DUNKIN' BRANDS GROUP, INC.
Form DEF 14A
April 02, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant 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 §240.14a-12

DUNKIN BRANDS GROUP, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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5) Total fee paid:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

130 Royall Street

Canton, Massachusetts 02021

April 2, 2018

Dear Shareholder:

We cordially invite you to attend our 2018 Annual Meeting of Shareholders on Wednesday, May 16, 2018, at 10:00 a.m. (local time), to be held at Dunkin Brands World Headquarters, 130 Royall Street, Canton, Massachusetts 02021.

Again this year, Dunkin Brands has elected to deliver our proxy materials to the majority of our shareholders over the Internet under the Securities and Exchange Commission rules that allow companies to furnish proxy materials to shareholders over the Internet. This delivery process allows us to provide shareholders with the information they need, while at the same time conserving natural resources and lowering the cost of delivery. On April 2, 2018, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our proxy statement for our 2018 Annual Meeting of Shareholders and our 2017 Annual Report. The Notice also provides instructions on how to vote online or by telephone and includes instructions on how to receive a paper copy of the proxy materials by mail.

The Notice will serve as an admission ticket for one shareholder to attend the 2018 Annual Meeting of Shareholders. On April 2, 2018, we also first mailed this proxy statement and the enclosed proxy card to certain shareholders. If you received a paper copy of the proxy materials in the mail, the proxy card includes an admission ticket for one shareholder to attend the 2018 Annual Meeting of Shareholders. You may alternatively present a brokerage statement showing proof of your ownership of Dunkin Brands stock as of March 22, 2018. **All shareholders must also present a valid form of government-issued picture identification in order to attend.**

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

We hope that you will be able to join us on May 16th.

Sincerely,

Nigel Travis

Chairman and Chief Executive Officer

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Dunkin Brands Group, Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 16, 2018

The 2018 Annual Meeting of Shareholders of Dunkin Brands Group, Inc. (the Company) will be held at the Company s World Headquarters, 130 Royall Street, Canton, Massachusetts 02021 on Wednesday, May 16, 2018, at 10:00 a.m. (local time) for the following purposes as further described in the proxy statement accompanying this notice:

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

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

To approve, on an advisory basis, the frequency of future say-on-pay votes.

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

To conduct any other business properly brought before the meeting.

Shareholders of record at the close of business on March 22, 2018 are entitled to notice of, and entitled to vote at, the Annual Meeting and any adjournments or postponements thereof.

To attend the Annual Meeting, you must demonstrate that you were a Dunkin Brands shareholder as of the close of business on March 22, 2018, or hold a valid proxy for the Annual Meeting from such a shareholder. If you received a Notice of Internet Availability of Proxy Materials, the Notice will serve as an admission ticket for one shareholder to attend the 2018 Annual Meeting of Shareholders. If you received a paper copy of the proxy materials in the mail, the proxy card includes an admission ticket for one shareholder to attend the 2018 Annual Meeting of Shareholders. You may alternatively present a brokerage statement showing proof of your ownership of Dunkin Brands stock as of March 22, 2018. **All shareholders must also present a valid form of government-issued picture identification in order to attend.** Please allow additional time for these procedures.

By Order of the Board of Directors

Rich Emmett

Secretary

Canton, Massachusetts

April 2, 2018

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Dunkin Brands Group, Inc.

ANNUAL MEETING OF SHAREHOLDERS

May 16, 2018

PROXY STATEMENT

The Board of Directors of Dunkin Brands Group, Inc., or Dunkin Brands, is soliciting your proxy for the 2018 Annual Meeting. Attendance in person or by proxy of a majority of the shares outstanding and entitled to vote at the meeting is required for a quorum for the meeting.

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

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

Shareholders of record at the close of business on March 22, 2018 are entitled to vote at the meeting. Each of the 82,709,648 shares of common stock outstanding on the record date is entitled to one vote.

This proxy statement, the proxy card and the Annual Report to Shareholders for our fiscal year ended December 30, 2017 (fiscal 2017) are being first mailed or made available to shareholders on or about the date of the notice of meeting. Our address is 130 Royall Street, Canton, Massachusetts 02021.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 16, 2018: Our proxy statement is attached. Financial and other information concerning Dunkin Brands is contained in our annual report to shareholders for the fiscal year ended December 30, 2017. The proxy statement and our fiscal 2017 annual report to shareholders are available on our website at http://investor.dunkinbrands.com. Additionally, you may access our proxy materials at www.proxyvote.com, a site that does not have cookies that identify visitors to the site.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider before voting and you should read the entire proxy statement. For more complete information regarding the Company s 2017 performance, please review the Company s Annual Report on Form 10-K for the fiscal year ended December 30, 2017.

VOTING AND MEETING INFORMATION

It is very important that you vote in order to play a part in the future of the Company. Please carefully review the proxy materials for the 2018 Annual Meeting of Shareholders, which will be held on Wednesday, May 16, 2018 at 10:00 a.m. (local time) at Dunkin Brands World Headquarters, 130 Royall Street, Canton, Massachusetts.

Who is Eligible to Vote?

Shareholders of record at the close of business on March 22, 2018 are entitled to vote at the 2018 Annual Meeting. Each of the 82,709,648 shares of common stock outstanding on the record date is entitled to one vote.

How You May Vote

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

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

Attending the Annual Meeting

To attend the Annual Meeting, you must demonstrate that you were a Dunkin Brands shareholder as of the close of business on March 22, 2018, or hold a valid proxy for the Annual Meeting from such a shareholder. Please see page

70 of the Proxy Statement for further details.

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Roadmap of Voting Matters

Shareholders are being asked to vote on the following matters at the 2018 Annual Meeting of Shareholders:

	Board Recommendation
Item 1. **Election of Directors (page 15)**	
The Board believes that each Director nominee has the professional and personal qualifications and experiences to continue to meaningfully contribute to an effective and well-functioning Board.	**FOR each Director Nominee**
Item 2. **Advisory Vote to Approve Executive Compensation (page 63)**	
The Company has designed its compensation programs to attract and retain industry-leading talent, to link compensation actually paid to achievement of our financial, operational and strategic goals, to reward individual performance and contribution to our success, and to enhance shareholder value by aligning the interests of our executive officers and shareholders through delivering a substantial portion of an executive officer s compensation through performance-based equity awards with a long-term value horizon. The Company seeks a non-binding advisory vote from its shareholders to approve the compensation of its named executive officers as described in the Compensation Discussion and Analysis section beginning on page 26 and the Compensation Tables section beginning on page 47. The Board values shareholders opinions and the Compensation Committee will take into account the outcome of the advisory vote when considering future executive compensation decisions.	**FOR**
Item 3. **Advisory Vote on Frequency of Future Say-on-Pay Votes (page 64)**	
Since its initial public offering, the Company has conducted an advisory Say-On-Pay vote annually. The Company and the Board of Directors continue to believe that such votes should be conducted annually as a matter of good corporate governance.	**EVERY YEAR**
Item 4. **Ratification of the Appointment of KPMG LLP as Independent Auditors (page 68)**	
The Audit Committee has appointed KPMG LLP to serve as independent auditors for the fiscal year ending December 29, 2018. The Audit Committee and the Board believe that the continued retention of KPMG LLP to serve as the Independent Auditors is in the best interests of the Company and its shareholders. As a matter of good corporate governance, shareholders are being asked to ratify the Audit Committee s selection of the independent auditors.	**FOR**

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GOVERNANCE

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

9 of 10 Directors are Independent	**Diverse Board in Terms of Experience and Skills**
Lead Independent Director	**Strong Commitment to Corporate Social Responsibility**
Annual Board and Committee Self-Assessment	**Biennial publication of Corporate Social Responsibility Report**
Directors are Required to Tender Resignation on receiving less than Majority Vote	**Policy Providing for Return of Incentive Compensation under Certain Circumstances (Clawback Policy)**
Directors are Required to Tender Resignation on Job Change	**Stock Ownership Guidelines for Executives and Directors**
Independent Directors Meet Without Management Present	**Hedging, Short Sale and Pledging Policies**
Robust Shareholder Engagement Practices	**Average Director Tenure of 6.9 years**
5 of 10 Directors Diverse as to Gender and/or Ethnicity	**Annual Board Evaluation of Chief Executive Officer**

BOARD OF DIRECTORS

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

Name	Age	Director since	Occupation and Experience	Independent	Committee Memberships	Other Current Public Company Boards
Mark Nunnelly*	59	2006	Secretary of Technology Services and Security, Commonwealth of Massachusetts		Compensation	Genpact, Inc.
Roland Smith*	63	2017	Former Chairman and CEO of Office Depot, Inc.; Former President and CEO of Wendy s/Arby s Group, Inc.		Nominating & Corporate Governance	
Carl Sparks*	50	2013	Former CEO of Academic Partnerships and Travelocity Global		Audit	Avis Budget Group, Inc. (nominee)
Raul Alvarez+	62	2012	Operating Partner at Advent International Corporation; Former President and COO of McDonald s Corporation		Compensation	Lowe s Companies, Inc. Eli Lilly and Company Realogy Holdings Corp.***
Irene Chang Britt	55	2014	Former President, Pepperidge Farm, a subsidiary of Campbell Soup Company		Audit Nominating & Corporate Governance	Brighthouse Financial, Inc. Tailored Brands, Inc.
Linda Boff	56	2017	CMO & Vice President, Learning & Culture for General Electric Company		Compensation	
Anthony DiNovi	55	2006	Co-President of Thomas H. Lee Partners, L.P.		Compensation	
Michael Hines	62	2011	Former Executive Vice President and CFO of Dick s Sporting Goods, Inc.		Audit Nominating & Corporate Governance	GNC Holdings, Inc. The TJX Companies, Inc.
Sandra Horbach**	57	2006	Managing Director and Co-Head of the US Buyout Group at The			

			Carlyle Group	
Nigel Travis	68	2009	Chairman and CEO of Dunkin Brands	Office Depot, Inc.

*Nominee

**Ms. Horbach has informed the Company that she does not intend to stand for re-election when her term expires at the 2018 Annual Meeting of shareholders.

***Mr. Alvarez is currently a director of Realogy Holdings Corp. but will not stand for re-election when his term expires in May 2018.

+Lead Independent Director

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2017 PERFORMANCE HIGHLIGHTS

Company Performance

We believe that our named executive officers were instrumental in helping us deliver our revenue, operating income and earnings per share targets in 2017, while also making significant progress positioning Dunkin Donuts as America s most-loved beverage-led, on-the-go brand. Financial and operational highlights of our fiscal 2017 performance include the following:(1)

Increased revenue: Increased revenue to $860.5 million, a 3.8% increase from fiscal 2016 or 4.9% on a 52-week basis.

Expanded global presence: Added 440 net new restaurants worldwide, including 313 net new Dunkin Donuts in the U.S., bringing Dunkin Brands to 20,520 total points of distribution as of year-end 2017.

Continued success in consumer packaged goods business: Dunkin Donuts retail branded products, including Dunkin K-Cup® pods, retail packaged coffee and creamers, each grew faster than their respective categories, indicating an increased share of the market for each product. The addition of our Ready-To-Drink (RTD) bottled iced coffee beverages also exceeded launch expectations in 2017, attaining $150 million in retail sales in 2017.

Leveraged technology to drive results: Grew the DD Perks Loyalty Program by 2 million members, bringing the total membership to approximately 8 million members. The On-the-Go ordering platform, which was launched in 2016, is also proving to be popular and has a retrial rate of 80%.

Grew worldwide sales: Grew global systemwide sales by 2.8% over fiscal 2016 or 4.2% on a 52-week basis.

Drove positive comparable store sales in Dunkin Donuts U.S.; Baskin-Robbins U.S. comparable store sales flat: Increased Dunkin Donuts U.S. comparable store sales by 0.6%; Baskin-Robbins U.S. comparable store sales were flat.

Increased earnings per share and adjusted earnings per share[2]: Increased diluted earnings per share by 80.1% to $3.80, or 82.7% on a 52-week basis, over fiscal 2016. Increased diluted adjusted earnings per share by 7.5% to $2.43, or 9.0% on a 52-week basis, over fiscal 2016.

Debt Refinancing. Completed a successful refinancing of our existing debt through a securitization structure at attractive fixed rates.

Continued Commitment to Sustainability. Dunkin Brands believes being a good corporate citizen is good business. We set corporate social responsibility (CSR) goals to make continuous progress in the areas of sustainable sourcing, packaging, energy efficiency, waste reduction, nutrition, Diversity & Inclusion and other issues and made important progress toward those goals in 2017. Highlights of our CSR progress in 2017 include:

- As part of our menu improvement journey, we announced our goal to remove artificial dyes from the Dunkin Donuts and Baskin-Robbins[3] U.S. menus by the end of 2018.

- We expanded our current work with the Rainforest Alliance to have all espresso beverages served at Dunkin Donuts U.S. restaurants and in approximately 16 international markets made with 100% Rainforest Alliance Certified beans by the end of 2018.

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- As a member of the Roundtable on Sustainable Palm Oil (RSPO), we continue to participate in multi-stakeholder efforts to advance sustainable palm oil sourcing and reissued our global Sustainable Palm Oil Guidelines in December 2017.

- We continue to focus on energy reduction efforts at our corporate facilities and in our restaurants. At the end of 2017, we had more than 185 DD Green Achievement sustainable restaurants across the country and continue to make progress against our goal to reduce energy use in our corporate facilities by 28% by 2020 and 30% by 2025.

- In early 2018, we announced plans to eliminate all polystyrene foam cups in our global supply chain beginning in spring 2018, with a targeted completion date of mid-2020. Our elimination of foam is expected to eliminate approximately 1 billion foam cups annually from the waste stream.

- In addition, as part of our commitment to our local communities in which our brands operate, the Joy in Childhood Foundation has granted $16 million since 2006 to help improve the lives of children and families in our neighborhoods.

While driving successful 2017 results, our named executive officers also kept a focus on the long term. Management created and began executing against a multi-year Blueprint for Growth , which is designed to transform Dunkin Donuts U.S. into the most-loved beverage-led, on-the-go brand. The plan is focused on (i) menu innovation, (ii) unparalleled convenience driven by digital leadership, (iii) broad accessibility through restaurant development and new channels for our branded packaged goods, (iv) restaurant excellence, and (v) brand evolution. This plan is designed for the long-term, to drive comparable store sales, traffic and franchisee profitability for Dunkin Donuts U.S. and to protect and grow the long-term health and relevancy of the brand.

(1) The fiscal year ended December 30, 2017 included 52 weeks, as compared to 53 weeks for the fiscal year ended December 31, 2016. The impact of the extra week in the fiscal year ended December 31, 2016 reflects our estimate of the additional week in fiscal 2016 on certain revenues and expenses.

(2) Diluted earnings per share increase in fiscal 2017 includes a net tax benefit of approximately $143 million related to the enactment of the Tax Cuts and Jobs Act. Adjusted earnings per share is a non-GAAP measure calculated using adjusted net income, reflecting net income adjusted for amortization of intangible assets, long-lived asset impairments, and certain other items, net of the tax impact of such adjustments. Adjusted net income for fiscal 2017 also excludes the net tax benefit due to the enactment of the Tax Cuts and Jobs Act. Please refer to pages 29-36 of the Company s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 26, 2018.

(3) Exceptions on both brands menus include select supplier-branded ingredients produced by other companies and used as toppings, ice cream inclusions or decorative elements. Additionally, Baskin-Robbins will take a longer period of time to find replacements for the decorative elements on its ice cream cakes.

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HOW PAY IS TIED TO COMPANY PERFORMANCE

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

In fiscal 2017, approximately 81% of our CEO s compensation and an average of approximately 74% of the compensation of our other NEO s was tied directly to the Company s operating performance and/or the Company s stock price.

For more information, see *Executive Compensation Compensation Discussion and Analysis Fiscal 2017 Compensation* below.

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BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Board structure and committee composition

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

Our Board of Directors held 6 meetings in fiscal 2017. During fiscal 2017, Mr. DiNovi attended approximately 73% of the total meetings of the Board and the Compensation Committee. Each other director attended at least 75% of the Board meetings and the total meetings held by all of the committees on which he or she served during the periods that he or she served.

During fiscal 2017, the Board had three standing committees: Audit, Compensation and Nominating & Corporate Governance. The table below provides information about the membership of these committees during fiscal 2017:

Name	Audit	Compensation	Nominating & Corporate Governance
Raul Alvarez		X*	
Linda Boff (1)		X	
Irene Chang Britt	X		X*
Anthony DiNovi		X	
Michael Hines	X*		X
Sandra Horbach (2)		X	X
Mark Nunnelly		X	
Carl Sparks	X		
Nigel Travis			
Roland Smith (3)			X
Number of meetings during fiscal 2017	7	5	2

* Chair

(1) Ms. Boff joined the Board in May 2017. At that time, Ms. Boff replaced Ms. Horbach as a member of the Compensation Committee.

(2) Ms. Horbach has informed the Company that she does not intend to stand for re-election when her term expires at the 2018 Annual Meeting of Shareholders.

(3) Mr. Smith joined the Board in July 2017. At that time, Mr. Smith replaced Ms. Horbach as a member of the Nominating & Corporate Governance Committee.

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Audit Committee

The Audit Committee s primary duties and responsibilities are to:

- Appoint, compensate, retain and oversee the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, audit-related, tax and other permissible non-audit services and review and appraise the audit efforts of our independent accountants;
- Establish procedures for (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and (ii) confidential and anonymous submissions by our employees of concerns regarding questionable accounting or auditing matters;
- Engage independent counsel and other advisers, as necessary;
- Determine funding of various services provided by accountants or advisers retained by the committee;
- Review our financial reporting processes and internal controls;
- Review and approve related-party transactions or recommend related-party transactions for review by independent members of our Board of Directors; and
- Provide an open avenue of communication among the independent accountants, financial and senior management and the board.

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

Compensation Committee

The purpose of the Compensation Committee is to assist the Board of Directors in fulfilling its responsibilities relating to oversight of the compensation of our directors, executive officers and other employees and the Company s benefit and equity-based compensation programs. The Compensation Committee reviews and recommends to our Board of Directors compensation plans, policies and programs and approves specific compensation levels for all executive officers. Under the committee charter, the Compensation Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel, or other adviser only after conducting an independence assessment of such advisor as required under NASDAQ rules. The Compensation Committee consists of Mr. Alvarez, Ms. Boff, Mr. DiNovi and Mr. Nunnelly. Ms. Horbach served as a member of the Compensation Committee until May 2017 when Ms. Boff joined the Board and was appointed to the committee. Mr. Alvarez serves as chair of the Compensation Committee. The Board has determined that each member of the Compensation Committee is an independent director as defined under SEC and NASDAQ rules. Our Board of Directors has adopted a written charter under which the Compensation Committee operates. A copy of the charter is available on our website.

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Nominating & Corporate Governance Committee

The purpose of the Nominating & Corporate Governance Committee is to identify individuals qualified to become members of the Board of Directors, to recommend director nominees for each annual meeting of shareholders, to recommend nominees for election to fill any vacancies on the Board of Directors, and to address related matters. The Nominating & Corporate Governance committee reviews and recommends to the Board of Directors any required changes to the corporate governance principles applicable to the Company and is responsible for leading the annual review of the Board s performance. The Nominating & Corporate Governance Committee consists of Ms. Chang Britt, Mr. Hines, and Mr. Smith. Ms. Horbach served as a member of the Nominating & Corporate Governance Committee until July 2017 when Mr. Smith joined the Board and was appointed to the committee. The Board has determined that each member of the Nominating & Corporate Governance Committee is an independent director as defined under NASDAQ rules. Our Board of Directors has adopted a written charter under which the Nominating & Corporate Governance Committee operates. A copy of the charter is available on our website.

Our Board s Role in Risk Oversight

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

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

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Compensation of Directors

Non-Employee Director Compensation Program

We designed our non-employee director compensation program with input from the Compensation Committee s independent compensation consultant, Pearl Meyer, to provide compensation levels at the median of our peer group then used for compensation purposes. In 2017, Pearl Meyer updated its competitive analysis of the compensation paid to our non-employee Board members. Under our non-employee director compensation program, each member of our Board of Directors who is not an employee of the Company is eligible to receive compensation for his or her service as a director. Non-employee directors receive an annual board retainer, inclusive of Board meeting fees, of $70,000. Based on the updated competitive analysis, which showed that the compensation paid to our Board members was below the median of our peer group used for compensation setting purposes in 2017, the Compensation Committee recommended and the Board approved in May of 2017 several changes to the additional cash retainers associated with Committee service, with no change made to the annual Board retainer fee. The Board approved increased cash retainers for all Committee chairs and additional cash retainers for each member, excluding the Chair, of our three standing Board committees to be effective on May 11, 2017, which resulted in compensation paid to our Board members being at the median of our peer group. The annual cash retainer program is now structured as follows (pro-rated for years of partial service):

Board and Committee Fees	**2016**	**2017**
Audit Committee Member	N/A	$ 10,000
Audit Committee Chair	$ 15,000	$ 20,000
Compensation Committee Member	N/A	$ 7,500
Compensation Committee Chair	$ 12,500	$ 15,000
N&CG Committee Member	N/A	$ 5,000
N&CG Chair	$ 7,500	$ 10,000
Lead Director	$ 25,000	$ 25,000
Board Retainer	$ 70,000	$ 70,000

In addition to cash retainers, all non-employee directors receive an annual grant of restricted stock units on the date of our annual meeting of stockholders (or upon the appointment of the director if such appointment occurs not in connection with an annual meeting), the grant fair market value of which is approximately $110,000. These restricted stock units become fully vested on the first anniversary of the date of grant, subject to the director s continued service through the vesting date. We also reimburse our non-employee directors for expenses incurred in connection with attending Board and Committee meetings.

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

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Plan are only distributable upon the termination of the non-employee director s board service. During fiscal 2017, Messrs. Alvarez, DiNovi, Hines, Nunnelly and Sparks and Mss. Boff, Chang Britt and Horbach elected to defer cash and/or restricted stock unit awards under the Deferred Compensation Plan.

Director Compensation for 2017

The following table sets forth information concerning the compensation earned by our non-employee directors during our 2017 fiscal year. Directors who are employees of the Company do not receive any fees for their service as directors. Mr. Travis s compensation is included with that of our other named executive officers below in Executive Compensation.

Name	Fees Paid or Earned in Cash (1)		Stock Awards (2)		Total	
Ralph Alvarez	$	109,107	$	110,018	$	219,125
Linda Boff (3)	$	47,266	$	106,439	$	153,706
Irene Chang Britt	$	85,536	$	110,018	$	195,554
Anthony DiNovi	$	74,821	$	110,018	$	184,839
Michael Hines	$	91,429	$	110,018	$	201,446
Sandra Horbach	$	71,186	$	110,018	$	181,203
Mark Nunnelly	$	74,821	$	110,018	$	184,839
Roland Smith (4)	$	33,832	$	88,947	$	122,778
Carl Sparks	$	76,429	$	110,018	$	186,446

(1) Reflects annual board retainer and any committee fees earned by each non-employee director during fiscal 2017. All cash retainer payments are made quarterly in arrears. Amounts shown in this table are not reduced to reflect the director s election, if any, to defer receipt of his or her cash retainer payments under the Deferred Compensation Plan.

(2) Reflects the grant date fair value of restricted stock units granted to non-employee directors as determined under FASB ASC Topic 718, disregarding the effect of estimated forfeitures. The grant date fair value of each award received was calculated by multiplying the number of restricted stock units granted to the director by the accounting value of each restricted stock unit in accordance with FASB ASC Topic 718. These amounts represent the value of the annual equity award we granted to our non-employee directors in accordance with our non-employee director compensation program described above, and reflect rounding up in the number of restricted stock units granted to avoid the grant of fractional units. As of December 30, 2017, each of our non-employee directors who were then serving on the Board of Directors (except for Ms. Boff and Mr. Smith) held 2,023 restricted stock unit awards that will vest on May 10, 2018, subject to continued service on the Board through the vesting date. Ms. Boff held 1,959 restricted stock unit awards that will vest on May 22, 2018 and Mr. Smith held 1,704 restricted stock units that will vest on July 19, 2018, in each case, subject to continued service on the Board through the applicable vesting date. None of our non-employee directors held any other stock awards or held any stock options as of December 30, 2017.

(3) Ms. Boff joined our Board on May 22, 2017.

(4) Mr. Smith joined our Board on July 19, 2017.

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Director Ownership Guidelines

Under our director ownership guidelines, each non-employee director is expected to own shares of our common stock in an amount equal to five times the director s annual cash retainer. Each director is expected to reach this ownership level within five years of first becoming a director or first being designated as an independent director. Ownership for this purpose includes shares owned directly as well as share equivalents, including shares credited to a non-employee director s stock unit account under the Deferred Compensation Plan. As of the end of our fiscal year, each of our non-employee directors who joined the Board prior to 2017 had met the director ownership guidelines. We expect that Ms. Boff and Mr. Smith, who joined the Board in May and July 2017, respectively, will meet the director ownership guideline within the required timeframe.

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PROPOSAL 1

ELECTION OF DIRECTORS

Dunkin Brands has a classified Board of Directors currently consisting of four Directors with terms expiring in 2018 (Class I), three Directors with terms expiring in 2019 (Class II) and three Directors with terms expiring in 2020 (Class III). On March 30, 2018, Ms. Horbach informed the Company that she does not intend to stand for re-election when her term expires at the 2018 Annual Meeting of Shareholders. The Board intends to reduce the number of Directors on the Board to nine, effective as of the end of Ms. Horbach s current term.

At each Annual Meeting of Shareholders, Directors in one class are elected for a full term of three years to succeed those Directors whose terms are expiring. This year, three Class III Director nominees will stand for election to a three-year term expiring at the 2021 Annual Meeting. The persons named in the enclosed proxy will vote to elect Mark Nunnelly, Carl Sparks and Roland Smith as Directors unless the proxy is marked otherwise. Each of the nominees has indicated his willingness to serve, if elected. However, if a nominee should be unable to serve, the shares of common stock represented by proxies may be voted for a substitute nominee designated by the Board. Management has no reason to believe that any of the above-mentioned persons will not serve his or her term as a Director.

We seek nominees with established strong professional reputations, sophistication and experience in the retail and consumer industries. We also seek nominees with experience in substantive areas that are important to our business such as marketing and brand management; retail; consumer targeting; supply chain management; accounting, finance and capital structure; strategic planning and leadership of complex organizations; technology and social and digital media; international operations; human resources and development practices; and strategy and innovation. Our nominees hold or have held senior executive positions in large, complex organizations or in businesses related to important substantive areas, and in these positions have also gained experience in core management skills and substantive areas relevant to our business. Our nominees also have experience serving on boards of directors and board committees of other public companies, and each of our nominees has an understanding of corporate governance practices and trends.

In addition, each of our nominees have prior service on our Board, which has provided them with significant exposure to both our business and the industry in which we compete. We believe that each of our nominees possess the professional and personal qualifications necessary for Board service, and we have highlighted particularly noteworthy attributes for each director in the individual biographies below.

Nominees for Election for Terms Expiring in 2021 (Class I Directors)

The individuals listed below have been nominated and are standing for election at this year s Annual Meeting. If elected, they will hold office until our 2021 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Mr. Nunnelly and Mr. Sparks were previously elected to the board by shareholders. Mr. Smith was appointed by the Board of Directors in July 2017.

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Your Board of Directors recommends that you vote FOR the election

of each of the nominees as director.

Mark Nunnelly, 59

Director since 2006

Mr. Nunnelly currently serves as Secretary of Technology Services and Security for The Commonwealth of Massachusetts, and previously served as Commissioner of the Department of Revenue for The Commonwealth of Massachusetts. Prior to that, Mr. Nunnelly was a Managing Director at Bain Capital Partners, LLC until 2014. Prior to joining Bain Capital in 1989, Mr. Nunnelly was a Partner at Bain & Company, with experience in the domestic, Asian and European strategy practices. Previously, Mr. Nunnelly worked at Procter & Gamble in product management. Mr. Nunnelly serves on the board of directors of Genpact, Inc., as well as several not-for-profit corporations, and formerly served on numerous public and private boards, including Domino s Pizza, Inc., Bloomin Brands, Inc. and Warner Music Group Corp. Mr. Nunnelly brings significant experience in product and brand management, as well as service on the boards of other public companies, including companies in the quick service restaurant business, to the Board.

Carl Sparks, 50

Director since 2013

Mr. Sparks previously served as Chief Executive Officer of Academic Partnerships, one of the leading companies in helping public universities migrate to online student recruitment and course delivery. Prior to that role, Mr. Sparks served as the Chief Executive Officer of Travelocity Global, one of the leading companies in online travel, and a division of Sabre Inc., from April 2011 through April 2014. Prior to joining Travelocity, he served as President of Gilt Groupe, an invitation-only online retailer of luxury products and experiences. Mr. Sparks joined Gilt as Chief Marketing Officer in October 2009 and was promoted to President in March 2010, serving in that role until April 2011, when he joined Travelocity. Mr. Sparks also served for five years at Expedia Inc., an online travel company, from June 2004 until October 2009, in a variety of leadership roles, including Senior Vice President, Marketing and Retail Operations at Hotels.com from June 2004 to May 2006, Chief Marketing Officer at Expedia.com from June 2006 to December 2007, and General Manager at Hotels.com USA, Latin America & Canada from January 2008 to October 2009. Mr. Sparks is currently a nominee to serve as a director of Avis Budget Group, Inc., and previously served as a director of Vonage Holdings Corp. Mr. Sparks brings expertise in digital marketing, brand management, as well as executive experience, to the Board.

Roland Smith, 63

Director since 2017

Mr. Smith previously served as Chairman and Chief Executive Officer of Office Depot, Inc., a leading global provider of products, services, and solutions for every workplace, from November 2013 until February 2017. Prior to joining Office Depot, Mr. Smith served as the President and Chief Executive Officer of Delhaize America, LLC, the U.S. division of Delhaize Group, and Executive Vice President of Delhaize Group, an international food retailer, from October 2012 to September 2013. Mr. Smith was a Special Advisor to The Wendy s Company, a restaurant owner, operator and franchisor, from September 2011 to December 2011, served as President and Chief Executive Officer from July 2011 to September 2011. Mr. Smith served as President and Chief Executive Officer of Wendy s/Arby s

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Group, Inc. and Chief Executive Officer of Wendy s International, Inc. from September 2008 to July 2011. Mr. Smith also served as Chief Executive Officer of Triarc Companies, Inc. from June 2007 to July 2011, and the Chief Executive Officer of Arby s Restaurant Group, Inc., a restaurant owner, operator and franchisor, from April 2006 to September 2008. Mr. Smith currently serves as Chairman of the Board of 24 Hour Fitness USA, Inc., and previously served as Director and Chairman of the Board of Office Depot, Director and Chairman of the Board of Carmike Cinemas, Inc., Director of The Wendy s Company, and Director of Wendy s/Arby s Group, Inc. Mr. Smith brings extensive chief executive experience, including within the QSR industry, to the Board and has served previously on multiple public company boards.

Directors with Terms Expiring in 2018 Who Will Not Stand for Re-Election (Class I Director)

Sandra Horbach, 57

Director since 2006

Ms. Horbach is a Managing Director of The Carlyle Group, where she serves as Co-Head of the US Buyout Group. Ms. Horbach currently serves as a director of Acosta Sales & Marketing and Novolex as well as a number of not-for-profit organizations. Prior to joining Carlyle, Ms. Horbach was a General Partner at Forstmann Little, a private investment firm, and an Associate at Morgan Stanley. She has also served on the boards of Beats, Citadel Broadcasting Corporation, Community Health Systems, CVS, Gulfstream Aerospace, Nature s Bounty, Inc., philosophy, Vogue and The Yankee Candle Company, Inc. Ms. Horbach has extensive experience in the retail and consumer industries, and experience on other public and private boards.

Directors with Terms Expiring in 2019 (Class II Directors)

Raul Alvarez, 62

Director since 2012

Mr. Alvarez is an Operating Partner at Advent International Corporation, and previously served as Chairman of the Board at Skylark Co., Ltd., a Japanese-based operator of restaurant chains. Mr. Alvarez is a director at Lowe s Companies, Inc., Eli Lilly and Company and Realogy Holdings Corp. (Mr. Alvarez will not stand for re-election at Realogy in 2018) and served as a director of McDonald s Corporation and KeyCorp until 2009. Mr. Alvarez served as President and Chief Operating Officer of McDonald s Corporation from August 2006 until December 2009. Previously, he served as President of McDonald s North America from January 2005 to August 2006 and as President of McDonald s USA from July 2004 to January 2005. Mr. Alvarez brings significant experience in the quick service restaurant industry as well as executive leadership experience to the Board.

Anthony DiNovi, 55

Director since 2006

Mr. DiNovi is Co-President of Thomas H. Lee Partners, L.P. Mr. DiNovi joined THL in 1988. Within the past five years, Mr. DiNovi has served as a director of West Corporation. Mr. DiNovi was selected as a director because of his experience addressing financial, strategic and operating issues as a senior executive of a financial services firm and as a director of several companies in various industries.

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Nigel Travis, 68

Director since 2009

Mr. Travis has served as Chief Executive Officer of Dunkin Brands since January 2009 and assumed the additional role of Chairman of the Board in May 2013. From 2005 through 2008, Mr. Travis served as President and Chief Executive Officer, and on the board of directors of Papa John s International, Inc., a publicly-traded international pizza chain. Prior to Papa John s, Mr. Travis was with Blockbuster, Inc. from 1994 to 2004, where he served in increasing roles of responsibility, including President and Chief Operating Officer. Mr. Travis previously held numerous senior positions at Burger King Corporation. Mr. Travis currently serves as a director of Office Depot, Inc. and formerly served on the board of Lorillard, Inc. As our Chief Executive Officer, Mr. Travis brings to the board a deep understanding of the Company, as well as domestic and international experience with franchised businesses in the quick service restaurant and retail industries.

Directors with Terms Expiring in 2020 (Class III Directors)

Linda Boff, 56

Director since 2017

Ms. Boff serves as Chief Marketing Officer & Vice President, Learning & Culture for General Electric Company (GE), leading all global marketing, brand, content, digital, sponsorship, and customer experience for the company, as well as GE s learning & development work. Previously, Ms. Boff was GE s executive director of global brand marketing. She also served as Chief Marketing Officer of iVillage Properties, part of NBC Universal. Ms. Boff joined GE in early 2004 as leader of employee marketing after 18 years of experience in marketing, advertising and communications, including senior roles at Citigroup, the American Museum of Natural History and Porter Novelli. Ms. Boff brings significant marketing and technology expertise to the Board.

Michael Hines, 62

Director since 2011

Mr. Hines served as Executive Vice President and Chief Financial Officer of Dick s Sporting Goods, Inc., a sporting goods retailer, from 1995 to 2007. From 1990 to 1995, he held management positions with Staples, Inc., an office products retailer, most recently as Vice President, Finance. Mr. Hines spent 12 years in public accounting, the last eight years with the accounting firm Deloitte & Touche LLP. Mr. Hines is also a director of GNC Holdings, Inc. and of The TJX Companies, Inc. Mr. Hines experience as a financial executive and certified public accountant provides him with expertise in the retail industry, including accounting, controls, financial reporting, tax, finance, risk management and financial management.

Irene Chang Britt, 55

Director since 2014

Ms. Chang Britt served as President, Pepperidge Farm, a subsidiary of Campbell Soup Company, from August 2012 to February 2015 and also held the position of Senior Vice President, Global Baking and Snacking for Campbell from May 2012 to February 2015. Ms. Chang Britt joined Campbell in 2005 and held a series of leadership positions with Campbell, including Senior Vice President and Chief Strategy Officer and President, North America Foodservice.

Ms. Chang Britt currently serves on the board of directors of Tailored Brands, Inc. (public), Brighthouse Financial Inc. (public), and Baybridge

Seniors Housing (private), and formerly served on the board of Sunoco, Inc. and TerraVia Holdings Inc. Ms. Chang Britt brings to the Board a deep knowledge of the consumer packaged goods category, and extensive executive experience.

CORPORATE GOVERNANCE

Board Independence. The Board evaluates any relationships of each director and nominee with Dunkin Brands and makes an affirmative determination whether or not such director or nominee is independent. Under our Corporate Governance Guidelines, an independent director is one who meets the qualification requirements for being an independent director under applicable laws and the corporate governance listing standards of NASDAQ. Our Board reviews any transactions and relationships between each non-management director or any member of his or her immediate family and Dunkin Brands. The purpose of this review is to determine whether there were any such relationships or transactions and, if so, whether they were inconsistent with a determination that the director was independent. As a result of this review, our Board unanimously determined that each current member of our Board of Directors, with the exception of Mr. Travis, our Chief Executive Officer, is independent under the governance and listing standards of NASDAQ.

Board Expertise and Diversity. We seek to have a Board that represents diversity as to experience, gender and ethnicity/race, but we do not have a formal policy with respect to diversity. We also seek a Board that reflects a range of talents, ages, skills, viewpoints, professional experience, educational background and expertise to provide sound and prudent guidance with respect to our operations and interests. All of our directors are financially literate, and one member of our Audit Committee is an audit committee financial expert.

Board Annual Performance Reviews. Our Corporate Governance Guidelines provide that the Board shall be responsible for periodically, and at least annually, conducting a self-evaluation of the Board as a whole. In addition, the written charters of the Audit Committee, Nominating & Corporate Governance Committee and the Compensation Committee provide that each such committee shall evaluate its performance on an annual basis using criteria that it has developed and shall report to the Board on its findings.

Board Nominees. Under its charter, our Nominating & Corporate Governance Committee is responsible for recommending to the Board candidates to stand for election to the Board at the Company s annual meeting of shareholders and for recommending candidates to fill vacancies on the Board that may occur between annual meetings of shareholders. The Corporate Governance Guidelines provide that nominees for director shall be selected on the basis of their character, wisdom, judgment, ability to make independent analytical inquiries, business experiences, understanding of the Company s industry and business environment, time commitment and acumen. Board members are expected to become and remain informed about the Company, its business and its industry and rigorously prepare for, attend and participate in all Board and applicable committee meetings. The committee evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment using its diversity of experience. In addition, the committee considers, in light of our business, each director nominee s experience, qualifications, attributes and skills that are identified in the biographical information contained under Proposal 1 Election of Directors.

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The Nominating & Corporate Governance Committee considers properly submitted recommendations for candidates to the Board of Directors from shareholders. Any shareholder may submit in writing one candidate for consideration for each shareholder meeting at which directors are to be elected by not later than the 120th calendar day nor earlier than the 90th calendar day before the first anniversary of the date that we released our proxy statement to shareholders in connection with the previous year s annual meeting. Any shareholder recommendations for consideration by the Nominating & Corporate Governance Committee should include the candidate s name, biographical information, information regarding any relationships between the candidate and Dunkin Brands within the last three years, a statement of recommendation of the candidate from the shareholder, a description of our shares beneficially owned by the shareholder, a description of all arrangements between the candidate and the recommending shareholder and any other person pursuant to which the candidate is being recommended, a written indication of the candidate s willingness to serve on the Board of Directors, any other information required to be provided under securities laws and regulations, and a written indication of willingness to provide such other information as the Nominating & Corporate Governance Committee may reasonably request. Recommendations should be sent to Rich Emmett, Corporate Secretary, Dunkin Brands Group, Inc., 130 Royall Street, Canton, MA 02021. The Nominating & Corporate Governance Committee evaluates candidates for the position of director recommended by shareholders or others in the same manner as candidates from other sources. The Nominating & Corporate Governance Committee will determine whether to interview any candidates and may seek additional information about candidates from third-party sources.

Board Leadership Structure. Under our Corporate Governance Guidelines, our Board may select a Chairman of the Board of Directors at any time, who may also be an executive officer of the Company. Jon Luther, our former non-executive Chairman, retired from the Board of Directors in May 2013. At that time, the Board appointed Nigel Travis, our Chief Executive Officer, to the additional role of Chairman of the Board and named Raul Alvarez as Lead Independent Director. Mr. Travis has been our Chief Executive Officer since 2009 and has significant prior experience with franchised businesses in the quick service restaurant and retail industries. Given Mr. Travis extensive experience and deep knowledge of our company and our industry, the Board believes that combining the Chairman and Chief Executive Officer positions is currently the most effective leadership structure for Dunkin Brands. As Chief Executive Officer, Mr. Travis is intimately involved in the day-to-day operations of our company and is best positioned to lead the Board in setting the strategic focus and direction for our company. As Lead Independent Director, Mr. Alvarez has the power to provide formal input into Board meeting agendas, to call meetings of the independent directors, and to preside at meetings of independent directors, as well as playing a key role in management and succession planning. The Board believes that the combination of the Chairman and Chief Executive Officer roles as part of a governance structure that includes a lead independent director, as well as the exercise of key Board oversight responsibilities by independent directors, provides an effective balance for the management of the Company in the best interest of our shareholders.

Majority Voting Guidelines. Our Corporate Governance Guidelines provide that in an uncontested election of directors, any nominee for director who receives a greater number of votes withheld from his or her election than votes for such election shall promptly tender his or her resignation following certification of the shareholder vote. The Nominating & Governance Committee shall make a recommendation to the Board and the Board shall determine whether or not to accept such resignation within a period of 90 days following the shareholder vote, and will promptly publicly disclose its decision to accept or reject the resignation and, if rejected, the reasons for doing so.

Policies Relating to Directors. It is our policy that when a director s principal occupation or business association changes during his or her tenure as a director, that director shall tender his or her resignation from the Board to the Chairman of the Board, with a copy to the Secretary, and the Board shall determine whether or not to accept such resignation. We also require directors to notify the Secretary of the Board prior to participating on another board of directors where the potential for conflict exists. In addition, it is our policy that no director shall be nominated who has attained the age of 73 prior to or on the date of his or her election or re-election. We expect each of our directors to attend the annual meeting of shareholders, and in 2017, each of our directors did attend.

Code of Business Ethics and Conduct. We have adopted a written Code of Business Ethics and Conduct (the Code of Conduct) that applies to our directors, officers and employees, including our executive officers, and is designed to ensure that our business is conducted with integrity. The Code of Conduct covers professional conduct, conflicts of interest, intellectual property and the protection of confidential information, as well as adherence to laws and regulations applicable to the conduct of our business. A copy of the Code of Conduct is posted on our website, which is located at *http://investor.dunkinbrands.com*. We intend to disclose any future amendments to, or waivers from, the Code of Conduct for Dunkin Brands executive officers within four business days of the waiver or amendment through a website posting or by filing a Current Report on Form 8-K with the Securities and Exchange Commission (the SEC).

Sustainability & Corporate Social Responsibility. At Dunkin Brands, we believe that being a socially responsible company is good business. We continue to make important progress towards our corporate social responsibility (CSR) goals, including:

Sustainable Packaging: In 2018, Dunkin Brands announced plans to eliminate all polystyrene foam cups in its global supply chain beginning in spring 2018, with a targeted completion date of mid-2020. Our elimination of foam is expected to eliminate approximately 1 billion foam cups annually from the waste stream. Since 2005, we have made a number of improvements to our packaging, including sourcing a four-cup carrier made of recycled newsprint, transitioning to bagel bags and napkins made with 100% recycled paper, adding recycled material to our espresso sleeves and cup carriers, and transitioning the lids for our cold beverage cups from PET to recyclable #5 polypropylene, a change that is expected to take approximately 500,000 pounds of material out of the waste stream per year once completed in summer 2018. By the end of 2018, 80% of our consumer-facing fiber-based packaging will be sourced to the Sustainable Forestry Initiative (SFI) standard.

Sustainable Building: In 2014, Dunkin Donuts launched DD Green Achievement, a program designed to help franchisees build sustainable, energy-efficient restaurants in the U.S. There are now approximately 186 DD Green Achievement restaurants around the country. Dunkin Brands has set a target to open 500 DD Green Achievement restaurants in the U.S. by the end of 2020. Additionally, the new next generation concept store now being introduced into the system is approximately 25% more energy-efficient than the previous restaurant model.

Sustainable Coffee: In 2017, Dunkin Donuts expanded its current work with the Rainforest Alliance to have all espresso beverages served at Dunkin Donuts U.S. restaurants and in approximately 16 international markets made with 100% Rainforest

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Alliance Certified beans. By the end of 2018, Dunkin Donuts Dark Roast Coffee is also expected to be made with 100% Rainforest Alliance Certified beans. In European markets, Dunkin Donuts restaurants also serve Fair Trade certified espresso.

Sustainable Sourcing: As a member of the Roundtable on Sustainable Palm Oil (RSPO), Dunkin Brands continues to participate in multi-stakeholder efforts to advance sustainable palm oil sourcing and reissued its global Sustainable Palm Oil Guidelines in December 2017. In the U.S., Dunkin Brands has also committed to sourcing 100% of the eggs for its menu from cage-free sources by 2025 and 100% gestation crate-free pork by 2022. By the end of 2018, any chicken menu offerings in U.S. Dunkin Donuts restaurants are expected to have been raised antibiotic-free.

Cleaner Labels: As part of the brand s ongoing efforts to offer cleaner menu labels, Dunkin Donuts U.S. introduced donuts without artificial dyes in January. The brand is committed to eliminating artificial dyes from its national food and beverage menu in the U.S. by the end of 2018.

Menu Labeling: Dunkin Brands partnered with industry peers and consumer advocates in supporting a menu labeling mandate in the U.S. that provides guests with clear and consistent nutritional information when ordering.

Joy In Childhood Foundation: The Joy in Childhood Foundation, whose mission is to provide joy to sick and hungry children, is a collaborative effort between Dunkin Brands and Dunkin Donuts and Baskin-Robbins franchisees. Since 2006, the Foundation has granted $16 million to help improve the lives of children and families in the communities where we operate.

Dunkin Brands CSR reports, available on our website at *www.dunkinbrands.com/responsibility*, provide an overview of our CSR goals and progress since 2010. Our most recent CSR report was published in Spring 2017 and is available on our website.

Shareholder Engagement. We have a strong shareholder engagement program and value shareholder input. We have regular, transparent communication with our shareholders throughout the year to ensure we are addressing their questions and concerns. We engage with shareholders through our quarterly earnings calls, investment community conferences, road shows and other communications channels. In 2017, our management team met with representatives at many of our top institutional shareholders representing an aggregate of approximately 50% of our outstanding shares.

Communications with Directors. Shareholders and other interested parties may communicate directly with the Board or the independent directors as a group, or specified individual directors by writing to such individual or group c/o Office of the Corporate Secretary, Dunkin Brands Group, Inc., 130 Royall Street, Canton, Massachusetts 02021. The Secretary will forward such communications to the relevant group or individual at or prior to the next meeting of the Board.

Online Availability of Information. The current versions of our Certificate of Incorporation, By-Laws, Corporate Governance Guidelines, Code of Business Ethics and Conduct, and charters for our Audit, Compensation and Nominating & Corporate Governance Committee are available on our website at *http://investor.dunkinbrands.com*.

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Transactions with Related Persons

Under the Code of Business Ethics and Conduct, the Board is responsible for reviewing and approving or ratifying any transaction in which Dunkin Brands and any of our directors, director nominees, executive officers, 5% or greater shareholders or their immediate family members are participants and in which such persons have a direct or indirect material interest as provided under SEC rules. In the course of reviewing potential related person transactions, the Board considers the nature of the related person s interest in the transaction; the presence of standard prices, rates or charges or terms otherwise consistent with arms-length dealings with unrelated third parties; the materiality of the transaction to each party; the reasons for Dunkin Brands entering into the transaction with the related person; the potential effect of the transaction on the status of a director as an independent, outside or disinterested director or committee member; and any other factors the Board may deem relevant. Our General Counsel s office is primarily responsible for the implementation of processes and procedures for screening potential transactions and providing information to the Board.

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Stock Ownership Information

The following table sets forth information regarding the beneficial ownership of our common stock as of the record date, March 22, 2018 by (i) such persons known to us to be beneficial owners of more than 5% of our common stock, (ii) each director, director nominee and named executive officer, and (iii) all directors and executive officers as a group. Unless otherwise noted, the address for each individual is c/o Dunkin Brands Group, Inc. 130 Royall Street, Canton, MA 02021.

Name	Number of Shares (1)	Percentage
Beneficial holders of 5% or more of our outstanding coming stock:		
T. Rowe Price Associates (2)	10,754,846	13.0%
Janus Henderson Group PLC (3)	7,364,500	8.9%
The Vanguard Group (4)	7,346,711	8.9%
BlackRock, Inc. (5)	7,322,621	8.9%
FMR, LLC (6)	5,356,595	6.5%
Directors and executive officers:		
Nigel Travis	1,576,514	1.9%
Kate Jaspon	74,187	*
David Hoffmann	49,275	*
William Mitchell (7)	248,790	*
Richard Emmett	249,244	*
Paul Carbone (7)	128	*
Raul Alvarez	13,216	*
Linda Boff	1,959	*
Irene Chang Britt	8,484	*
Anthony DiNovi	11,477	*
Sandra Horbach	11,477	*
Michael Hines	16,962	*
Mark Nunnelly	11,477	*
Roland Smith	1,704	*
Carl Sparks	10,097	*
All Directors and Executive Officers as a Group (20 persons)	2,559,170	3.0%

* Indicates less than 1%

(1) Reflects sole voting and investment power except as indicated in footnotes below. Includes shares of common stock which the following persons had the right to acquire on March 22, 2018 or within sixty (60) days thereafter through the exercise of stock options: Mr. Travis (1,301,133), Ms. Jaspon (71,772), Mr. Hoffmann (35,934), Mr. Mitchell (248,790), Mr. Emmett (236,725) and all directors and executive officers as a group (2,142,882). Includes shares of restricted common stock or restricted stock units subject to vesting conditions: Mr. Travis (150,000), Mr. Alvarez (2,023), Ms. Boff (1,959), Ms. Chang Britt (2,023), Mr. DiNovi (2,023), Ms. Horbach (2,023), Mr. Hines (2,023), Mr. Nunnelly (2,023), Mr. Smith (1,704), Mr. Sparks (2,023), and all directors and

executive officers as a group (167,824).

(2) The information regarding T. Rowe Price Associates (T. Rowe) is based solely on information included in Amendment No. 1 to its Schedule 13G filed by T. Rowe with the SEC on February 14, 2018, which reflects sole voting power as to 2,780,788 shares and sole dispositive power as to 10,754,846 shares. T. Rowe reports its address as 100 E. Pratt Street, Baltimore, Maryland 21202.

(3) The information regarding Janus Henderson Group PLC (Janus) is based solely on information included in Amendment No. 1 to its Schedule 13G filed by Janus with the SEC on February 12, 2018, which reflects shared voting and dispositive power as to 7,364,500,600 shares. Janus reported its address as 201 Bishopsgate EC2M 3AE, United Kingdom.

(4) The information regarding The Vanguard Group (Vanguard) is based solely on information included in Amendment No. 4 to its Schedule 13G filed by Vanguard with the SEC on February 9, 2018, which reflects sole voting power as to

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50,427 shares, shared voting power as to 11,099 shares, sole dispositive power as to 7,292,040 shares, and shared dispositive power as to 54,671 shares. Vanguard reported its address as 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

(5) The information regarding BlackRock, Inc. (BlackRock) is based solely on information included in Amendment No. 2 to its Schedule 13G filed by BlackRock with the SEC on January 29, 2018, which reflects sole voting power as to 6,998,345 shares and sole dispositive power as to 7,322,621 shares. BlackRock reported its address as 55 East 52nd Street, New York, New York 10055.

(6) The information regarding FMR LLC is based solely on information included in Amendment No. 10 to its Schedule 13G filed by FMR LLC and Abigail P. Johnson with the SEC on February 13, 2018, which reflects sole voting power as to 1,142,90 shares and sole dispositive power as to 5,356,595 shares by FMR LLC and sole dispositive power as to 5,356,595 shares by Abigail P. Johnson. Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC. FMR LLC and Abigail P. Johnson reported their address as 245 Summer Street, Boston, Massachusetts 02210.

(7) Mr. Carbone and Mr. Mitchell resigned from the Company effective as of April 21, 2017 and March 16, 2018, respectively. At the time of each such resignation, all outstanding equity awards that had not yet vested were forfeited in accordance with the terms of the award.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and any greater than 10% beneficial owners to file reports of holdings and transactions in our common stock with the SEC. To facilitate compliance, we have undertaken the responsibility to prepare and file these reports on behalf of our officers and directors. Based on our records and other information, all reports were timely filed during fiscal year 2017.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section discusses the principles underlying our policies used to determine, and our decisions made with respect to, the compensation of our executive officers who are named in the Summary Compensation Table as well as the most important factors relevant to an analysis of those policies and decisions. Our named executive officers for fiscal 2017 are:

- Nigel Travis, Chairman and Chief Executive Officer
- Katherine Jaspon, Chief Financial Officer(1)
- David Hoffmann, President, Dunkin Donuts U.S. and Canada
- William Mitchell, President, International(2)
- Richard Emmett, Senior Vice President and Chief Legal and Human Resources Officer
- Paul Carbone, Former Chief Financial Officer(3)

(1) Ms. Jaspon was promoted to the position of Chief Financial Officer on June 5, 2017. Prior to such promotion, Ms. Jaspon served as the Company s interim Chief Financial Officer from April 7, 2017 through June 4, 2017.
(2) Bill Mitchell resigned as an employee of the Company as of March 16, 2018.
(3) Mr. Carbone resigned as Chief Financial Officer of the Company as of April 21, 2017.

Overview of compensation and fiscal 2017 performance

Our compensation strategy focuses on providing a total compensation package that will attract and retain high-caliber executive officers and employees, incentivize them to achieve company and individual performance goals, and align management, employee and shareholder interests over both the short-term and long-term. Our approach to executive compensation reflects our focus on long-term value creation. We believe that by placing a significant equity opportunity in the hands of executives who are capable of driving and sustaining growth, our shareholders will benefit along with the executives who helped create this value.

Compensation philosophy

Our compensation philosophy centers upon:

- attracting and retaining industry-leading talent by targeting compensation levels that are competitive when measured against other companies within our industry;

- linking compensation actually paid to the achievement of our financial, operating and strategic goals;

- rewarding individual performance and contribution to our success; and

- aligning the interests of our executive officers with those of our shareholders by delivering a significant portion of an executive officer s compensation through equity-based awards with a long-term value horizon.

Each of the key elements of our executive compensation program is discussed in more detail below. The elements of our executive compensation program are intended to be complementary and to collectively serve the compensation objectives described above. We have not adopted any formal policies or guidelines for allocating compensation between short-term and long-term compensation, between cash and non-cash compensation, or among different forms of cash and non-cash compensation. The compensation levels of our named executive officers reflect, to a significant degree, the varying roles and responsibilities of these executives.

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At our 2017 annual meeting of shareholders, approximately 99% of the votes cast on our say on pay proposal were in favor of the compensation of our executive officers. The Compensation Committee considered this to be positive support for our compensation practices and continued to make its compensation-related decisions consistent with the Company s stated executive compensation philosophy.

Our compensation and governance practices

Described below are some of the practices that we consider good governance features of our executive compensation program.

Risk Mitigation - Our executive compensation program includes a number of controls that mitigate risk, including executive stock ownership and holding requirements and our ability to recover compensation paid to executives in certain circumstances, each as described below.

Robust Shareholder Engagement - We have regular, transparent communication with our shareholders throughout the year to ensure we are addressing their questions and concerns. We engage with shareholders through our quarterly earnings calls, investment community conferences, road shows and other communications channels. In 2017, our management team met with representatives at many of our top institutional shareholders representing an aggregate of approximately 50% of our outstanding shares.

Compensation Clawback - Under our Incentive Compensation Recoupment policy, we can recover cash- or equity-based compensation paid to executives in various circumstances, including where the compensation is based upon the achievement of specified financial results that are the subject of a subsequent restatement (see Clawbacks; Risk Assessment below).

Performance-Based Long-Term Incentive Compensation - In 2017, the equity awards granted to our Chairman and Chief Executive Officer and other named executive officers were comprised of a mix of time-vesting non-qualified stock options that fully vest after four years and performance stock units that vest after three years based on the achievement of pre-determined performance targets.

No Hedging or Pledging - We prohibit our executives and directors from pledging, hedging, or engaging in any derivatives trading with respect to shares of our common stock.

No Automatic Single-Trigger Change-in-Control Vesting - All equity awards have double-trigger change-in-control vesting provisions.

No Gross-Ups - We do not provide tax gross-ups for compensation, perquisites or other benefits provided to our executive officers, other than in the case of certain relocation expenses, consistent with our relocation policy for all U.S.-based employees, and the special tax gross-up for living expenses for Mr. Hoffmann that he negotiated for in connection with his hiring (which was only in effect in 2016 and 2017).

Stock Ownership Requirements - We require our executive officers to meet stock ownership requirements, and we require Mr. Travis to retain 100% of the after-tax proceeds from stock option gains and performance or restricted stock awards upon their vesting, and other named executive officers to retain 50% of the after-tax proceeds from stock option gains and the settlement of performance or restricted stock awards upon their vesting until they meet their required ownership levels (see Stock Ownership Guidelines below). In addition, shares of common stock delivered in settlement of performance stock units generally may not be sold or transferred for one year following the date the units vest, other than to satisfy tax withholding obligations. We also have stock ownership requirements for our directors, as discussed under Compensation of Directors .

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No Repricing - Our equity incentive plan prohibits the repricing or exchange of stock options and stock appreciation rights without shareholder approval.

Independent Compensation Consultant - The Compensation Committee has engaged an independent compensation consultant, Pearl Meyer, that has no other ties to the Company or its management and that meets the independence standards of NASDAQ (see Competitive market data and the use of compensation consultants below).

No Golden Parachutes - Any potential payments to executives upon a termination of employment are relatively modest.

Perquisites - We provide our executives with a very limited range of executive perquisites and the aggregate value of all ongoing regular perquisites represents less than one-half of one percent of aggregate total compensation for our named executive officers.

Highlights of 2017 Business Performance

We believe that our named executive officers were instrumental in helping us deliver our revenue, operating income and earnings per share targets in 2017, while also making significant progress positioning Dunkin Donuts as America s most-loved beverage-led, on-the-go brand. Financial and operational highlights of our fiscal 2017 performance include the following:[1]

Increased revenue: Increased revenue to $860.5 million, a 3.8% increase from fiscal 2016 or 4.9% on a 52-week basis.

Expanded global presence: Added 440 net new restaurants worldwide, including 313 net new Dunkin Donuts in the U.S., bringing Dunkin Brands to 20,520 total points of distribution as of year-end 2017.

Continued success in consumer packaged goods business: Dunkin Donuts retail branded products, including Dunkin K-Cup® pods, retail packaged coffee and creamers, each grew faster than their respective categories, indicating an increased share of the market for each product. The addition of our Ready-To-Drink (RTD) bottled iced coffee beverages also exceeded launch expectations in 2017, attaining $150 million in retail sales in 2017.

Leveraged technology to drive results: Grew the DD Perks Loyalty Program by 2 million members, bringing the total membership to approximately 8 million members. The On-the-Go ordering platform, which was launched in 2016, is also proving to be popular and has a retrial rate of 80%.

Grew worldwide sales: Grew global systemwide sales by 2.8% over fiscal 2016 or 4.2% on a 52-week basis.

Drove positive comparable store sales in Dunkin Donuts U.S.; Baskin-Robbins U.S. comparable store sales flat: Increased Dunkin Donuts U.S. comparable store sales by 0.6%; Baskin-Robbins U.S. comparable store sales were flat.

Increased earnings per share and adjusted earnings per share[2]: Increased diluted earnings per share by 80.1% to $3.80, or 82.7% on a 52-week basis, over fiscal 2016. Increased diluted adjusted earnings per share by 7.5% to $2.43, or 9.0% on a 52-week basis, over fiscal 2016.

Debt Refinancing. Completed a successful refinancing of our existing debt through a securitization structure at attractive fixed rates.

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Continued Commitment to Sustainability. Dunkin Brands believes being a good corporate citizen is good business. We set corporate social responsibility (CSR) goals to make continuous progress in the areas of sustainable sourcing, packaging, energy efficiency, waste reduction, nutrition, Diversity & Inclusion and other issues and made important progress toward those goals in 2017. Highlights of our CSR progress in 2017 include:

As part of our menu improvement journey, we announced our goal to remove artificial dyes from the Dunkin Donuts and Baskin-Robbins U.S. menus by the end of 2018.

We expanded our current work with the Rainforest Alliance to have all espresso beverages served at Dunkin Donuts U.S. restaurants and in approximately 16 international markets made with 100% Rainforest Alliance Certified beans by the end of 2018.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), we continue to participate in multi-stakeholder efforts to advance sustainable palm oil sourcing and reissued our global Sustainable Palm Oil Guidelines in December 2017.

We continue to focus on energy reduction efforts at our corporate facilities and in our restaurants. At the end of 2017, we had more than 185 DD Green Achievement sustainable restaurants across the country and continue to make progress against our goal to reduce energy use in our corporate facilities by 28% by 2020 and 30% by 2025.

In early 2018, we announced plans to eliminate all polystyrene foam cups in our global supply chain beginning in spring 2018, with a targeted completion date of mid-2020. Our elimination of foam is expected to eliminate approximately 1 billion foam cups annually from the waste stream.

In addition, as part of our commitment to our local communities in which our brands operate, the Joy in Childhood Foundation has granted $16 million since 2006 to help improve the lives of children and families in our neighborhoods.

While driving successful 2017 results, our named executive officers also kept a focus on the long term. Management created and began executing against a multi-year Blueprint for Growth , which is designed to transform Dunkin Donuts U.S. into the most-loved beverage-led, on-the-go brand. The plan is focused on (i) menu innovation, (ii) unparalleled convenience driven by digital leadership, (iii) broad accessibility through restaurant development and new channels for our branded packaged goods, (iv) restaurant excellence, and (v) brand evolution. This plan is designed for the long-term, to drive comparable store sales, traffic and franchisee profitability for Dunkin Donuts U.S. and to protect and grow the long-term health and relevancy of the brand.

(1) The fiscal year ended December 30, 2017 included 52 weeks, as compared to 53 weeks for the fiscal year ended December 31, 2016. The impact of the extra week in the fiscal year ended December 31, 2016 reflects our estimate of the additional week in fiscal 2016 on certain revenues and expenses.

(2) Diluted earnings per share increase in fiscal 2017 includes a net tax benefit of approximately $143 million related to the enactment of the Tax Cuts and Jobs Act. Adjusted earnings per share is a non-GAAP measure calculated using adjusted net income, reflecting net income adjusted for amortization of intangible assets, long-lived asset impairments, and certain other items, net of the tax impact of such adjustments. Adjusted net income for fiscal 2017 also excludes the net tax benefit due to the enactment of the Tax Cuts and Jobs Act. Please refer to pages 29-36 of the Company s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 26, 2018.

(3) Exceptions on both brands menus include select supplier-branded ingredients produced by other companies and used as toppings, ice cream inclusions or decorative elements. Additionally, Baskin-Robbins will take a longer period of time to find replacements for the decorative elements on its ice cream cakes.

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Fiscal 2017 compensation

Compensation of our Chairman and Chief Executive Officer

Consistent with our executive compensation principles described above, after considering his performance and assessing market competitiveness, the Compensation Committee, with advice from its independent consultant, set Mr. Travis s salary and short- and long-term incentive compensation for fiscal 2017 as follows:

Mr. Travis annual base salary remained at $1.0 million;

Mr. Travis target bonus opportunity under our annual management incentive plan (the Annual Plan) was increased to 125% of base salary; his actual 2017 award under the Annual Plan (paid in March 2018) was $994,688 (or 79.6% of target);

His 2017 annual long-term incentive awards had a grant date fair value of $3.342 million, 70% of which took the form of time-based stock options and 30% of which took the form of performance stock units (PSUs), which vest based on the achievement of quantifiable performance criteria and continued service.

In 2017, over 81% of Mr. Travis s total compensation was tied to Company performance, with approximately 63% of the total attributable to long-term incentives as shown:

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Compensation of our other Named Executive Officers

Promotion of Ms. Jaspon

Effective June 5, 2017, the Company promoted Katherine Jaspon to the position of Chief Financial Officer.