annual proxy statement.
4. The members and the Chair of the Committee will be appointed by the Board

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after considering the recommendations of the Nominating and Governance Committee and will serve until their successors are duly elected and qualified or until their earlier resignation or removal. If a Chair is not appointed by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee.

5. The Board may fill vacancies on the Committee after considering the recommendations of the Nominating and Governance Committee.
6. The Board may remove a Committee member from the Committee at any time with or without cause.

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D. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Corporation will provide appropriate funding, as determined by the Committee, to permit the Committee to perform its duties under this Charter, to compensate its advisors and to compensate any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation. The Committee, at its discretion, has the authority to initiate special investigations and hire special legal, accounting or other outside advisors or experts to assist the Committee, as it deems necessary to fulfill its duties under this Charter.

The independent auditors for the Corporation are accountable to the Board and the Committee and report directly to the Committee.

In carrying out its responsibilities, the Board believes the policies and procedures of the Committee should remain flexible, in order to best react to changing conditions.

1. Oversight of the Independent Auditor

The Committee will:

- a. Be directly and solely responsible for the appointment, termination, compensation, retention and oversight of the independent auditor, including resolution of disagreements between management and the independent auditor regarding financial reporting.
- b. In advance of the engagement of the independent auditor, approve all audit services, non-audit services, fees and other terms of engagement in accordance with SEC rules. The Committee may establish pre-approval policies and procedures for audit and non-audit services provided that such policies and procedures specify that the Committee will be promptly informed as to each such service for which the independent auditor is engaged pursuant to such policies and procedures.
- c. Periodically review and discuss with the independent auditor (i) the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, and (ii) any formal written statements received from the independent auditor, consistent with and in satisfaction of Independence Standards Board Standard No. 1, as amended.
- d. Annually obtain and review a report from the independent auditor

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describing (i) the auditor's internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review or peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues, and (iii) all relationships between the independent auditor and the Corporation.

- e. Annually review and evaluate the qualifications, performance and independence of the independent auditor, including a review and evaluation of the lead partner of the independent auditor, and report to the Board on the Committee's conclusions together with any recommendations for action. In making this review, the Committee will take into account the opinions of management and the Corporation's internal auditor.
- f. Consider whether there should be rotation of the audit firm, and report to the Board on the Committee's conclusions. Consult with the independent auditor to assure the rotation, every five years, of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.
- g. Meet with the independent auditor and financial management of the Corporation, prior to the audit, to review the scope of the proposed audit for the current year, staffing of the audit and the audit procedures and at the conclusion of the audit, review such audit including any comments or recommendations of the independent auditor.

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- h. Review and discuss with the independent auditor any problems or difficulties the auditor may have encountered during the course of an audit, including
 - (1) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
 - (2) Any changes required in the planned scope of the audit.
 - (3) Any accounting adjustments proposed by the auditor but "passed" (as immaterial or otherwise).
 - (4) Any other material communication provided by the auditor to the Corporation's management.
- i. At its discretion, review with the outside auditor both (i) communications between the audit team and the audit firm's national office respecting any significant auditing or accounting issues presented by the engagement and (ii) the internal audit department responsibilities, budget and staffing.
- j. Obtain assurance from the outside auditor that the annual audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934.
- k. As needed, review an analysis prepared by management and/or the independent auditor of significant financial reporting issues and

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judgments made in connection with the preparation and presentation of the Corporation's financial statements, including an analysis of the effect of alternative GAAP methods on the Corporation's financial statements and a description of any transactions as to which management obtained Statement on Auditing Standards No. 50 letters.

1. Set policies for the Corporation's hiring of employees or former employees of the independent auditor who were engaged on the Corporation's audit account.
2. Review of Financial Reporting Policies and Procedures

The Committee will:

- a. Review and discuss with management and the independent auditor, the Corporation's annual audited financial statements and quarterly financial statements, and any certification report, opinion or review rendered by the independent auditor, including (i) the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operation" ("MD&A"), (ii) major issues regarding accounting principles, auditing standards and financial statement presentation, (iii) the independent auditor's judgment as to the accuracy of financial information, adequacy of disclosures and quality of the Corporation's accounting principles. Recommend to the Board whether the audited financial statements of the Corporation should be included in the Corporation's annual report on form 10K.
 - b. Review and discuss with the independent auditor the critical accounting policies and practices used by the Corporation, alternative treatments of financial information within generally accepted accounting principles that the independent auditor has discussed with management, the ramification of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor.
 - c. Review with management and the independent auditor the Corporation's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies, including any "pro forma" or adjusted financial information.
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- d. Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
 - e. Review with management its assessment of the effectiveness and adequacy of the Corporation's internal controls and any recommendations for the improvement of such internal controls or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be given to the adequacy of such internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper.
 - f. Review the internal audit function of the Corporation including Internal Audit responsibilities, budget, staffing, independence of the Internal Audit function, the ability of Internal Audit to raise issues to the appropriate level of authority, the proposed audit plans for the coming year, and the coordination of such plans with the

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independent auditor. The Committee should request copies or summaries of the significant reports to management prepared by the internal auditing department and management's responses. Review recommendations and findings of the internal auditor to assure that appropriate actions are taken by management.

- g. Review the appointment and replacement of the internal auditor.
 - h. Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as the impact of off-balance sheet transactions or structures on the Corporation's financial results and operations.
 - i. Review and approve significant changes to the Corporation's selection or application of accounting principles and practices as suggested by the independent auditor, internal auditor or management.
3. Risk Management, Related Party Transactions, Legal Compliance and Ethics

The Committee will:

- a. Discuss with management the Corporation's policies with respect to risk assessment and risk management, the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- b. Review with the Corporation's General Counsel (i) legal matters that may have a material impact on the financial statements or reflect upon the Corporation's compliance policies, (ii) any material reports or inquiries received from regulators or governmental agencies, (iii) material pending legal proceedings involving the Corporation and (iv) other contingent liabilities.
- c. Conduct or authorize an appropriate review of any related party transactions deemed significant by the Committee.
- d. Review reports and disclosures of insider and affiliated party transactions.
- e. Review the Corporation's policies and procedures regarding compliance with applicable laws and regulations.
- f. Periodically review the Corporation's ethics code or "Code of Conduct" (as such code is set forth in the booklet entitled "TRUST" and other Corporation policies). Provide for and review prompt disclosure to the public of any change in, or waiver of, such ethics code.
- g. Review the Corporation's procedures for (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- h. Review quarterly reports from the Corporation's ethics compliance officer.
- i. As requested by the Board, review and investigate conduct alleged by the Board to be in violation of the Ethics Code and adopt as necessary

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remedial, disciplinary or other measures with respect to such conduct.

- j. Conduct or authorize an investigation of any matter brought to its attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate. Report to the Board of Directors the results of its investigation and make such recommendations, as it may deem appropriate.
- k. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- l. Annually review its own performance.

E. COMMITTEE MEETINGS AND ACTION

- 1. The majority of the members of the Audit Committee will constitute a quorum.
- 2. The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee.
- 3. Any action required to be taken at a meeting of the Committee will nonetheless be deemed the action of the Committee if all of the Committee members executed, either before or after the action is taken, a written consent and the consent is filed with the Corporate Secretary.
- 4. The Chair will make regular reports to the Board.
- 5. The Committee may form and delegate authority to subcommittees or to one or more members of the Committee when appropriate.
- 6. The Committee Secretary, or his designee, will give notice and keep minutes of all Committee meetings.
- 7. The Committee will meet as often as may be deemed necessary or appropriate in its judgment, but not less frequently than quarterly, either in person or telephonically.
- 8. The Committee will meet with the independent auditor and with management on a quarterly basis to review the Corporation's financial statements and financial reports.
- 9. The Committee will meet separately with management, the independent auditor and Internal Auditor, as appropriate.
- 10. The Committee Secretary will prepare a preliminary agenda. The Chair will make the final decision regarding the agenda.
- 11. The agenda and all materials to be reviewed at the meetings should be received by the Committee members as far in advance of the meeting day as practicable.
- 12. The Committee Secretary should coordinate all mailings to the Committee members, to the extent practicable.
- 13. The Committee may perform any other activities consistent with this Charter, the Corporation's Bylaws and governing law as the Board deems necessary or appropriate.

JACK IN THE BOX INC.
POLICY FOR AUDIT COMMITTEE PRE-APPROVAL OF SERVICES

Jack in the Box Inc. (the Company) and its Audit Committee are committed to ensuring the independence of the Auditor, both in fact and in appearance. Accordingly, all services to be provided by the independent auditors pursuant to this policy must be as permitted by Section 10A of the Security Exchange Act of 1934.

The Audit Committee hereby pre-approves services to be rendered by the Company's auditor as follows:

Audit Related Services

Subject to the limitations described below, the Audit Committee pre-approves the following services that management may request to be performed by the independent auditor that are an extension of normal audit work or enhance the effectiveness of the auditors' procedures:

- 1) Audits of employee benefit plans
- 2) Audits of Jack in the Box Inc. legal entities
- 3) Consultation regarding the implementation of technical accounting standards
- 4) Due diligence assistance on acquisitions
- 5) Services related to the independent auditors' consent to the use of its audit opinion in documents filed with the Securities Exchange Commission

Tax Compliance Services

Subject to the limitations described below, the Audit Committee pre-approves the following tax compliance service that management may request to be performed by the independent auditor that are an extension of normal audit work and are not inconsistent with the attestation role of the auditor:

- 1) Review of federal, state or other income tax returns
- 2) Due diligence tax advice related to prospective acquisitions
- 3) Requests for rulings or technical advice from taxing authorities
- 4) Assistance in complying with proposed or existing tax regulations

Pre-Approval Limitations

The non-audit services detailed above shall only be pre-approved by the Audit Committee subject to limitations as follows:

- 1) Each individual service shall not exceed \$25,000.
- 2) All services, in the aggregate, shall not exceed \$50,000 in any fiscal year

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- 3) Each service shall be reported to the Audit Committee Chair prior to its inception
- 4) All new services shall be reported to the entire Audit Committee at each of its regular quarterly meetings

Other Services

For all services to be performed by the independent auditor that are not specifically detailed above, an engagement letter confirming the scope and terms of the work to be performed shall be submitted to the Audit Committee for pre-approval. In the event that any modification of an engagement letter is required, such modification must also be pre-approved.

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Authorized Delegate

The Audit Committee delegates to its Chairperson the authority to pre-approve proposed services as described above in excess of the fee limitations on a case-by-case basis provided that the entire Committee is informed of the services being performed at its next scheduled meeting.

Competitive Bidding Process

Nothing in this policy should be read to imply that the independent auditors have a preferred supplier arrangement in respect to the services listed above. Certain services, by their nature, may only be performed by the independent auditor (i.e. issuing a consent or providing guidance on implementation of GAAP). For all other services, it would generally be expected that any significant engagements for services be subject to a competitive review process.

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Exhibit C

JACK IN THE BOX INC.
2004 STOCK INCENTIVE PLAN

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JACK IN THE BOX INC.
2004 STOCK INCENTIVE PLAN

1. Establishment, Purpose and Term of Plan.

1.1 Establishment. Jack in the Box Inc., a Delaware corporation (the "Company"), hereby establishes the Jack in the Box 2004 Stock Incentive Plan (the "Plan") effective as of _____, 2004, the date of its approval by the stockholders of the Company (the "Effective Date").

1.2 Purpose. The purpose of the Plan is to advance the interests of the Participating Company Group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Indexed Options, Stock Appreciation Rights, Restricted Stock Purchase Rights, Restricted Stock Bonuses, Restricted Stock Units, Performance Shares and Performance Units.

1.3 Term of Plan. The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued and all restrictions on such shares under the terms of the Plan and the agreements evidencing Awards granted under the Plan have lapsed. However, all Awards shall be granted, if at all, within ten (10) years from the Effective Date.

2. Definitions and Construction.

2.1 Definitions. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) "Award" means any Option, Indexed Option, Stock Appreciation Right, Restricted Stock Purchase Right, Restricted Stock Bonus, Restricted Stock Unit, Performance Share or Performance Unit granted under the Plan.

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(b) "Award Agreement" means a written agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Award granted to the Participant. An Award Agreement may be an "Option Agreement," an "Indexed Option Agreement," a "SAR Agreement," a "Restricted Stock Purchase Agreement," a "Restricted Stock Bonus Agreement," a "Restricted Stock Unit Agreement," a "Performance Share Agreement," or a "Performance Unit Agreement."

(c) "Board" means the Board of Directors of the Company.

(d) "Code" means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

(e) "Committee" means the Compensation Committee or other committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. If no committee of the Board has been appointed to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(f) "Company" means Jack in the Box Inc., a Delaware corporation, or any successor corporation thereto.

(g) "Consultant" means a person engaged to provide consulting or advisory services (other than as an Employee or a Director) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on registration on a Form S-8 Registration Statement under the Securities Act.

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(h) "Director" means a member of the Board or of the board of directors of any other Participating Company.

(i) "Disability" means the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Participating Company Group because of the sickness or injury of the Participant.

(j) "Dividend Equivalent" means a credit, made at the discretion of the Committee or as otherwise provided by the Plan, to the account of a Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award of Restricted Stock Units or Performance Shares held by such Participant.

(k) "Employee" means any person treated as an employee (including an officer or a Director who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a Director nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated

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to the Company herein, subject to the following:

(i) If, on such date, the Stock is listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock (or the mean of the closing bid and asked prices of a share of Stock if the Stock is so quoted instead) as quoted on the New York Stock Exchange or such other national or regional securities exchange or market system constituting the primary market for the Stock, as reported in The Wall Street Journal or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or market system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Committee, in its discretion.

(ii) If, on such date, the Stock is not listed on a national or regional securities exchange or market system, the Fair Market Value of a share of Stock shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse.

(n) "Incentive Stock Option" means an Option intended to be (as set forth in the Option Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(o) "Indexed Option" means an Option with an exercise price which either increases by a fixed percentage over time or changes by reference to a published index, as determined by the Committee and set forth in the Option Agreement.

(p) "Insider" means any person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(q) "Nonstatutory Stock Option" means an Option not intended to be (as set forth in the Option Agreement) or which does not qualify as an Incentive Stock Option.

(r) "Option" means a right to purchase Stock (subject to adjustment as provided in Section 4.2) pursuant to the terms and conditions of the Plan. An Option may be either an Incentive Stock Option, a Nonstatutory Stock Option or an Indexed Option.

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(s) "Parent Corporation" means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

(t) "Participant" means any eligible person who has been granted one or more Awards.

(u) "Participating Company" means the Company or any Parent Corporation or Subsidiary Corporation.

(v) "Participating Company Group" means, at any point in time, all corporations collectively which are then Participating Companies.

(w) "Performance Award" means an Award of Performance Shares or Performance Units.

(x) "Performance Goal" means a performance goal established by the Committee pursuant to Section 9.2.

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(y) "Performance Period" means a period established by the Committee pursuant to Section 9.2 at the end of which one or more Performance Goals are to be measured.

(z) "Performance Share" means a bookkeeping entry representing a right granted to a Participant pursuant to the terms and conditions of Section 9 to receive a payment equal to the value of a Performance Share, as determined by the Committee, based on performance.

(aa) "Performance Unit" means a bookkeeping entry representing a right granted to a Participant pursuant to the terms and conditions of Section 9 to receive a payment equal to the value of a Performance Unit, as determined by the Committee, based upon performance.

(bb) "Restricted Stock Award" means an Award of a Restricted Stock Bonus, a Restricted Stock Purchase Right or a Restricted Stock Unit.

(cc) "Restricted Stock Bonus" means Stock granted to a Participant pursuant to the terms and conditions of Section 8.

(dd) "Restricted Stock Purchase Right" means a right to purchase Stock granted to a Participant pursuant to the terms and conditions of Section 8.

(ee) "Restricted Stock Unit" means a bookkeeping entry representing a right granted to a Participant to receive in cash or Stock the Fair Market Value of a share of Stock granted pursuant to the terms and conditions of Section 8.

(ff) "Restriction Period" means the period established in accordance with Section 8.4 during which shares subject to a Restricted Stock Award are subject to Vesting Conditions.

(gg) "Rule 16b-3" means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(hh) "Section 162(m)" means Section 162(m) of the Code.

(ii) "Securities Act" means the Securities Act of 1933, as amended.

(jj) "Service" means a Participant's employment or service with the Participating Company Group, whether in the capacity of an Employee, a Director or a Consultant. A Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders Service to the Participating Company Group or a change in the Participating Company for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service with the Participating Company Group may be deemed, as provided in the applicable Award Agreement, to have terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company; provided, however, that if any such leave exceeds ninety (90) days, on the one hundred eighty-first (181st) day of such leave any Incentive Stock Option held by such Participant shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonstatutory Stock Option unless the Participant's right to return to Service with the Participating Company Group is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, a leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. A Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the corporation for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

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(kk) "Stock" means the common stock of the Company, as adjusted from time to time in accordance with Section 4.2.

(ll) "SAR" or "Stock Appreciation Right" means a bookkeeping entry representing, for each share of Stock subject to such SAR, a right granted to a Participant pursuant to Section 7 of the Plan to receive payment of an amount equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price.

(mm) "Subsidiary Corporation" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

(nn) "Ten Percent Owner" means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company within the meaning of Section 422(b)(6) of the Code.

(oo) "Vesting Conditions" means those conditions established in accordance with Section 8.4 prior to the satisfaction of which shares subject to a Restricted Stock Award remain subject to forfeiture or a repurchase option in favor of the Company.

2.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. Administration.

3.1 Administration by the Committee. The Plan shall be administered by the Committee. All questions of interpretation of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final and binding upon all persons having an interest in the Plan or such Award.

3.2 Authority of Officers. Any officer of a Participating Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided the officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 Powers of the Committee. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock or units to be subject to each Award;

(b) to determine the type of Award granted and to designate Options as Incentive Stock Options, Nonstatutory Stock Options or Indexed Options;

(c) to determine the Fair Market Value of shares of Stock or other property;

(d) to determine the terms, conditions and restrictions applicable to

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each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the purchase price of any Stock, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (vi) the time of the expiration of any Award, (vii) the effect of the Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

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(e) to determine whether an Award of Restricted Stock Units, Performance Shares, Performance Units or Stock Appreciation Rights will be settled in shares of Stock, cash, or in any combination thereof;

(f) to approve one or more forms of Award Agreement;

(g) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(h) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws of, or to accommodate the tax policy or custom of, foreign jurisdictions whose citizens may be granted Awards;

(j) to authorize, in conjunction with any applicable Company deferred compensation plan, that the receipt of cash or Stock subject to any Award under this Plan, may be deferred under the terms and conditions of such Company deferred compensation plan; and

(k) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.4 Administration with Respect to Insiders. With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.5 Committee Complying with Section 162(m). If the Company is a "publicly held corporation" within the meaning of Section 162(m), the Board may establish a Committee of "outside directors" within the meaning of Section 162(m) to approve the grant of any Award which might reasonably be anticipated to result in the payment of employee remuneration that would otherwise exceed the limit on employee remuneration deductible for income tax purposes pursuant to Section 162(m).

3.6 No Repricing. Without the affirmative vote of holders of a majority of

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the shares of Stock cast in person or by proxy at a meeting of the stockholders of the Company at which a quorum representing a majority of all outstanding shares of Stock is present or represented by proxy, the Board shall not approve a program providing for either (a) the cancellation of outstanding Options and/or SARs and the grant in substitution therefore of new Options and/or SARs having a lower exercise price or (b) the amendment of outstanding Options and/or SARs to reduce the exercise price thereof. This paragraph shall not be construed to apply to "issuing or assuming a stock option in a transaction to which section 424(a) applies," within the meaning of Section 424 of the Code.

3.7 Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

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4. Shares Subject to Plan.

4.1 Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be One Million Two Hundred Fifty Thousand (1,250,000). If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company at the Participant's purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan (i) with respect to any portion of an Award that is settled in cash or (ii) to the extent such shares are withheld and/or attested to in satisfaction of tax withholding obligations pursuant to Section 13.2. Upon payment in shares of Stock pursuant to the exercise of a SAR, the number of shares available for issuance under the Plan shall be reduced only by the number of shares actually issued in such payment. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant, the number of shares available for issuance under the Plan shall be reduced by the gross number of shares for which the Option is exercised.

4.2 Adjustments for Changes in Capital Structure. In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in the capital structure of the Company, appropriate adjustments shall be made in the number and class of shares subject to the Plan and to any outstanding Awards, in the ISO Share Limit set forth in Section 4.1, and in the exercise price per share of any outstanding Options and

Restricted Stock Purchase Rights. If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event, as defined in Section 11.1) shares of another corporation (the "New Shares"), the Committee may unilaterally amend the outstanding Awards to provide that such Awards shall be for New Shares. In the event of any such amendment, the number of shares subject to outstanding Awards and the exercise price per share of outstanding Options and Restricted Stock Purchase Rights shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Notwithstanding the foregoing, any fractional share resulting from an adjustment pursuant to this Section 4.2 shall be rounded down to the nearest whole number, and in no event may the exercise price of any Option or Restricted Stock Purchase Right be decreased to an amount less than the par value, if any, of the stock subject to such Award. The adjustments determined by the Committee pursuant to this Section 4.2 shall be final, binding and conclusive.

5. Eligibility and Award Limitations.

5.1 Persons Eligible for Incentive Stock Options. Incentive Stock Options may be granted only to Employees. For purposes of the foregoing sentence, the term "Employees" shall include prospective Employees to whom Incentive Stock Options are granted in connection with written offers of employment with the Participating Company Group, provided that any such Incentive Stock Option shall be deemed granted effective on the date such person commences Service as an Employee, with an exercise price determined as of such date in accordance with Section 6.1. Eligible persons may be granted more than one (1) Incentive Stock Option.

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5.2 Persons Eligible for Other Awards. Awards other than Incentive Stock Options may be granted only to Employees, Consultants and Directors. For purposes of the foregoing sentence, "Employees," "Consultants" and "Directors" shall include prospective Employees, prospective Consultants and prospective Directors to whom Awards are granted in connection with written offers of an employment or other service relationship with the Participating Company Group; provided, however, that no Stock subject to any such Award shall vest, become exercisable or be issued prior to the date on which such person commences Service. Eligible persons may be granted more than one (1) Award.

5.3 Fair Market Value Limitation on Incentive Stock Options. To the extent that options designated as Incentive Stock Options (granted under all stock option plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portions of such options which exceed such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section 5.3, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 5.3, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 5.3, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing

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each such portion shall be issued upon the exercise of the Option.

5.4 Award Limits.

(a) Aggregate Limit on Restricted Stock Awards and Performance Awards. Subject to adjustment as provided in Section 4.2, in no event shall more than Two Hundred Fifty Thousand (250,000) shares of Stock in the aggregate be issued under the Plan pursuant to the exercise or settlement of Restricted Stock Awards and Performance Awards.

(b) Section 162(m) Award Limits. The following limits shall apply to the grant of any Award if, at the time of grant, the Company is a "publicly held corporation" within the meaning of Section 162(m).

(i) Options and SARs. Subject to adjustment as provided in Section 4.2, no Employee shall be granted within any fiscal year of the Company one or more Options or Freestanding SARs (as defined in Section 7) which in the aggregate are for more than Two Hundred and Fifty Thousand (250,000) shares of Stock. An Option which is canceled (or a Freestanding SAR as to which the exercise price is reduced to reflect a reduction in the Fair Market Value of the Stock) in the same fiscal year of the Company in which it was granted shall continue to be counted against such limit for such fiscal year.

(ii) Restricted Stock Awards. Subject to adjustment as provided in Section 4.2, no Employee shall be granted within any fiscal year of the Company one or more Restricted Stock Awards, subject to Vesting Conditions based on the attainment of Performance Goals, for more than One Hundred Thousand (100,000) shares of Stock.

5.5 Performance Awards. Subject to adjustment as provided in Section 4.2, no Employee shall be granted (A) Performance Shares which could result in such Employee receiving more than One Hundred Thousand (100,000) shares of Stock for each full fiscal year of the Company contained in the Performance Period for such Award, or (B) Performance Units which could result in such Employee receiving more than One Million dollars (\$1,000,000) for each full fiscal year of the Company contained in the Performance Period for such Award. No Participant may be granted more than one Performance Award for the same Performance Period.

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6. Terms and Conditions of Options.

Options shall be evidenced by Option Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. No Option or purported Option shall be a valid and binding obligation of the Company unless evidenced by a fully executed Option Agreement. Option Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 Exercise Price. The exercise price for each Option shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option, (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option, and (c) in the case of an Indexed Option, the Committee shall determine the exercise price of such Indexed Option

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and the terms and conditions that affect, if any, any adjustments to the exercise price of such Indexed Option. Notwithstanding the foregoing, an Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of Section 424(a) of the Code.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Option Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option, (c) no Option granted to a prospective Employee, prospective Consultant or prospective Director may become exercisable prior to the date on which such person commences Service. Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, any Option granted hereunder shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 Payment of Exercise Price.

(a) **Forms of Consideration Authorized.** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or cash equivalent, (ii) by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price, (iii) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System) (a "Cashless Exercise"), (iv) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (v) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) Limitations on Forms of Consideration.

(i) **Tender of Stock.** Notwithstanding the foregoing, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. Unless otherwise provided by the Committee, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for more than six (6) months (and not used for another Option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

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(ii) **Cashless Exercise.** The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise.

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6.4 Effect of Termination of Service.

(a) Option Exercisability. An Option granted to a Participant shall be exercisable after the Participant's termination of Service only during the applicable time period determined in accordance with the Option's term as set forth in the Option Agreement evidencing such Option (the "Option Expiration Date").

(b) Extension if Exercise Prevented by Law. Notwithstanding the foregoing other than termination of a Participant's Service for Cause, if the exercise of an Option within the applicable time periods set forth in an Option Agreement is prevented by the provisions of Section 12 below, the Option shall remain exercisable until one (1) month (or such longer period of time as determined by the Committee, in its discretion) after the date the Participant is notified by the Company that the Option is exercisable, but in any event no later than the Option Expiration Date.

(c) Extension if Participant Subject to Section 16(b). Notwithstanding the foregoing other than termination of a Participant's Service for Cause, if a sale within the applicable time periods set forth in an Option Agreement of shares acquired upon the exercise of the Option would subject the Participant to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such shares by the Participant would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Participant's termination of Service, or (iii) the Option Expiration Date.

6.5 Transferability of Options. During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. No Option shall be assignable or transferable by the Participant, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Option Agreement evidencing such Option, a Nonstatutory Stock Option shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 Registration Statement under the Securities Act.

7. Terms and Conditions of Stock Appreciation Rights.

SARs shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. No SAR or purported SAR shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing SARs may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 Types of SARs Authorized. SARs may be granted in tandem with all or any portion of a related Option (a "Tandem SAR") or may be granted independently of any Option (a "Freestanding SAR"). A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such related Option.

7.2 Exercise Price. The exercise price for each SAR shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share subject to a Tandem SAR shall be the exercise price per share under the related Option and (b) the exercise price per share subject to a Freestanding SAR shall be not less than the Fair Market Value of a share of

Stock on the effective date of grant of the SAR.

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7.3 Exercisability and Term of SARs.

(a) Tandem SARs. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable, subject to such provisions as the Committee may specify where the Tandem SAR is granted with respect to less than the full number of shares of Stock subject to the related Option. The Committee may, in its discretion, provide in any Award Agreement evidencing a Tandem SAR that such SAR may not be exercised without the advance approval of the Company and, if such approval is not given, then the Option shall nevertheless remain exercisable in accordance with its terms. A Tandem SAR shall terminate and cease to be exercisable no later than the date on which the related Option expires or is terminated or canceled. Upon the exercise of a Tandem SAR with respect to some or all of the shares subject to such SAR, the related Option shall be canceled automatically as to the number of shares with respect to which the Tandem SAR was exercised. Upon the exercise of an Option related to a Tandem SAR as to some or all of the shares subject to such Option, the related Tandem SAR shall be canceled automatically as to the number of shares with respect to which the related Option was exercised.

(b) Freestanding SARs. Freestanding SARs shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such SAR; provided, however, that no Freestanding SAR shall be exercisable after the expiration of ten (10) years after the effective date of grant of such SAR.

7.4 Exercise of SARs. Upon the exercise (or deemed exercise pursuant to Section 7.5) of a SAR, the Participant (or the Participant's legal representative or other person who acquired the right to exercise the SAR by reason of the Participant's death) shall be entitled to receive payment of an amount for each share with respect to which the SAR is exercised equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price. Payment of such amount shall be made in cash, shares of Stock, or any combination thereof as determined by the Committee. Unless otherwise provided in the Award Agreement evidencing such SAR, payment shall be made in a lump sum as soon as practicable following the date of exercise of the SAR. The Award Agreement evidencing any SAR may provide for deferred payment in a lump sum or in installments. When payment is to be made in shares of Stock, the number of shares to be issued shall be determined on the basis of the Fair Market Value of a share of Stock on the date of exercise of the SAR. For purposes of Section 7, an SAR shall be deemed exercised on the date on which the Company receives notice of exercise from the Participant.

7.5 Deemed Exercise of SARs. If, on the date on which an SAR would otherwise terminate or expire, the SAR by its terms remains exercisable immediately prior to such termination or expiration and, if so exercised, would result in a payment to the holder of such SAR, then any portion of such SAR which has not previously been exercised shall automatically be deemed to be exercised as of such date with respect to such portion.

7.6 Effect of Termination of Service. An SAR shall be exercisable after a Participant's termination of Service to such extent and during such period as determined by the Committee, in its discretion, and set forth in the Award Agreement evidencing such SAR.

7.7 Nontransferability of SARs. SARs may not be assigned or transferred in any manner except by will or the laws of descent and distribution, and, during

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the lifetime of the Participant, shall be exercisable only by the Participant or the Participant's guardian or legal representative.

8. Terms and Conditions of Restricted Stock Awards.

The Committee may from time to time grant Restricted Stock Awards upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 8.3. If either the grant of a Restricted Stock Award or the lapsing of the Restriction

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Period is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 8.2 through 8.4. Restricted Stock Awards may be in the form of a Restricted Stock Bonus, which shall be evidenced by Restricted Stock Bonus Agreement, a Restricted Stock Purchase Right, which shall be evidenced by Restricted Stock Purchase Agreement or a Restricted Stock Unit, which shall be evidenced by a Restricted Stock Unit Agreement. Each such Award Agreement shall specify the number of shares of Stock subject to and the other terms, conditions and restrictions of the Award, and shall be in such form as the Committee shall establish from time to time. No Restricted Stock Award or purported Restricted Stock Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Restricted Stock Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply, as applicable, with and be subject to the following terms and conditions:

8.1 Purchase Price. The purchase price under each Restricted Stock Purchase Right shall be established by the Committee. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving a Restricted Stock Bonus or Restricted Stock Unit, the consideration for which shall be services actually rendered to a Participating Company or for its benefit.

8.2 Purchase Period. A Restricted Stock Purchase Right shall be exercisable within a period established by the Committee, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right; provided, however, that no Restricted Stock Purchase Right granted to a prospective Employee, prospective Director or prospective Consultant may become exercisable prior to the date on which such person commences Service.

8.3 Payment of Purchase Price. Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (i) in cash, by check, or cash equivalent, (ii) provided that the Participant is an Employee (unless otherwise not prohibited by law, including, without limitation, any regulation promulgated by the Board of Governors of the Federal Reserve System) and in the Company's sole discretion at the time the Restricted Stock Purchase Right is exercised, by delivery of the Participant's promissory note in a form approved by the Company for the aggregate purchase price, provided that, if the Company is incorporated in the State of Delaware, the Participant shall pay in cash that portion of the aggregate purchase price not less than the par value of the shares being acquired, (iii) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (iv) by any combination thereof. Payment by means of the Participant's promissory note shall be subject to the conditions described in Section

6.3(b)(iii). The Committee may at any time or from time to time grant Restricted Stock Purchase Rights which do not permit all of the foregoing forms of consideration to be used in payment of the purchase price or which otherwise restrict one or more forms of consideration. Restricted Stock Bonuses and Restricted Stock Units shall be issued in consideration for services actually rendered to a Participating Company or for its benefit.

8.4 Vesting and Restrictions on Transfer. Shares issued pursuant to any Restricted Stock Award may be made subject to vesting conditioned upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 8.3 (the "Vesting Conditions"), as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any period (the "Restriction Period") in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to an Ownership Change Event, as defined in Section 11.1, or as provided in Section 8.7. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

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8.5 Voting Rights; Dividends. Except as provided in this Section and Section 8.4, during the Restriction Period applicable to shares subject to a Restricted Stock Purchase Right and a Restricted Stock Bonus held by a Participant, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however, that if any such dividends or distributions are paid in shares of Stock, such shares shall be subject to the same Vesting Conditions as the shares subject to the Restricted Stock Purchase Right and Restricted Stock Bonus with respect to which the dividends or distributions were paid. A Participant who is awarded a Restricted Stock Unit shall possess no incidents of ownership with respect to such a Restricted Stock Award; provided that the award agreement may provide for payments in lieu of dividends to such Participant.

8.6 Effect of Termination of Service. The effect of the Participant's termination of Service on any Restricted Stock Award shall be determined by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Restricted Stock Award.

8.7 Nontransferability of Restricted Stock Award Rights. Rights to acquire shares of Stock pursuant to a Restricted Stock Award may not be assigned or transferred in any manner except by will or the laws of descent and distribution, and, during the lifetime of the Participant, shall be exercisable only by the Participant.

9. Terms and Conditions of Performance Awards.

The Committee may from time to time grant Performance Awards upon such conditions as the Committee shall determine. Performance Awards may be in the form of either Performance Shares, which shall be evidenced by a Performance Share Agreement, or Performance Units, which shall be evidenced by a Performance Unit Agreement. Each such Award Agreement shall specify the number of Performance Shares or Performance Units subject thereto, the method of computing

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the value of each Performance Share or Performance Unit, the Performance Goals and Performance Period applicable to the Award, and the other terms, conditions and restrictions of the Award, and shall be in such form as the Committee shall establish from time to time. No Performance Award or purported Performance Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Performance Share and Performance Unit Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

9.1 Initial Value of Performance Shares and Performance Units. Unless otherwise provided by the Committee in granting a Performance Award, each Performance Share shall have an initial value equal to the Fair Market Value of a share of Stock on the effective date of grant of the Performance Share, and each Performance Unit shall have an initial value of one hundred dollars (\$100). The final value payable to the Participant in settlement of a Performance Award will depend on the extent to which Performance Goals established by the Committee are attained within the applicable Performance Period established by the Committee.

9.2 Establishment of Performance Goals and Performance Period. The Committee shall establish in writing the Performance Period applicable to each Performance Award and one or more Performance Goals which, when measured at the end of the Performance Period, shall determine the final value of the Performance Award to be paid to the Participant. Unless otherwise permitted in compliance with the requirements under Section 162(m) with respect to "performance-based compensation," the Committee shall establish the Performance Goals applicable to each Performance Award no later than the earlier of (a) the date ninety (90) days after the commencement of the applicable Performance Period or (b) the date on which 25% of the Performance Period has elapsed, and, in any event, at a time when the outcome of the Performance Goals remains substantially uncertain. Once established, the Performance Goals shall not be changed during the Performance Period.

9.3 Measurement of Performance Goals. Performance Goals shall be established by the Committee on the basis of targets to be attained ("Performance Targets") with respect one or more measures of business or

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financial performance (each, a "Performance Measure"). Performance Measures shall have the same meanings as used in the Company's financial statements, or if such terms are not used in the Company's financial statements, they shall have the meaning applied pursuant to generally accepted accounting principles, or as used generally in the Company's industry. Performance Targets may include a minimum, maximum, target level and intermediate levels of performance, with the final value of a Performance Award determined by the level attained during the applicable Performance Period. A Performance Target may be stated as an absolute value or as a value determined relative to a standard selected by the Committee. Performance Measures shall be calculated with respect to the Company and each Subsidiary Corporation consolidated therewith for financial reporting purposes or such division or other business unit as may be selected by the Committee. For purposes of the Plan, the Performance Measures applicable to a Performance Award shall be calculated before the effect of changes in accounting standards, restructuring charges and similar extraordinary items, determined according to criteria established by the Committee, occurring after the establishment of the Performance Goals applicable to a Performance Award. Performance Measures may be one or more of the following, as determined by the Committee:

- (a) sales
- (b) revenue

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- (c) gross margin
- (d) operating margin
- (e) operating income
- (f) pre-tax profit
- (g) earnings before interest, taxes, depreciation and/or amortization
- (h) net income
- (i) cash flow
- (j) expenses
- (k) stock price
- (l) earnings per share
- (m) return on stockholders' equity
- (n) return on capital
- (o) return on assets
- (p) economic value added
- (q) number of customers
- (r) market share
- (s) same store sales
- (t) average restaurant margin
- (u) return on investment
- (v) profit after tax
- (w) customer satisfaction

9.4 Determination of Final Value of Performance Awards. As soon as practicable following the completion of the Performance Period applicable to a Performance Award, the Committee shall certify in writing the extent to which the applicable Performance Goals have been attained and the resulting final value of the Award earned by the Participant and to be paid upon its settlement in accordance with the terms of the Award Agreement. The Committee shall have no discretion to increase the value of an Award payable upon its settlement in excess of the amount called for by the terms of the Award Agreement on the basis of the degree of attainment of the Performance Goals as certified by the Committee. However, notwithstanding the attainment of any Performance Goal, if permitted under a Participant's Award Agreement, the Committee shall have the discretion, on the basis of such criteria as may be established by the Committee, to reduce some or all of the value of a Performance Award that would otherwise be paid upon its settlement. No such reduction may result in an increase in the amount payable upon settlement of another Participant's Performance Award. As soon as practicable following the Committee's certification, the Company shall notify the Participant of the determination of the Committee.

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9.5 Dividend Equivalents. In its discretion, the Committee may provide in the Award Agreement evidencing any Performance Share Award that the Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Stock having a record date prior to the date on which the Performance Shares are settled or forfeited. Dividend Equivalents may be paid currently or may be accumulated and paid to the extent that Performance Shares become nonforfeitable, as determined by the Committee. Settlement of Dividend Equivalents may be made in cash, shares of Stock, or a combination thereof as determined by the Committee, and may be paid on the same basis as settlement of the related Performance Share as provided in Section 9.6. Dividend Equivalents shall not be paid with respect to Performance Units.

9.6 Payment in Settlement of Performance Awards. Payment of the final value of a Performance Award earned by a Participant as determined following the completion of the applicable Performance Period pursuant to Sections 9.4 and 9.5 may be made in cash, shares of Stock, or a combination thereof as determined by the Committee. If payment is made in shares of Stock, the number of such shares shall be determined by dividing the final value of the Performance Award by the

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Fair Market Value of a share of Stock on the settlement date. Payment may be made in a lump sum or installments as prescribed by the Committee. If any payment is to be made on a deferred basis, the Committee may, but shall not be obligated to, provide for the payment during the deferral period of Dividend Equivalents or a reasonable rate of interest within the meaning of Section 162(m).

9.7 Restrictions Applicable to Payment in Shares. Shares of Stock issued in payment of any Performance Award may be fully vested and freely transferable shares or may be shares of Stock subject to Vesting Conditions as provided in Section 8.4. Any shares subject to Vesting Conditions shall be evidenced by an appropriate Restricted Stock Bonus Agreement and shall be subject to the provisions of Sections 8.4 through 8.7 above.

9.8 Effect of Termination of Service. The effect of the Participant's termination of Service on any Performance Award shall be determined by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Performance Award.

9.9 Nontransferability of Performance Awards. Performance Shares and Performance Units may not be sold, exchanged, transferred, pledged, assigned, or otherwise disposed of other than by will or by the laws of descent and distribution until the completion of the applicable Performance Period. All rights with respect to Performance Shares and Performance Units granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant.

10. Standard Forms of Award Agreement.

10.1 Award Agreements. Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee concurrently with its adoption of the Plan and as amended from time to time. Any Award Agreement may consist of an appropriate form of Notice of Grant and a form of Agreement incorporated therein by reference, or such other form or forms as the Committee may approve from time to time.

10.2 Authority to Vary Terms. The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

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11. Change in Control.

11.1 Definitions.

(a) An "Ownership Change Event" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company.

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(b) A "Change in Control" shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a "Transaction") wherein the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of the Company or, in the case of a Transaction described in Section 8.1(a)(iii), the corporation or corporations to which the assets of the Company were transferred (the "Transferee Corporation(s)"), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting stock of one or more corporations which, as a result of the Transaction, own the Company or the Transferee Corporation(s), as the case may be, either directly or through one or more subsidiary corporations. The Committee shall have the right to determine whether multiple sales or exchanges of the voting stock of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

11.2 Effect of Change in Control on Options. In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent corporation thereof, as the case may be (the "Acquiring Corporation"), may, without the consent of the Participant, either assume the Company's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent options for the Acquiring Corporation's stock. In the event that the Acquiring Corporation elects not to assume or substitute for outstanding Options in connection with a Change in Control, the exercisability and vesting of each such outstanding Option and any shares acquired upon the exercise thereof held by a Participant whose Service has not terminated prior to such date shall be accelerated, effective as of the date ten (10) days prior to the date of the Change in Control. The exercise or vesting of any Option and any shares acquired upon the exercise thereof that was permissible solely by reason of this Section 10.2 and the provisions of such Option Agreement shall be conditioned upon the consummation of the Change in Control. Any Options which are neither assumed or substituted for by the Acquiring Corporation in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control. Notwithstanding the foregoing, shares acquired upon exercise of an Option prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of the Option Agreement evidencing such Option except as otherwise provided in such Option Agreement. Furthermore, notwithstanding the foregoing, if the corporation the stock of which is subject to the outstanding Options immediately prior to an Ownership Change Event described in Section 10.1(a)(i) constituting a Change in Control is the surviving or continuing corporation and immediately after such Ownership Change Event less than fifty percent (50%) of the total combined voting power of its voting stock is held by another corporation or by other corporations that are members of an affiliated group within the meaning of Section 1504(a) of the Code without regard to the provisions of Section 1504(b) of the Code, the outstanding Options shall not terminate unless the Committee otherwise provides in its discretion.

11.3 Effect of Change in Control on SARs. In the event of a Change in Control, the Acquiring Corporation may, without the consent of any Participant, either assume the Company's rights and obligations under outstanding SARs or substitute for outstanding SARs substantially equivalent SARs for the Acquiring Corporation's stock. In the event the Acquiring Corporation elects not to assume or substitute for outstanding SARs in connection with a Change in Control, then any unexercised and/or unvested portions of outstanding SARs shall be immediately exercisable and vested in full as of the date thirty (30) days prior to the date of the Change in Control. The exercise and/or vesting of any SAR

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that was permissible solely by reason of this paragraph 11.3 shall be conditioned upon the consummation of the Change in Control. Any SARs which are not assumed by the Acquiring Corporation in connection with the Change in Control nor exercised as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

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11.4 Effect of Change in Control on Restricted Stock Awards. In the event of a Change in Control, the lapsing of the Vesting Conditions applicable to the shares subject to the Restricted Stock Award held by a Participant whose Service has not terminated prior to such date shall be accelerated effective as of the date of the Change in Control. Any acceleration of the lapsing of Vesting Conditions that was permissible solely by reason of this Section 11.4 and the provisions of such Award Agreement shall be conditioned upon the consummation of the Change in Control.

11.5 Effect of Change in Control on Performance Awards. In the event of a Change in Control, the Performance Award held by a Participant whose Service has not terminated prior to such date (unless the Participant's Service terminated by reason of the Participant's death or Disability) shall become payable effective as of the date of the Change in Control. For this purpose, the final value of the Performance Award shall be determined by the greater of (a) the extent to which the applicable Performance Goals have been attained during the Performance Period prior to the date of the Change in Control or (b) the pre-established 100% level with respect to each Performance Target comprising the applicable Performance Goals. Any acceleration of a Performance Award that was permissible solely by reason of this Section 11.5 and the provisions of such Award Agreement shall be conditioned upon the consummation of the Change in Control.

12. Compliance with Securities Law.

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

13. Tax Withholding.

13.1 Tax Withholding in General. The Company shall have the right to require the Participant, through payroll withholding, cash payment or otherwise,

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including by means of a Cashless Exercise of an Option, to make adequate provision for the federal, state, local and foreign taxes, if any, required by law to be withheld by the Participating Company Group with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

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13.2 Withholding in Shares. The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Participating Company Group. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates.

14. Termination or Amendment of Plan.

The Committee may terminate or amend the Plan at any time. However, subject to changes in applicable law, regulations or rules that would permit otherwise, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.2), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule. No termination or amendment of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. In any event, no termination or amendment of the Plan may adversely affect any then outstanding Award without the consent of the Participant, unless such termination or amendment is required to enable an Option designated as an Incentive Stock Option to qualify as an Incentive Stock Option or is necessary to comply with any applicable law, regulation or rule.

15. Miscellaneous Provisions.

15.1 Provision of Information. Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

15.2 Rights as Employee, Consultant or Director. No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director, or interfere with or limit in any way the right of a Participating Company to terminate the Participant's Service at any time.

15.3 Rights as a Stockholder. A Participant shall have no rights as a stockholder with respect to any shares covered by an Award until the date of the issuance of a certificate for such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is

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issued, except as provided in Section 4.2 or another provision of the Plan.

15.4 Beneficiary Designation. Each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation shall be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

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15.5 Unfunded Obligation. Any amounts payable to Participants pursuant to the Plan shall be unfunded obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Committee or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

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Proxy with telephone and Internet voting instructions - side one

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.
JACK IN THE BOX INC.

FOR ANNUAL MEETING OF STOCKHOLDERS ON FEBRUARY 13, 2004 AT 2:00 P.M.
MARRIOTT MISSION VALLEY, 8757 RIO SAN DIEGO DRIVE, SAN DIEGO, CALIFORNIA

The undersigned hereby appoints Robert J. Nugent, John F. Hoffner and Lawrence E. Schauf and each of them, acting by a majority or by one of them if only one is acting, as lawful proxies, with full power of substitution, for and in the name of the undersigned, to vote on behalf of the undersigned, with all the powers the undersigned would possess if personally present at the Annual Meeting of Stockholders of Jack in the Box Inc., a Delaware corporation, on February 13, 2004, or any postponements or adjournments thereof. The above named proxies are instructed to vote all the undersigned's shares of stock on the proposals set forth in the Notice of Annual Meeting and Proxy Statement as specified on the other side

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hereof and are authorized in their discretion to vote upon such other business as may properly come before the meeting or any postponements or adjournments thereof. This proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted "FOR" all nominees listed and "FOR" Proposals 2 and 3. The Board of Directors recommends a vote FOR the above proposals.

(Continued, and to be marked, dated and signed, on the other side)

/~FOLD AND DETACH HERE/~

JACK IN THE BOX INC.
ANNUAL MEETING OF STOCKHOLDERS
FEBRUARY 13, 2004 AT 2:00 P.M.

MARRIOTT MISSION VALLEY
8757 RIO SAN DIEGO DRIVE
SAN DIEGO, CALIFORNIA

Proxy with telephone and Internet voting instructions - side two

The Board of Directors recommends a vote FOR all nominees listed and Proposals 2 and 3. Please mark your votes like this |X|

	FOR ALL	WITHHOLD ALL
1. Election of Directors	_	_
Nominees		
01 Michael E. Alpert		06 Linda A. Lang
02 Edward W. Gibbons		07 Michael W. Murphy
03 Anne B. Gust		08 Robert J. Nugent
04 Alice B. Hayes		09 L. Robert Payne
05 Murray H. Hutchison		

(Instruction: To withhold authority to vote for any individual nominee write that nominee's name below.)

2. Approval of the 2004 Stock Incentive Plan.	FOR _	AGAINST _	ABSTAIN _
3. Ratification of appointment of KPMG LLP as independent auditors .	FOR _	AGAINST _	ABSTAIN _
4. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting includingwith respect to any adjournment thereof.			

YES NO

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I plan to attend the meeting.

|_ | |_ |

*** IF YOU WISH TO VOTE BY TELEPHONE OR INTERNET, PLEASE READ THE INSTRUCTIONS BELOW ***

[NAME, ADDRESS & SHARE INFORMATION]

Signature(s) x _____ Dated: _____, 2004

Stockholder(s), please sign above exactly as name appears hereon; in the case of joint holders, all should sign. Fiduciaries should add their full title to their signature. Corporations should sign in full corporate name by an authorized officer. Partnerships should sign in partnership name by an authorized person.

/~FOLD AND DETACH HERE/~

VOTE BY TELEPHONE OR INTERNET OR MAIL
24 HOURS A DAY - 7 DAYS A WEEK

Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

You will be asked to enter the Control Number located in the box in the lower right hand corner of this form.

TELEPHONE
Call Toll Free 1-800-435-6710 - ANYTIME
There is NO CHARGE to you for this call

Use any touch-tone phone to vote your proxy. Have your proxy card in hand when you call. You will be prompted to enter your CONTROL NUMBER located in the box below, and then follow the directions given.

INTERNET
<http://www.eproxy.com/jbx>

Use the Internet to vote your proxy. Have your proxy card in hand when you access the website. You will be prompted to enter your CONTROL NUMBER located in the box below, to create and submit an electronic ballot.

MAIL

Mark, sign and date your proxy card and return it in the enclosed postage-paid envelope provided.

NOTE: If you vote by telephone or Internet, you do not need to mail back your proxy.

THANK YOU FOR VOTING.

Proxy without telephone or Internet voting instructions - side one

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

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JACK IN THE BOX INC.

FOR ANNUAL MEETING OF STOCKHOLDERS ON FEBRUARY 13, 2004 AT 2:00 P.M.
MARRIOTT MISSION VALLEY, 8757 Rio San Diego Drive, SAN DIEGO, CALIFORNIA

The undersigned hereby appoints Robert J. Nugent, John F. Hoffner and Lawrence E. Schauf and each of them, acting by a majority or by one of them if only one is acting, as lawful proxies, with full power of substitution, for and in the name of the undersigned, to vote on behalf of the undersigned, with all the powers the undersigned would possess if personally present at the Annual Meeting of Stockholders of Jack in the Box Inc., a Delaware corporation, on February 13, 2004, or any postponements or adjournments thereof. The above named proxies are instructed to vote all the undersigned's shares of stock on the proposals set forth in the Notice of Annual Meeting and Proxy Statement as specified on the other side hereof and are authorized in their discretion to vote upon such other business as may properly come before the meeting or any postponements or adjournments thereof. This proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted "FOR" all nominees listed and "FOR" Proposals 2 and 3. The Board of Directors recommends a vote FOR the above proposals.

(Continued, and to be marked, dated and signed, on the other side)

/~FOLD AND DETACH HERE/~

JACK IN THE BOX INC.

ANNUAL MEETING OF STOCKHOLDERS
FEBRUARY 13, 2004 AT 2:00 P.M.

MARRIOTT MISSION VALLEY
8757 RIO SAN DIEGO DRIVE
SAN DIEGO, CALIFORNIA

Proxy without telephone or Internet voting instructions - side two

The Board of Directors recommends a vote FOR
all nominees listed and Proposals 2 and 3.

Please mark your [X]
votes like this

	FOR ALL	WITHHOLD ALL
	_	_
1. Election of Directors		
Nominees		
01 Michael E. Alpert	06 Linda A. Lang	
02 Edward W. Gibbons	07 Michael W. Murphy	
03 Anne B. Gust	08 Robert J. Nugent	
04 Alice B. Hayes	09 L. Robert Payne	
05 Murray H. Hutchison		

(Instruction: To withhold authority to vote for any individual nominee write that nominee's name below.)

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	FOR	AGAINST	ABSTAIN
2. Approval of the 2004 Stock Incentive Plan.	_	_	_
	FOR	AGAINST	ABSTAIN
3. Ratification of appointment of KPMG LLP as independent auditors .	_	_	_
4. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting including with respect to any adjournment thereof.			
	YES	NO	
I plan to attend the meeting.	_	_	

[NAME, ADDRESS & SHARE INFORMATION]

Signature(s) x _____ Dated: _____, 2004

Stockholder(s), please sign above exactly as name appears hereon; in the case of joint holders, all should sign. Fiduciaries should add their full title to their signature. Corporations should sign in full corporate name by an authorized officer. Partnerships should sign in partnership name by an authorized person.

/~FOLD AND DETACH HERE/~

Proxy Easy \$aver Plus Plan - side one

Please fold and detach at perforation before mailing

Please fill in box(es) as shown using black or blue ink or number 2 pencil.
PLEASE DO NOT USE FINE POINT PENS.

The Board of Directors of Jack in the Box Inc. recommends
a vote FOR all nominees listed and Proposals 2 and 3.

	FOR ALL	WITHHOLD ALL	FOR ALL EXCEPT (noted at left)
1. Election of Directors	_	_	_
Nominees			
01 Michael E. Alpert		06 Linda A. Lang	
02 Edward W. Gibbons		07 Michael W. Murphy	
03 Anne B. Gust		08 Robert J. Nugent	
04 Alice B. Hayes		09 L. Robert Payne	
05 Murray H. Hutchison			

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(Instruction: To withhold authority to vote for any individual nominee mark the "FOR ALL EXCEPT" box above and write that nominee's name above.)

	FOR	AGAINST	ABSTAIN
2. Approval of the 2004 Stock Incentive Plan.	_	_	_
	FOR	AGAINST	ABSTAIN
3. Ratification of appointment of KPMG LLP as independent auditors	_	_	_
4. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting including with respect to any adjournment thereof.			

Please note: If this Voting Instruction Form is signed, but no direction is given on Proposal #1, Mellon Bank, N.A. will vote "FOR" all nominees listed, or if no direction is given on Proposals #2 and #3, Mellon Bank, N.A. will vote "FOR" these Proposals.

(Continued and to be dated and signed on the other side)

Proxy Easy Saver Plus Plan - side two

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE This voting instruction is requested by Mellon Bank, N.A. in conjunction with a proxy solicitation by the Board of Directors of Jack in the Box Inc.

Please read the enclosed Proxy Statement and the Annual Report to Stockholders for more information.

CONFIDENTIAL VOTING INSTRUCTION FORM
To: Mellon Bank, N.A.
as Trustee of the Jack in the Box Inc. EasySaver Plus Plan

Please fold and detach at perforation before mailing

The undersigned hereby instructs Mellon Bank, N.A., as Trustee of the Jack in the Box Inc. EasySaver Plus Plan, to vote in person or by proxy at the Annual Meeting of the Stockholders of Jack in the Box Inc., to be held on February 13, 2004, and at any postponements or adjournments thereof, all shares of Common Stock of Jack in the Box Inc., for which the undersigned shall be entitled to instruct, in the manner specified on the other side hereof.

Mellon Bank, N.A. will vote the shares represented by this Voting Instruction Form if it is properly completed, signed, and received by Mellon Bank, N.A. before 5:00 p.m. EST on February 10, 2004 at P.O. Box 9116, Hingham, MA 02043. Please note that if this Voting Instruction Form is not properly completed and signed, or it is not received by Mellon Bank, N.A., as indicated above, Mellon Bank, N.A. will not vote any shares represented by such Voting Instruction Form.

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Mellon Bank, N.A. makes no recommendation regarding any voting instruction. Any Voting Instruction Form, if properly completed, signed, and received by Mellon Bank, N.A. in a timely manner will supersede any previously received Voting Instruction Form. All voting instructions received by Mellon Bank, N.A. will be kept confidential.

Dated: _____, 2004

Signature

BALLOT JACK IN THE BOX INC. BALLOT
Annual Meeting of Stockholders, February 13, 2004

The undersigned votes _____ (_____) shares of stock, with respect to the following:

1. Election of Directors: Michael E. Alpert, Edward W. Gibbons, Anne B. Gust, Alice B. Hayes, Murray H. Hutchison, Linda A. Lang, Michael W. Murphy, Robert J. Nugent and L. Robert Payne.

FOR all nominees listed.

WITHHOLD AUTHORITY to vote for all nominees listed.

FOR all nominees listed except _____

2. Approval of the 2004 Stock Incentive Plan FOR AGAINST ABSTAIN
3. Ratification of appointment of KPMG LLP FOR AGAINST ABSTAIN as independent auditors.

Stockholder's signature (check box if you are voting shares held in EasySaver Plus Plan)

INSTRUCTION: If ballot is cast by proxy, print stockholder name above or, if multiple stockholders, print "Proxies Filed" above.

Proxy signature (if ballot is cast by proxy)