

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

SCHEDULE TO

**Tender Offer Statement Under
Section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934**

FRANKLIN COVEY CO.

(Name of Subject Company (Issuer))

FRANKLIN COVEY CO.

(Name of Filing Person (Issuer))

COMMON STOCK, \$0.05 PAR VALUE PER SHARE

(Title of Class of Securities)

353469109

(CUSIP Number of Class of Securities)

Robert A. Whitman

Chairman and Chief Executive Officer

Franklin Covey Co.

2200 West Parkway Boulevard

Salt Lake City, UT 84119-2331

(801) 817-1776

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Filing Person(s))

With a copy to:

Nolan S. Taylor

David Marx

Dorsey & Whitney LLP

136 South Main Street, 10th Floor

Salt Lake City, UT 84101

(801) 933-7360

CALCULATION OF FILING FEE

TRANSACTION VALUATION*

\$34,999,982.50

AMOUNT OF FILING FEE**

\$3,524.50

* Estimated solely for purposes of calculating the filing fee only, this amount is based on the purchase of 1,971,830 shares of common stock at the maximum tender offer price of \$17.75.

** The amount of the filing fee calculated in accordance with Rule 0-11 of the Exchange Act, equals 100.70 per million of the value of the transaction.

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

Amount Previously Paid:

N/A

Filing Party:

N/A

Form or Registration No.:

N/A

Date Filed:

N/A

o Check box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1

going-private transaction subject to Rule 13e-3

issuer tender offer subject to Rule 13e-4

amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer.

Schedule TO

This Issuer Tender Offer Statement on Schedule TO (this "Schedule TO") relates to the offer by Franklin Covey Co., a Utah corporation (the "Company"), to purchase for cash up to \$35,000,000 in value of shares of its common stock, \$0.05 par value per share ("common stock"), at a price not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 14, 2015 (the "Offer to Purchase"), a copy of which is attached hereto as Exhibit (a)(1)(A), and the related Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer"), a copy of which is attached hereto as Exhibit (a)(1)(B). The information contained in the Offer to Purchase and the related Letter of Transmittal is incorporated herein by reference in response to items 1 through 11 of this Schedule TO.

Item 12. Exhibits

- (a)(1)(A)* Offer to Purchase dated December 14, 2015.
- (a)(1)(B)* Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
- (a)(1)(C)* Notice of Guaranteed Delivery.
- (a)(1)(D)* Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(E)* Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(F)* Letter to Participants in the Employee Stock Purchase Plan.
- (a)(1)(G)* Withdrawal Form to the Participants in the Employee Stock Purchase Plan.
- (a)(1)(H)* Letter to Shareholders.
- (a)(2) Not applicable.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (a)(5)(1) Press Release dated December 8, 2015.(1)
- (a)(5)(2)* Press Release dated December 14, 2015.
 - (b)(1) Amended and Restated Credit Agreement by and between JPMorgan Chase Bank, N.A. and Franklin Covey Co., dated March 14, 2011.(2)
 - (b)(2) Amended and Restated Security Agreement by and among Franklin Covey Co., Franklin Development Corporation, Franklin Covey Travel, Inc., Franklin Covey Client Sales, Inc., and JPMorgan Chase Bank, N.A., dated March 14, 2011.(2)
 - (b)(3) Amended and Restated Repayment Guaranty by and among Franklin Development Corporation, Franklin Covey Travel, Inc., Franklin Covey Client Sales, Inc., and JPMorgan Chase Bank, N.A., dated March 14, 2011.(2)
 - (b)(4) Secured Promissory Note between Franklin Covey Co. and JPMorgan Chase Bank, N.A. for \$10.0 million revolving loan, dated March 14, 2011.(2)
 - (b)(5) First Modification Agreement by and among JPMorgan Chase Bank, N.A. and Franklin Covey Co., dated March 13, 2012.(3)

- (b)(6) Consent and Agreement of Guarantor by and between Franklin Covey Co., Franklin Development Corporation, Franklin Covey Travel, Inc., Franklin Covey Client Sales, Inc. and JPMorgan Chase Bank, N.A., dated March 13, 2012.(3)
- (b)(7) Second Modification Agreement by and among JPMorgan Chase Bank, N.A. and Franklin Covey Co., dated June 15, 2012.(4)
- (b)(8) Consent and Agreement of Guarantor by and between Franklin Covey Co., Franklin Development Corporation, Franklin Covey Travel, Inc., Franklin Covey Client Sales, Inc. and JPMorgan Chase Bank, N.A., dated June 15, 2012.(4)
- (b)(9) Third Modification Agreement by and among JPMorgan Chase Bank, N.A. and Franklin Covey Co. dated March 25, 2013.(5)
- (b)(10) Consent and Agreement of Guarantor by and between JPMorgan Chase Bank, N.A. and Franklin Covey Co. dated March 25, 2013.(5)
- (b)(11) Fourth Modification Agreement by and among JPMorgan Chase Bank, N.A. and Franklin Covey Co. dated March 31, 2015.(6)
- (b)(12) Consent and Agreement of Guarantor by and between JPMorgan Chase Bank, N.A. and Franklin Covey Co. dated March 31, 2015.(6)
- (c) Not applicable.
- (d)(1) Amended and Restated Shareholders Agreement dated March 8, 2005, between the Company and Knowledge Capital Investment Group.(7)
- (d)(2) Amended and Restated Registration Rights Agreement dated March 8, 2005, between the Company and Knowledge Capital Investment Group.(7)
- (d)(3) Form of Warrant to purchase shares of common stock issued by the Company to holders of shares of Series A Preferred Stock other than Knowledge Capital Investment Group.(7)
- (d)(4) Warrant dated March 8, 2005, to purchase 5,913,402 shares of common stock issued by the Company to Knowledge Capital Investment Group.(7)
- (d)(5) Franklin Covey Co. Amended and Restated 2000 Employee Stock Purchase Plan.(8)
- (d)(6) Franklin Covey Co. 2004 Employee Stock Purchase Plan.(9)
- (d)(7) Franklin Covey Co. Second Amended and Restated 1992 Stock Incentive Plan.(10)
- (d)(8)* Letter Agreement with Knowledge Capital, dated December 14, 2015.
- (d)(9) Forms of Nonstatutory Stock Options.(11)
- (d)(10) Redemption Extension Voting Agreement between Franklin Covey Co. and Knowledge Capital Investment Group, dated October 20, 2005.(12)
- (d)(11) Agreement dated July 26, 2011, between Franklin Covey Co., and Knowledge Capital Investment Group.(13)
- (d)(12) Form of Change in Control Severance Agreement.(14)
- (d)(13) Franklin Covey Co. 2015 Omnibus Incentive Plan.(15)
- (e) Not applicable.
- (f) Not applicable.
- (g) Not applicable.
- (h) Not applicable.

* Filed herewith.

- (1) Incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Commission on December 8, 2015. (File No. 001-11107).
- (2) Incorporated by reference to Report on Form 8-K filed with the Commission on March 17, 2011. (File No. 001-11107).
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- (7) Incorporated by reference to Exhibit 99.1, Exhibit 99.2, Exhibit 99.4 and Exhibit 99.5 to the Company's Current Report on Form 8-K filed with the Commission on March 10, 2005. (File No. 001-11107).
- (8) Incorporated by reference to the Company's Report on Form S-8 filed with the Commission on May 31, 2000, Registration No. 333-38172.
- (9) Incorporated by reference as Appendix A to the Company's Definitive Proxy Statement filed with the Commission on February 1, 2005. (File No. 001-11107).
- (10) Incorporated by reference to Registration Statement on Form S-1 filed with the Commission on January 3, 1994, Registration No. 33-73728.
- (11) Incorporated by reference to Registration Statement on Form S-1 filed with the Commission on April 17, 1992, Registration No. 33-47283.
- (12) Incorporated by reference to Report on Form 8-K filed with the Commission on October 24, 2005. (File No. 001-11107).
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- (14) Incorporated by reference to Report on Form 8-K filed with the Commission on March 14, 2012. (File No. 001-11107).
- (15) Incorporated by reference to Definitive Proxy Statement on Form DEF 14A (Appendix A) filed with the Commission on December 22, 2014. (File No. 001-11107).

Item 13. Information required by Schedule 13E-3

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

FRANKLIN COVEY CO.

By: /s/ ROBERT A. WHITMAN

Name: Robert A. Whitman

Title: *Chairman and Chief Executive Officer*

Dated: December 14, 2015

EXHIBIT INDEX

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(a)(1)(F)*	Letter to Participants in the Employee Stock Purchase Plan.
(a)(1)(G)*	Withdrawal Form to the Participants in the Employee Stock Purchase Plan.
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QuickLinks

[Schedule TO](#)

[Item 12. Exhibits](#)

[Item 13. Information required by Schedule 13E-3](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)



OFFER TO PURCHASE FOR CASH
BY
FRANKLIN COVEY CO.
OF
UP TO \$35,000,000 IN VALUE OF SHARES OF ITS COMMON STOCK AT A
PURCHASE PRICE NOT GREATER THAN \$17.75 NOR LESS THAN
\$15.50 PER SHARE

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JANUARY 12, 2016, UNLESS THE OFFER IS EXTENDED.

Franklin Covey Co., a Utah corporation (the "Company," "Franklin Covey," "our," "we," or "us"), is offering to purchase for cash up to \$35,000,000 in value of shares ("shares") of our common stock, \$0.05 par value per share ("common stock"), at a price not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in this Offer to Purchase and the Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer").

We are offering to purchase up to \$35,000,000 in value of shares in the Offer. On the terms and subject to the conditions of the Offer, we will determine a single per share price, not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, that we will pay for shares properly tendered and not properly withdrawn in the Offer, taking into account the total number of shares tendered and the prices specified by tendering shareholders. After the Offer expires, we will look at the prices chosen by shareholders for all of the shares properly tendered and not properly withdrawn. We will then select the lowest purchase price (in multiples of \$0.25) within the price range specified above that will allow us to purchase \$35,000,000 in value of shares, or a lower amount depending on the number of shares properly tendered and not properly withdrawn. If the Offer is fully subscribed at a purchase price of \$17.75 per share, we will repurchase 1,971,830 shares. The maximum number of shares we will repurchase is 2,258,064 shares, which would represent approximately 13.9% of our issued and outstanding shares as of November 27, 2015. If, based on the purchase price we determine, shares having an aggregate value of less than \$35,000,000 are properly tendered, we will buy all the shares that are properly tendered at or below such purchase price and not properly withdrawn. All shares we acquire in the Offer will be acquired at the same purchase price regardless of whether the shareholder tendered at a lower price. We will purchase only shares properly tendered at prices at or below the purchase price we determine and not properly withdrawn prior to the expiration date of the Offer. However, because of the "odd lot" priority, proration and conditional tender provisions described in this Offer to Purchase, we may not purchase all of the shares tendered at or below the purchase price if, based on the purchase price we determine, more than \$35,000,000 in value of shares are properly tendered and not properly withdrawn. Shares tendered but not purchased in the Offer will be returned to the tendering shareholders at our expense promptly after the expiration of the Offer. See Section 5.

The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to other conditions. See Section 7.

The shares are listed and traded on the New York Stock Exchange (the "NYSE") under the ticker symbol "FC." On December 7, 2015, the last full trading day before the announcement of the Offer, the last reported sale price of our common stock on the NYSE was \$14.55 per share. **Shareholders are urged to obtain current market quotations for the shares. See Section 8.**

Our Board of Directors has approved our making the Offer. However, none of Franklin Covey, our Board of Directors, the Dealer Manager, the Depository and the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them.

You should read carefully the information set forth or incorporated by reference in this Offer to Purchase and in the related Letter of Transmittal, including our reasons for making the Offer. See Section 2. All of our directors and executive officers have advised us that they do not intend to tender any of their shares in the Offer. See Section 11.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offense.

You may direct questions and requests for assistance, or for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery to Georgeson Inc., which is acting as the Information Agent, or to B. Riley & Co., LLC, which is the Dealer Manager for the Offer. Their addresses and telephone numbers appear on the back cover of this Offer to Purchase.

The Dealer Manager for the Offer is:

B. Riley & Co., LLC

Offer to Purchase, dated December 14, 2015

IMPORTANT

If you desire to tender all or any portion of your shares, you must do one of the following before the Offer expires:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact the nominee and request that the nominee tender your shares for you;
- if you hold certificates or Direct Registration System ("DRS") shares in your own name, you must complete and sign a Letter of Transmittal according to its instructions, and deliver it, together with any required signature guarantees, the certificates for your shares, or the number of DRS shares you wish to tender and any other documents required by the Letter of Transmittal to Zions First National Bank("Zions Bank"), the Depository for the Offer;
- if you are an institution participating in The Depository Trust Company ("DTC"), you must tender your shares according to the procedure for book-entry transfer described in Section 3;
- if you hold shares through our Employee Stock Purchase Plan (the "ESPP") and you wish to tender any of your shares held in the ESPP, you must follow the separate instructions and procedures described in Section 3 of this Offer to Purchase (including an earlier deadline for delivering materials) and you must review the separate materials related to the ESPP enclosed with this Offer to Purchase for instructions;
- if you are a holder of restricted stock or restricted stock units outstanding under any of our equity incentive plans, you may tender the shares underlying such awards only if they have vested and, with respect to restricted stock units, you have received the underlying shares free of restrictions on the transfer of such Shares; and
- if you are a holder of vested options to purchase shares under our equity incentive plans, you may exercise your vested options and tender any of the shares issued upon exercise in accordance with the terms of the Offer.

If you want to tender your shares, but (a) the certificates for your shares are not immediately available or cannot be delivered to the Depository by the expiration of the Offer, (b) you cannot comply with the procedure for book-entry transfer by the expiration of the Offer, or (c) your other required documents cannot be delivered to the Depository by the expiration of the Offer, you can still tender your shares if you comply with the guaranteed delivery procedures described in Section 3.

To tender shares properly, other than shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee, or shares held under our ESPP, you must properly complete and duly execute the Letter of Transmittal.

If you wish to maximize the chance that your shares will be purchased in the Offer, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer." If you agree to accept the purchase price determined pursuant to the Offer, your shares will be deemed to be tendered at the minimum price of \$15.50 per share. You should understand that this election may lower the purchase price paid for shares in the Offer and could result in your shares being purchased at the minimum price of \$15.50 per share.

We are not making the Offer to, and will not accept any tendered shares from, shareholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary for us to make the Offer to shareholders in any such jurisdiction.

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the Offer or as to the purchase price or prices at which you should tender your shares. You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information or to make any representation in connection with the Offer other than the information and representations contained in the Offer to Purchase. If anyone makes any recommendation or gives

any such information or representation, you must not rely upon that recommendation, information or representation as having been authorized by us, our Board of Directors, the Dealer Manager, the Depositary or the Information Agent.

Questions and requests for assistance may be directed to Georgeson Inc., the Information Agent for the Offer, or to B. Riley & Co., LLC, the Dealer Manager for the Offer, at their respective addresses and telephone numbers set forth on the back cover page of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the related Letters of Transmittal or the Notice of Guaranteed Delivery may also be directed to the Information Agent.

*The information agent for
the Tender Offer is:*

Georgeson

*The Dealer Manager for
the Tender Offer is:*

B. Riley & Co., LLC

TABLE OF CONTENTS

	<u>Page</u>
<u>SUMMARY TERM SHEET</u>	<u>1</u>
<u>FORWARD-LOOKING STATEMENTS</u>	<u>8</u>
<u>INTRODUCTION</u>	<u>9</u>
<u>THE TENDER OFFER</u>	<u>10</u>
<u>1. Number of Shares; Purchase Price; Proration</u>	<u>10</u>
<u>2. Purpose of the Tender Offer; Certain Effects of the Tender Offer</u>	<u>13</u>
<u>3. Procedures for Tendering Shares</u>	<u>16</u>
<u>4. Withdrawal Rights</u>	<u>23</u>
<u>5. Purchase of Shares and Payment of Purchase Price</u>	<u>24</u>
<u>6. Conditional Tender of Shares</u>	<u>25</u>
<u>7. Conditions of the Offer</u>	<u>26</u>
<u>8. Price Range of the Shares; Dividends</u>	<u>28</u>
<u>9. Source and Amount of Funds</u>	<u>29</u>
<u>10. Certain Information Concerning Franklin Covey</u>	<u>30</u>
<u>11. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares</u>	<u>31</u>
<u>12. Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act</u>	<u>36</u>
<u>13. Legal Matters; Regulatory Approvals</u>	<u>37</u>
<u>14. Material U.S. Federal Income Tax Consequences</u>	<u>37</u>
<u>15. Extension of the Tender Offer; Termination; Amendment</u>	<u>42</u>
<u>16. Fees and Expenses</u>	<u>43</u>
<u>17. Miscellaneous</u>	<u>43</u>

SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. This summary term sheet highlights only certain material information that can be found elsewhere in this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the Offer. We have included references to the sections of this document where you will find a more complete discussion.

Who is offering to purchase my shares?

Franklin Covey Co.

What is the Company offering to purchase?

Our intent is to purchase up to \$35,000,000 in value of shares of our common stock. However, we expressly reserve the right, in our sole discretion, to purchase additional shares pursuant to the Offer, subject to applicable law. See Section 1.

What is the purpose of the Offer?

Our Board of Directors believes that the Offer will provide shareholders with the opportunity to tender their shares and thereby receive a return of capital if they so elect, without potential disruption to Franklin Covey's share price and the usual transaction costs associated with market sales. Alternatively, shareholders may elect not to participate in the Offer and thereby increase their percentage ownership of Franklin Covey following the completion of the Offer. See Section 2.

Our Board of Directors has determined that the Offer is a prudent use of our financial resources and presents an appropriate balance between meeting the needs of our business and delivering value to our shareholders. See Section 2 for additional information about the purpose and effects of the Offer. The Offer is expected to be funded with (i) available cash from operations and (ii) either the Company's existing revolving line of credit with JPMorgan Chase Bank, N.A. (the "Revolving Line of Credit") or, if in place prior to the expiration of the offer, a new \$20 million Term Loan (the "Term Loan"). As of December 7, 2015, the Company had cash on hand of approximately \$22 million, and there was \$30 million available under the Revolving Line. See Section 9.

What will the purchase price for the shares be and what will be the form of payment?

We are conducting the Offer through a procedure commonly called a modified Dutch Auction tender offer. This procedure allows you to select the price (in increments of \$0.25) within a price range specified by us at which you are willing to sell your shares. The price range for the Offer is \$15.50 to \$17.75 per share. The purchase price will be the lowest price at which, based on the number of shares tendered and the prices specified by the tendering shareholders, we can purchase \$35,000,000 in value of shares, or such lesser value of shares as is properly tendered and not properly withdrawn. All shares we purchase will be purchased at the same price, even if you have selected a lower price, but we will not purchase any shares above the purchase price we determine. We will determine the purchase price for tendered shares promptly after the Offer expires. If your shares are purchased in the Offer, we will pay you the purchase price, in cash, less any applicable withholding taxes and without interest, promptly after the expiration of the Offer. See Sections 1 and 5. Under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment.

If you wish to maximize the chance that your shares will be purchased in the Offer, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer." If you agree to accept the purchase price determined under the Offer, your shares will be deemed to be tendered at the minimum price of \$15.50 per share. You

should understand that this election may lower the purchase price and could result in your shares being purchased at the minimum price of \$15.50 per share.

How many shares will the Company purchase in the Offer?

We are offering to purchase up to \$35,000,000 in value of shares. At the maximum purchase price of \$17.75 per share, we could purchase 1,971,830 shares if the Offer is fully subscribed, which would represent approximately 12.2% of our issued and outstanding common stock as of November 27, 2015. At the minimum purchase price of \$15.50 per share, we could purchase 2,258,064 shares, which would represent approximately 13.9% of our issued and outstanding common stock as of November 27, 2015. If, based on the purchase price we determine, more than \$35,000,000 in value of shares are properly tendered and not properly withdrawn, we will purchase all shares tendered at or below the purchase price on a pro rata basis, except for "odd lots" (of less than 100 shares), which we will purchase on a priority basis (though tenders of less than all of the shares owned by an odd lot holder will not qualify for this priority), and except for each conditional tender whose condition was not met, which we will not purchase (except as described in Section 6). The Offer is not conditioned on any minimum number of shares being tendered.

How will you pay for the shares?

The maximum aggregate purchase price of shares repurchased in the Offer will be \$35,000,000. The Offer is expected to be funded with (i) available cash from operations and (ii) either the Revolving Line or, if in place prior to the expiration of the offer, the \$20 million Term Loan. As of December 7, 2015, the Company had cash on hand of approximately \$22 million, and there was \$30 million available under the Revolving Line. See Section 9.

How long do I have to tender my shares; can the Offer be extended, amended or terminated?

You may tender your shares until the Offer expires. The Offer will expire on January 12, 2016, at 11:59 p.m., New York City time, unless we extend it (the time of expiration of the Offer is referred to as the "Expiration Time"). We may choose to extend the Offer at any time and for any reason. We cannot assure you, however, that we will extend the Offer or, if we extend it, for how long we will extend the Offer. See Section 1 and Section 15. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely that they have an earlier deadline, for administrative reasons, for you to act to instruct them to tender shares on your behalf. We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline.

If you wish to tender shares held in our ESPP, you will have an earlier deadline. The deadline is three business days prior to the expiration of the Offer. See Section 3.

How will I be notified if the Company extends the Offer or amends the terms of the Offer?

If we extend the Offer, we will issue a press release announcing the extension and the new Expiration Time by 9:00 a.m., New York City time, on the business day after the previously scheduled Expiration Time. We will also issue a press release if we materially amend the terms of the Offer. See Section 15.

What are the significant conditions to the Offer?

Our obligation to accept and pay for your tendered shares depends upon the conditions set forth in Section 7 that must be satisfied or waived on or prior to the Expiration Time, including, but not limited to:

- no legal action shall have been threatened, instituted or pending that seeks to challenge or delay the Offer or could reasonably be expected to materially and adversely affect our business, condition (financial or otherwise), results of operations, or prospects or the value of our shares;
- no change in the general political, market, economic or financial conditions in the United States or abroad that is reasonably likely to materially and adversely affect our business, condition (financial or otherwise), results of operations, or prospects or the value of our shares or otherwise materially impair the contemplated future conduct of our business or adversely affect trading in our shares;
- no general suspension of trading in, or limitation on prices for, securities on any U.S. national securities exchange or in the over-the-counter markets in the United States or a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, shall have occurred;
- no commencement or escalation of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, directly or indirectly involving the United States or any country in which we conduct operations that are material to our business shall have occurred;
- no decrease of more than 10% in the market price for our shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on December 8, 2015 shall have occurred;
- no entity, "group" (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) or person that does not presently own at least 5% of the outstanding shares of the Company shall have acquired or proposed to acquire beneficial ownership of more than 5% of our outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the SEC on or before December 13, 2015);
- no entity, group or person who has filed with the SEC a Schedule 13D or Schedule 13G relating to the Company on or before December 13, 2015 shall have acquired or proposed to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the Offer), beneficial ownership of an additional 1% or more of our outstanding shares;
- no new group shall have been formed that beneficially owns more than 5% of our outstanding shares (options for and other rights to acquire shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause);
- no one shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire us;
- no change (or event involving a prospective change) shall have occurred that could reasonably be expected to materially adversely affect our business, condition (financial or otherwise) or results of operations or the value of our shares; and
- our determination that the consummation of the Offer will not cause our common stock to be delisted from the NYSE or to be eligible for deregistration under the Exchange Act.

Following the Offer, will the Company continue as a public company?

Yes. The completion of the Offer in accordance with its terms and conditions will not cause the Company to be delisted from the NYSE or to stop being subject to the periodic reporting requirements of the Exchange Act.

How do I tender my shares?

If you want to tender all or part of your shares, you must do one of the following before 11:59 p.m., New York City time, on January 12, 2016, or any later time and date to which the Offer may be extended:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact the nominee and request that the nominee tender your shares for you prior to the Expiration Time or comply with the guaranteed delivery procedure outlined in Section 3;
- if you hold certificates or DRS shares in your own name, you must complete and sign a Letter of Transmittal according to its instructions, and deliver it, together with any required signature guarantees, the certificates for your shares, or the amount of DRS shares you wish to tender, and any other documents required by the Letter of Transmittal to Zions Bank, the Depository for the Offer;
- if you are an institution participating in DTC, you must tender your shares according to the procedure for book-entry transfer described in Section 3; and
- if you are unable to deliver the certificates for the shares or the other required documents to Zions Bank or you cannot comply with the procedure for book-entry transfer within the required time, you must comply with the guaranteed delivery procedure outlined in Section 3.

You may contact the Information Agent for assistance. The contact information for the Information Agent appears on the back cover of this Offer to Purchase.

How do holders of vested stock options for shares participate in the Offer?

If you hold vested but unexercised options to purchase our shares of common stock, you may exercise such options in accordance with the terms of the applicable equity incentive plans and your awards and tender the shares received upon such exercise in accordance with this Offer. You should evaluate this Offer carefully to determine if participation would be advantageous to you, based on your stock option exercise prices, the date of your stock option grants, the years left to exercise your options and the provisions for pro rata purchases by us described in Section 1. See Section 3. An exercise of a stock option cannot be revoked even if all or a portion of the shares received upon the exercise and tendered pursuant to the Offer are not purchased by us for any reason. If your stock awards have vested you should follow the above instructions applicable to shares held by a broker or shares held in your own name, as applicable to you. Holders of unvested stock options or stock awards may not tender shares or shares represented by such interests unless they are fully vested. We strongly recommend that you discuss the Offer with your tax advisor or broker.

May holders of restricted stock and restricted stock units participate in the Offer?

Holders of restricted stock and restricted stock units outstanding under any of our equity incentive plans may not tender the Shares underlying such awards in the Offer unless and until the applicable shares or units have vested and, with respect to restricted stock units, the holder thereof has received the underlying Shares free of restrictions on the transfer of such shares. See Section 3.

How do participants in our ESPP participate in the Offer?

Participants in our ESPP must comply with separate requirements in order to participate in the Offer. If you are a participant in our ESPP and you wish to tender any of your shares held in the ESPP, you must follow the separate instructions and procedures described in Section 3 of this Offer to Purchase (including an earlier deadline for delivering materials) and you must review the separate materials related to the ESPP enclosed with this Offer to Purchase for instructions. See Section 3.

What happens if more than \$35,000,000 in value of shares are tendered at or below the purchase price?

If, based on the purchase price we determine, shares having an aggregate value in excess of \$35,000,000 are properly tendered at or below the purchase price and not properly withdrawn, we will purchase shares as follows:

- *first*, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares at or below the purchase price selected by us;
- *second*, from all other shareholders who properly tender shares at or below the purchase price selected by us, on a pro rata basis (except for shareholders who tendered shares conditionally for which the condition was not satisfied); and
- *third*, only if necessary to permit us to purchase \$35,000,000 in value of shares (or such greater amount as we may elect to pay), from holders who have properly tendered shares at or below the purchase price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

Because of the "odd lot" priority, proration and conditional tender provisions described above, we may not purchase all of the shares that you tender even if you tender them at or below the purchase price. See Section 1 and, for additional information on conditional purchases, Section 6.

If I own fewer than 100 shares and I tender all of my shares, will I be subject to proration?

If you own beneficially or of record fewer than 100 shares in the aggregate, you properly tender all of these shares at or below the purchase price selected by us, you do not properly withdraw such shares before the Offer expires and you complete the section entitled "Odd Lots" in the Letter of Transmittal, and, if applicable, in the Notice of Guaranteed Delivery, we will purchase all of your shares without subjecting them to the proration procedure. See Section 1.

Once I have tendered shares in the Offer, can I withdraw my tender?

Yes. You may withdraw any shares you have tendered at any time before 11:59 p.m., New York City time, on January 12, 2016, unless we extend the Offer, in which case you can withdraw your shares until the expiration of the Offer as extended. If we have not accepted for payment the shares you have tendered, you may also withdraw your shares at any time after 12:00 midnight, New York City time, on February 11, 2016. See Section 4.

How do I withdraw shares I previously tendered?

To withdraw tendered shares, you must deliver a written notice of withdrawal with the required information to the Depositary while you still have the right to withdraw the shares. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of these shares, and such other details as may be required. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the Depositary or if

your shares have been tendered under the procedure for book-entry transfer set forth in Section 3. If you have tendered your shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct that nominee to arrange for the withdrawal of your shares. If you wish to withdraw tendered shares held in the ESPP, you must withdraw all such tendered shares. If you withdraw shares, including shares held in either plan, you must re-tender any such shares you wish to tender in the Offer.

Has the Company or its Board of Directors adopted a position on the Offer?

Our Board of Directors has approved our making the Offer. However, none of the Company, our Board of Directors, the Dealer Manager, the Depositary or the Information Agent makes any recommendation as to whether you should tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender, and the purchase price or purchase prices at which you may choose to tender your shares. In so doing, you should read carefully the information set forth or incorporated by reference in this Offer to Purchase and in the related Letter of Transmittal, including our reasons for making the Offer. See Section 2.

Do the directors or executive officers of the Company intend to tender their shares in the Offer?

All of our directors and executive officers have advised us that they do not intend to tender any of their shares in the Offer (including shares they are deemed to beneficially own). As a result, the Offer will increase the proportional holdings of our directors and executive officers. However, after termination of the Offer, our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions or otherwise, at prices that may be more or less favorable than the purchase price to be paid to our shareholders in the Offer. See Section 11.

If I decide not to tender, how will the Offer affect my shares?

Shareholders who choose not to tender their shares will own a greater percentage interest in our outstanding common stock following the consummation of the Offer. See Section 2.

What is the recent market price of my shares?

On December 7, 2015, the last full trading day before the announcement of the Offer, the last reported sale price of our common stock on the NYSE was \$14.55 per share. You are urged to obtain current market quotations for the shares before deciding whether to tender your shares. See Section 8.

When and how will the Company pay for the shares I tender?

We will pay the purchase price in cash, less any applicable withholding taxes and without interest, for the shares we purchase promptly after expiration of the Offer. We will announce the preliminary results of the Offer, including price and preliminary information about any expected proration, by 11:00 a.m., New York City time, on the business day following the Expiration Time. We do not expect, however, to announce the final results of any proration and begin paying for tendered shares until at least four business days after expiration of the Offer. We will pay for the shares accepted for purchase by depositing the aggregate purchase price with the Depositary. The Depositary will act as your agent and will transmit to you (or to your broker, dealer, trustee, plan administrator or other nominee) the payment for all your shares accepted for payment. See Section 5.

Will I have to pay brokerage commissions if I tender my shares?

If you are the record owner of your shares and you tender your shares directly to the Depositary, you will not pay brokerage commissions or similar expenses. If you hold your shares through a broker,

dealer, commercial bank, trust company or other nominee and that nominee tenders your shares on your behalf, that nominee may charge you a fee. You should consult with your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply. See Section 3.

Do you intend to repurchase any shares other than pursuant to the Offer during or after the Offer?

Rule 13e-4 of the Exchange Act prohibits us and our affiliates from purchasing any shares, other than pursuant to the Offer, until at least 10 business days after the expiration of the Offer, except pursuant to certain limited exceptions provided in Rule 14e-5 of the Exchange Act. Beginning 10 business days after the Expiration Time of the Offer, we may make share repurchases from time to time on the open market, pursuant to accelerated share repurchases and/or in additional tender offers. Whether we make additional repurchases will depend on many factors, including, without limitation, the number of shares, if any, that we purchase in the Offer, our business and financial performance and situation, the business and market conditions at the time, including the price of the shares and such other factors as we may consider relevant. Any of these repurchases may be on the same terms or on terms that are more or less favorable to the selling shareholders in those transactions than the terms of the Offer.

What is the accounting treatment of the Offer?

The accounting for the purchase of shares pursuant to the Offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the shares we purchase, a reduction in cash and cash equivalents in an amount corresponding to the portion of the shares purchase for cash, and (i) if we use a new term loan to purchase the shares, an increase in Long-term debt in an amount corresponding to the portion of the shares purchased using the new term loan or (ii) if we use the Revolving Line of Credit, an increase in the Line of credit in an amount corresponding to the portion of the shares purchased using the Revolving Line of Credit.

What are the U.S. federal income tax consequences if I tender my shares?

The receipt of cash from us in exchange for your shares will be a taxable event for you for U.S. federal income tax purposes. The receipt of cash for your shares generally will be treated for U.S. federal income tax purposes either as (1) a sale or exchange eligible for gain or loss treatment or (2) a distribution in respect of stock from the Company. The Depositary (or other applicable withholding agent) will withhold U.S. federal taxes at a rate of 30% on the gross proceeds of the Offer paid to a non-U.S. shareholder, subject to reduction by applicable treaty or exemption for income that is "effectively connected with a U.S. trade or business," as evidenced by forms that a non-U.S. shareholder furnishes to the Depositary (or other applicable withholding agent). We advise you to consult your tax advisor with respect to your particular situation. See Section 14.

Will I have to pay stock transfer tax if I tender my shares?

We will pay all stock transfer taxes unless payment is made to, or if shares not tendered or accepted for payment are to be registered in the name of, someone other than the registered holder, or tendered certificates are registered in the name of someone other than the person signing the Letter of Transmittal. See Section 5.

Whom may I talk to if I have questions?

If you have any questions regarding the Offer, please contact Georgeson Inc., the Information Agent, toll-free at (800) 213-0473, or B. Riley & Co., LLC, the Dealer Manager, at (310) 966-1444. Banks and brokers may call the Information Agent collect at (800) 213-0473. Additional contact

FORWARD-LOOKING STATEMENTS

Some of the statements in this document, as well as certain statements incorporated by reference herein, constitute "forward-looking statements." These forward-looking statements include, but are not limited to, statements regarding the number of shares that we may purchase in the Offer, the amount of cash to be used in the Offer, the price range of this purchase and the date on which we will announce the final results of the Offer or pay for tendered shares. Although the Company believes the expectations contained in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove correct.

The words "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "will," "should" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Such statements reflect management's current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, intended or planned. The Company will not update these forward-looking statements, even though its situation may change in the future. Whether actual results will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, including, but not limited to risks and uncertainties relating to:

- out intensely competitive industry;
- the impact of general economic conditions in the United States or in specific markets in which we do business;
- fluctuation in exchange rates and currency values;
- the inability of FC Organizational Products LLC to pay its working capital statement, reimbursable acquisition costs, or reimbursable operating expenses;
- the government contracting process;
- protecting client data;
- global legislative or regulatory requirements;
- the sale of a large number of Shares by Knowledge Capital (outside of the Offer), which could depress the market price of our common stock;
- the loss of key personnel;
- additional exposure to tax liabilities;
- the profitability of certain product lines, capital expenditures and future liquidity;
- the price at which we ultimately determine to purchase shares in the Offer and the number of shares tendered in the Offer;
- the price and time at which we make any additional share repurchases following completion of the Offer, the number of shares acquired in such repurchases and the interest rate on any indebtedness incurred to fund such repurchases;
- failure to comply with the terms and conditions of our credit facility;
- conducting operations in a competitive environment and a changing industry;

- the Company's ability to finance current operations and growth initiatives;
- economic, legal and political issues associated with its international operations; and
- the Company's ability to maintain effective internal control over financial reporting.

All forward-looking statement attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by this cautionary statement. You should read carefully the factors described herein and in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2015, and in any subsequent filings under the Exchange Act.

INTRODUCTION

To the Holders of our shares of common stock:

We invite our shareholders to tender shares of our common stock, \$0.05 par value per share, for purchase by us. Upon the terms and subject to the conditions of this Offer to Purchase and the Letter of Transmittal, we are offering to purchase up to \$35,000,000 in value of shares at a price not greater than \$17.75 nor less than \$15.50 per share, net to the seller in cash, less applicable withholding taxes and without interest. Unless the context otherwise requires, all references to "shares" shall refer to the shares of common stock of the Company.

The Offer will expire at 11:59 p.m., New York City time, on January 12, 2016, unless extended as described in Section 15.

After the Offer expires, we will look at the prices chosen by shareholders for all of the shares properly tendered and not properly withdrawn. We will then select the lowest purchase price within the price range specified above that will allow us to purchase \$35,000,000 in value of shares, or a lower amount depending on the number of shares properly tendered. If shares having an aggregate value of less than \$35,000,000 are properly tendered, we will select the lowest price that will allow us to buy all the shares that are properly tendered and not properly withdrawn. All shares we acquire in the Offer will be acquired at the same purchase price regardless of whether the shareholder tendered at a lower price.

We will purchase only shares properly tendered at prices at or below the purchase price we determine and not properly withdrawn. However, because of the "odd lot" priority, proration and conditional tender provisions described in this Offer to Purchase, we may not purchase all of the shares tendered. We will return shares tendered at prices in excess of the purchase price that we determine and shares that we do not purchase because of the "odd lot" priority, proration or conditional tender provisions to the tendering shareholders at our expense promptly following the Expiration Time. See Section 1.

Tendering shareholders whose shares are registered in their own names and who tender directly to Zions Bank, the Depositary for the Offer, will not be obligated to pay brokerage fees or commissions or, except as described in Section 5, stock transfer taxes on the purchase of shares by us in the Offer. If you own your shares through a bank, broker, dealer, trust company or other nominee and the nominee tenders your shares on your behalf, the nominee may charge you a fee for doing so. You should consult your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

In addition, holders of vested but unexercised options to purchase shares outstanding under our stock option plans may exercise those options and tender some or all of the shares issued upon such exercise. Holders of stock awards may not tender shares or shares represented by such interests unless they are fully vested.

The Offer is not conditioned upon any minimum number of shares being tendered. Our obligation to accept, and pay for, shares validly tendered pursuant to the Offer is conditioned upon satisfaction or waiver of the conditions set forth in Section 7.

Our Board of Directors has approved the Offer. However, neither we nor our Board of Directors, nor the Dealer Manager, the Depositary nor the Information Agent makes any recommendation to any shareholder as to whether to tender or refrain from tendering any shares or as to the price or prices at which shareholders may choose to tender their shares. We have not authorized any person to make any recommendation. Shareholders should carefully evaluate all information in the Offer and should consult their own investment and tax advisors. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. In doing so, you should read carefully the information in this Offer to Purchase and in the Letter of Transmittal.

Our current directors and executive officers have advised us that they do not intend to tender any of their shares in the Offer. Accordingly, if we complete the Offer, the proportional holdings of our directors and executive officers will increase. However, after termination of the Offer, our directors and executive officers may, in compliance with Rule 13e-4 under the Exchange Act and any other applicable law, sell their shares in open market transactions or otherwise, at prices that may be more or less favorable than the purchase price to be paid to our shareholders in the Offer. See Section 11.

Any tendering shareholder or other payee that fails to complete, sign and return to the Depositary the Substitute Form W-9 included in the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to United States backup withholding at a rate equal to 28% of the gross proceeds paid to the holder or other payee pursuant to the Offer, unless such holder establishes that it is exempt from backup withholding. See Section 14 of this Offer to Purchase regarding certain United States federal income tax consequences of a sale of shares pursuant to the Tender Offer.

As of November 27, 2015, there were 16,221,841 of our shares issued and outstanding. At the maximum price of \$17.75 per share, we could purchase up to 1,971,830 shares which would represent approximately 12.2% of the total number of issued and outstanding shares as of November 27, 2015. At the minimum purchase price of \$15.50 per share, we could purchase up to 2,258,064 shares, which would represent approximately 13.9% of the total number of our issued and outstanding shares as of November 27, 2015. The shares are listed and traded on the NYSE under the symbol "FC." On December 8, 2015, the most recent practicable date before the printing of this document, the reported closing price of the shares on the NYSE was \$14.46 per share. **Shareholders are urged to obtain current market quotations for the shares before deciding whether and at what purchase price or purchase prices to tender their shares. See Section 8.**

THE TENDER OFFER

1. Number of Shares; Purchase Price; Proration

General. Upon the terms and subject to the conditions of the Offer, we will purchase \$35,000,000 in value of shares of our common stock, or if a lesser amount of shares is properly tendered and not properly withdrawn, all shares that are properly tendered and not properly withdrawn, at a price not greater than \$17.75 nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest.

The term "Expiration Time" means 11:59 p.m., New York City time, on January 12, 2016, unless we extend the period of time during which the Offer will remain open, in which event the term "Expiration Time" shall refer to the latest time and date at which the Offer, as so extended by us, shall expire. See Section 15 for a description of our right to extend, delay, terminate or amend the Offer.

In accordance with the rules of the SEC under the Exchange Act, we may, and we expressly reserve the right to, purchase under the Offer an additional amount of shares of our common stock not to exceed 2% of the outstanding shares, without amending or extending the Offer.

In the event of an over-subscription of the tender offer as described below, shares tendered at or below the purchase price prior to the Expiration Time will be subject to proration, except for "odd lots." The proration and withdrawal rights also expire on the Expiration Time.

If we:

- change the price range to be paid for shares;
- increase the aggregate purchase price limit and thereby increase the number of shares purchasable in the Offer and such increase in the number of shares being sought exceeds 2% of our outstanding shares; or
- decrease the aggregate purchase price limit and thereby decrease the number of shares purchasable in the Offer; and

the Offer is scheduled to expire at any time earlier than the expiration of a period ending at 11:59 p.m., New York City time, on the tenth business day (as defined below) from, and including, the date that notice of any such increase or decrease is first published, sent or given in the manner specified in Section 15, then the Offer will be extended until the expiration of such period of 10 business days. For the purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

The Offer is not conditioned upon any minimum number of shares being tendered; however, the Offer is subject to other conditions. See Section 7.

In accordance with Instruction 5 of the Letter of Transmittal, shareholders desiring to tender shares must specify the price or prices, not greater than \$17.75 per share nor less than \$15.50 per share, at which they are willing to sell their shares to us in the Offer. Alternatively, shareholders desiring to tender shares and seeking to maximize the chance that their shares will be purchased can choose not to specify a price and, instead, specify that they will sell their shares at the purchase price ultimately paid for shares properly tendered. To do so, shareholders should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer." Note that this election is deemed to be a tender of shares at the minimum price of \$15.50 per share and could result in the tendered shares being purchased at the minimum price of \$15.50 per share. Shareholders are urged to obtain current market quotations for the shares before deciding whether, and at what purchase price or purchase prices, to tender their shares. See Section 8 for recent market prices for the shares.

To tender shares properly, shareholders must specify the price they are willing to accept for the shares they tender or, alternatively, specify that they will sell their tendered shares at the purchase price for such shares determined as provided herein. If you specify more than one price for your shares in a single letter of transmittal, you will not have validly tendered your shares.

After the Offer expires, we will look at the prices chosen by shareholders for all of the shares properly tendered and not properly withdrawn. We will then select the lowest purchase price (in multiples of \$0.25) within the price range specified above that will allow us to purchase \$35,000,000 in value of shares, or a lower amount depending on the number of shares properly tendered and not properly withdrawn. If, based on the purchase price we determine, shares having an aggregate value of less than \$35,000,000 are properly tendered, we will buy all the shares that are properly tendered and not properly withdrawn. Once the purchase price has been determined, we will promptly disclose such

price in a manner calculated to inform shareholders of this information, which will include a press release through a national news service.

All shares we acquire in the Offer will be acquired at the same purchase price regardless of whether the shareholder tendered at a lower price. We will purchase only shares properly tendered at or below the purchase price we determine and not properly withdrawn. However, because of the odd lot priority, proration and conditional tender provisions described in this Offer to Purchase, we may not purchase all of the shares tendered, even if shareholders tendered at or below the purchase price, if, based on the purchase price we determine, more than \$35,000,000 in value of shares are properly tendered and not properly withdrawn. We will return shares tendered at prices in excess of the purchase price we determine and shares that we do not purchase because of the odd lot priority, proration or conditional tender provisions to the tendering shareholders at our expense promptly following the Expiration Time. See Section 5.

Shareholders can specify the order in which we will purchase shares tendered in the tender offer in the event that, as a result of the proration provision or otherwise, we purchase some but not all of the tendered shares pursuant to the tender offer. In the event a shareholder does not designate the order and fewer than all tendered shares are purchased due to proration or otherwise, the Depositary will select the order of the shares purchased.

If the value of the shares properly tendered and not properly withdrawn prior to the Expiration Time is less than or equal to \$35,000,000, or such greater amount as we may elect to purchase pursuant to the Offer, subject to applicable law, we will, upon the terms and subject to the conditions of the Offer, purchase all shares so tendered at the purchase price.

Priority of Purchases. Upon the terms and subject to the conditions of the Offer, if, based on the purchase price determined in the Offer, shares having an aggregate value in excess of \$35,000,000 have been properly tendered at or below the purchase price selected by us and not properly withdrawn, we will, subject to applicable law, purchase properly tendered shares on the basis set forth below:

- *First*, we will purchase all shares tendered by any Odd Lot Holder (as defined below) who: tenders all shares owned beneficially or of record at a price at or below the purchase price we determine (tenders of less than all of the shares owned by the Odd Lot Holder will not qualify for this preference); and completes the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.
- *Second*, subject to the conditional tender provisions described in Section 6, we will purchase all other shares tendered at prices at or below the purchase price on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, as described below.
- *Third*, if necessary to permit us to purchase \$35,000,000 in value of shares at the purchase price determined in the Offer (or such greater amount as we may elect to pay), shares conditionally tendered at or below the purchase price (for which the condition was not initially satisfied) and not properly withdrawn, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that all of the shares that a shareholder tenders in the Offer may not be purchased even if they are tendered at or below the purchase price determined in the Offer. In addition, if a tender is conditioned upon the purchase of a specified number of shares, it is possible that none of those shares will be purchased even if they are tendered at or below the purchase price determined in the Offer.

Odd Lots. The term "Odd Lots" means all shares properly tendered prior to the Expiration Time at prices at or below the purchase price selected by us and not properly withdrawn by any person who

owned beneficially or of record a total of fewer than 100 shares and so certified in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery (an "Odd Lot Holder"). To qualify for this preference, an Odd Lot Holder must tender all shares he or she owns in accordance with the procedures described in Section 3. Odd Lots that are properly tendered will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts or certificates representing fewer than 100 shares. By tendering in the Offer, an Odd Lot Holder who holds shares in his or her name and tenders such shares directly to the Depository would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the holder's shares. Any Odd Lot Holder wishing to tender all of his or her shares pursuant to the Offer should complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

Proration. If proration of tendered shares is required, we will determine the proration factor promptly following the Expiration Time. Subject to adjustment to avoid the purchase of fractional shares and subject to the provisions governing conditional tenders described in Section 6, proration for each shareholder tendering shares, other than Odd Lot Holders, will be based on the ratio of the number of shares properly tendered and not properly withdrawn by the shareholder to the total number of shares properly tendered and not properly withdrawn by all shareholders, other than Odd Lot Holders, at or below the purchase price selected by us. Because of the difficulty in determining the number of shares properly tendered and not properly withdrawn, and because of the odd lot procedure described above and the conditional tender procedure described in Section 6, we expect that we will not be able to announce the final proration factor or commence payment for any shares purchased pursuant to the Offer until at least four business days after the Expiration Time. The preliminary results of any proration will be announced by press release promptly following the Expiration Time. After the Expiration Time, shareholders may obtain preliminary proration information from the Information Agent and also may be able to obtain the information from their brokers.

As described in Section 14, the number of shares that we will purchase from a shareholder in the Offer may affect the United States federal income tax consequences to that shareholder and, therefore, may be relevant to a shareholder's decision whether or not to tender shares and whether to condition any tender upon our purchase of a stated number of shares held by such shareholder.

This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on our shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

2. Purpose of the Tender Offer; Certain Effects of the Tender Offer

We intend to purchase up to \$35,000,000 in value of shares pursuant to the Offer, at a price not greater than \$17.75 and not less than \$15.50 per share, net to the seller in cash without interest. The maximum number of shares that we will repurchase pursuant to the Offer under these terms is 2,258,064 (based on the minimum purchase price of \$15.50 per share), representing approximately 13.9% of our common stock outstanding as of November 27, 2015. Our management and Board of Directors have spent a great deal of time analyzing our business. We also formed a special committee of independent directors to specifically consider this offer and alternative uses of cash. The special committee has determined the Offer properly creates the right balance between the Company maintaining enough liquidity to aggressively pursue its business plan, and creating liquidity for our shareholders. The special committee and our Board of Directors also considered the potential positive effects of the Offer on our share price following the Offer. The special committee and our Board of Directors also considered risks and uncertainties, including the potential for positive and negative

developments in our business. They considered our cash resources and our anticipated cash needs. They considered the appropriate amount of cash to use in the Offer. They considered general economic conditions and the demand for training services. The special committee and our Board of Directors believes that using a portion of our existing cash resources and the Revolving Line (or, if the Term Loan is available, the Term Loan) to fund the Offer is a prudent use of our financial resources and an efficient means of providing liquidity to our shareholders who desire it and potentially creating value for our shareholders who do not accept the Offer and continue holding our shares. Our Board of Directors believes that the purchase of shares pursuant to the Offer should not interfere with our ability to maintain the financial flexibility we need to continue to execute our strategy and take advantage of opportunities to grow our business.

The Offer will provide shareholders with the opportunity to tender a portion or possibly all of their shares and, thereby, receive a return of capital if they so elect, without the usual transaction costs associated with market sales or, we believe, any disruption to the share price in the open market. Furthermore, holders of "Odd Lots" who hold shares registered in their names and tender their shares directly to the Depositary and whose shares are purchased pursuant to the Offer will avoid not only the payment of brokerage commissions, but also any applicable "Odd Lot" discounts that might be payable on sales of their shares in transactions on the NYSE. The Offer also provides shareholders the option not to participate and, thereby, to increase their percentage ownership in the Company.

We believe that the Offer is consistent with our objective of increasing long-term shareholder value. While we believe that our shares have potential for significant appreciation over the long-term, we also recognize that future results may differ significantly from our expectations. In that regard, future events, such as deterioration in existing economic conditions or adverse effects on operations could adversely affect our ability to fully implement our strategy and create value for our shareholders. As a result, we recognize that some shareholders may desire liquidity.

Our Board of Directors has approved our making the Offer. However, none of the Company, our Board of Directors, the Dealer Manager, the Depositary or the Information Agent is making any recommendation to you as to whether to tender or refrain from tendering your shares. We have not authorized any person to make any such recommendation. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the purchase price or purchase prices at which you tender shares. You should read carefully the information set forth or incorporated by reference in this Offer to Purchase and in the related Letter of Transmittal, including information regarding the purposes and effects of the Offer. You should discuss whether to tender your shares with your tax advisor, financial advisor and/or broker.

Potential Benefits of the Offer to Shareholders. We believe that the Offer will allow us to return significant capital to our shareholders. Our Board of Directors has determined that the Offer is a prudent use of our financial resources, presents an appropriate balance between meeting the needs of our business and delivering value to our shareholders and will provide benefits to our shareholders, including the following:

- The Offer provides our shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares, without potential disruption to the share price and the usual transaction costs associated with market sales.
- If we complete the Offer, we will return cash to our shareholders who tender, while shareholders who do not tender will increase their percentage ownership in the Company.

Potential Risks and Disadvantages of the Offer to Shareholders. The Offer also presents some potential risks and disadvantages to the Company and shareholders who choose not to tender their shares, including the following:

- The Offer and additional share repurchases will reduce our "public float," which is the number of shares owned by non-affiliate shareholders and available for trading in the securities markets, and is likely to reduce the number of our shareholders. These reductions may reduce the volume of trading in our shares and may result in lower stock prices and reduced liquidity in the trading of our shares following completion of the Offer. As of November 27, 2015, we had outstanding approximately 16,221,841 shares. At the maximum purchase price of \$17.75 per share, we could purchase up to 1,971,830 shares, which would represent approximately 12.2% of the total number of issued and outstanding shares of our common stock as of November 27, 2015. At the minimum purchase price of \$15.50 per share, we could purchase up to 2,258,064 shares, which would represent approximately 13.9% of the total number of issued and outstanding shares of our common stock as of November 27, 2015. If the Offer is fully subscribed, we will have approximately 13,963,777 (at the minimum purchase price of \$15.50 per share) to 14,250,011 (at the maximum purchase price of \$17.75 per share) shares outstanding upon completion of the Offer.
- All of our directors and executive officers have advised us that they do not intend to tender any of their shares in the Offer (including shares they are deemed to beneficially own). As a result, the Offer will increase the proportional holdings of our directors and executive officers. See Section 12. However, after termination of the Offer, our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions or otherwise, at prices that may be more or less favorable than the purchase price to be paid to our shareholders in the Offer.

Upon completion of the Offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in the Company. However, there can be no assurance that we will not issue additional shares in the future which could have the effect of decreasing the relative ownership interests of such non-tendering shareholders.

Certain Effects of the Offer. After the Offer is completed, we believe that our anticipated financial condition, cash flow from operations and access to capital will provide us with adequate financial resources.

Based on the published guidelines of the NYSE and the conditions of the Offer, we believe that our purchase of \$35,000,000 in value of shares pursuant to the Offer will not result in delisting of the remaining shares on the NYSE. The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our shareholders. We believe that our purchase of shares pursuant to the Offer will not result in the shares becoming eligible for termination of registration under the Exchange Act. The Offer is conditioned upon our having determined that the consummation of the Offer will not cause the shares to be delisted from the NYSE or be eligible for deregistration under the Exchange Act. See Section 7.

Shares we acquire pursuant to the Offer will be restored to the status of authorized and unissued shares and will be available for us to issue without further shareholder action for all purposes except as required by applicable law or the rules of the NYSE. We have no current plans for the issuance of shares purchased in the Offer.

We may in the future purchase additional shares on the open market, in private transactions, through tender offers or otherwise. Any additional purchases may be on the same terms or on terms that are more or less favorable to our shareholders than the terms of the Offer. However,

SEC Rule 13e-4(f)(6) prohibits us and our affiliates from purchasing any shares, other than pursuant to the Offer, until at least 10 business days after the expiration or earlier termination of the Offer.

Our shares are currently "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using the shares as collateral. We believe that, following the purchase of shares pursuant to the Offer, the shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin regulations.

Except as disclosed in this Offer to Purchase, or the documents incorporated herein, we currently have no plans, proposals or negotiations underway that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;
- any purchase, sale or transfer of a material amount of our or our subsidiaries' assets to a third party;
- any material change in our indebtedness or capitalization;
- any change in our present Board of Directors or management, including, but not limited to, any plans or proposals to change the number or the term of directors, or to change any material term of the employment arrangements of any executive officer;
- any other material change in our corporate structure or business;
- any class of our equity securities becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act or ceasing to be authorized for listing on the NYSE;
- the suspension of our obligation to file reports under Section 15(d) of the Exchange Act;
- the acquisition by any person of additional securities of the Company, or the disposition by any person of securities of the Company; or
- any changes in our Amended and Restated Articles of Incorporation or Bylaws, each as amended to date, or other governing instruments or other actions that could impede the acquisition of control of the Company.

Although we and our affiliates do not currently have any plans, other than as described in this Offer to Purchase or the documents incorporated by reference herein, that relate to or would result in any of the events discussed above, we continue to evaluate opportunities for increasing shareholder value and we may undertake or plan actions that relate to or could result in one or more of these events.

Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors, nor the Dealer Manager, the Depositary or the Information Agent makes any recommendation to you as to whether you should tender or refrain from tendering your shares of our common stock. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price at which you will tender them.

3. Procedures for Tendering Shares

Valid Tender. For a shareholder to make a valid tender of shares under the Offer:

- (i) the Depositary must receive, at its address set forth on the back cover of this Offer to Purchase, and prior to the Expiration Time:
 - a Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees, or, in the case of a book-entry transfer, an "agent's message" (see "Book-Entry Transfer" below) and any other required documents; and

- either certificates representing the tendered shares, or confirmation of the amount of DRS Shares you wish to tender or, in the case of tendered shares delivered in accordance with the procedures for book-entry transfer we describe below, a book-entry confirmation of that delivery (see "Book-Entry Transfer" below); or

(ii) the tendering shareholder must, before the Expiration Time, comply with the guaranteed delivery procedures we describe below.

If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for you to act to instruct them to tender shares on your behalf. We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to find out their applicable deadline.

The valid tender of shares by you by one of the procedures described in this Section 3 will constitute a binding agreement between you and us on the terms of, and subject to the conditions to, the Offer.

In accordance with Instruction 5 of the Letter of Transmittal, each shareholder desiring to tender shares pursuant to the Offer must either (1) check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer," in which case you will be deemed to have tendered your shares at the minimum price of \$15.50 per share (YOU SHOULD UNDERSTAND THAT THIS ELECTION COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$15.50 PER SHARE) or (2) check one, and only one, of the boxes corresponding to the price at which shares are being tendered in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined By You." A tender of shares will be valid only if one, and only one, of these boxes is checked on the Letter of Transmittal.

If tendering shareholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Under the Tender Offer." For purposes of determining the purchase price, those shares that are tendered by shareholders agreeing to accept the purchase price determined under the Offer will be deemed to be tendered at the minimum price of \$15.50 per share. Shareholders are urged to obtain current market quotations for the shares before deciding whether and at what purchase price or purchase prices to tender their shares. See Section 8 for recent market prices for the shares.

If tendering shareholders wish to indicate a specific price at which their shares are being tendered, they must check the applicable price box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined By You." Tendering shareholders should be aware that this election could mean that none of their shares will be purchased if the price selected by the shareholder is higher than the purchase price we eventually determine after the Expiration Time.

A shareholder who wishes to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are being tendered. The same shares cannot be tendered (unless previously properly withdrawn in accordance with the terms of the Offer) at more than one price. In case of withdrawal, shareholders who tendered their shares at multiple prices pursuant to multiple Letters of Transmittal must comply with the procedures set forth in Section 4.

Odd Lot Holders must tender all of their shares and also complete the section captioned "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to Odd Lot Holders as set forth in Section 1.

Book-Entry Transfer. For purposes of the Offer, the Depository will establish an account for the shares at DTC within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in DTC's system may make book-entry delivery of shares by causing DTC to transfer those shares into the Depository's account in accordance with DTC's procedures for that transfer. Although delivery of shares may be effected through book-entry transfer into the

Depository's account at DTC, the Letter of Transmittal properly completed and duly executed, with any required signature guarantees, or an agent's message and all other required documents must, in any case, be transmitted to, and received by, the Depository at its address set forth on the back cover of this Offer to Purchase prior to the Expiration Time, or the tendering shareholder must comply with the guaranteed delivery procedures we describe below.

The confirmation of a book-entry transfer of shares into the Depository's account at DTC is referred to herein as a "book-entry confirmation." **Delivery of documents to DTC in accordance with DTC's procedures will not constitute delivery to the Depository.**

The term "agent's message" means a message transmitted by DTC to, and received by, the Depository and forming a part of a book-entry confirmation, stating that DTC has received an express acknowledgment from the participant tendering shares through DTC that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce that agreement against that participant.

Method of Delivery. **The method of delivery of shares, the Letter of Transmittal and all other required documents, including delivery through DTC's system, is at the sole election and risk of the tendering shareholder. Shares will be deemed delivered only when actually received by the Depository (including, in the case of a book-entry transfer, by book-entry confirmation). If you plan to make delivery by mail, we recommend that you deliver by registered mail with return receipt requested and obtain proper insurance for at least 2% of the current market value. In all cases, sufficient time should be allowed to ensure timely delivery.**

Signature Guarantees. No signature guarantee will be required on a Letter of Transmittal for shares if:

- the "registered holder(s)" of those shares sign(s) the Letter of Transmittal and has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" in the Letter of Transmittal; or
- those shares are tendered for the account of an "eligible institution."

A "registered holder" of tendered shares will include any shareholder registered on the books of the Company's transfer agent, and an "eligible institution" is a "financial institution," which term includes most commercial banks, savings and loan associations and brokerage houses, that is a participant in any of the following: (i) the Securities Transfer Agents Medallion Program; (ii) the New York Stock Exchange, Inc. Medallion Signature Program; or (iii) the Stock Exchange Medallion Program.

Except as we describe above, all signatures on any Letter of Transmittal for shares tendered thereby must be guaranteed by an eligible institution. If the certificates for shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for shares not tendered or not accepted for payment are to be returned to a person other than the registered holder of the certificates surrendered, then the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed as aforesaid.

In all cases, payment for shares tendered and accepted for payment in the Offer will be made only after timely receipt by the Depository of certificates for the shares (or a timely confirmation of the book-entry transfer of the shares into the Depository's account at DTC as described above), a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal), or an agent's message, in the case of a book-entry transfer and any other documents required by the Letter of Transmittal.

The method of delivery of all documents, including certificates for shares, the Letter of Transmittal and any other required documents, is at the election and risk of the tendering shareholders. **If delivery is by mail, registered mail with return receipt requested, properly insured for at least 2% of the current market value, is recommended.**

Guaranteed Delivery. If you wish to tender shares under the Offer and your certificates for shares are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Depository prior to the Expiration Time, your tender may be effected if all the following conditions are met:

- your tender is made by or through an eligible institution;
- a properly completed and duly executed Notice of Guaranteed Delivery (or a facsimile thereof), in the form we have provided, is received by the Depository, as provided below, prior to the Expiration Time; and
- the Depository receives, at its address set forth on the back cover of this Offer to Purchase and within the period of three trading days after the date of execution of that Notice of Guaranteed Delivery (or a facsimile thereof), either: (i) the certificates representing the shares being tendered, in the proper form for transfer, together with (1) a Letter of Transmittal relating thereto, which has been properly completed and duly executed and includes all signature guarantees required thereon and (2) all other required documents; or (ii) confirmation of book-entry transfer of the shares into the Depository's account at DTC together with (1) either a Letter of Transmittal relating thereto, which has been properly completed and duly executed and includes all signature guarantees required thereon, or an agent's message, and (2) all other required documents.

For these purposes, a "trading day" is any day on which the NYSE is open for business.

A Notice of Guaranteed Delivery must be delivered to the Depository by overnight courier, facsimile transmission or mail before the Expiration Time and must include a guarantee by an eligible institution in the form set forth in the Notice of Guaranteed Delivery.

Procedure for Stock Options. Holders of vested but unexercised options to purchase shares may exercise such options in accordance with the terms of the incentive plans and tender the shares received upon such exercise in accordance with the Offer. See "Valid Tender" above. Holders of vested but unexercised options to purchase shares should evaluate this Offer carefully to determine if participation would be advantageous to them, based on their stock option exercise prices, the date of their stock option grants and the years left to exercise their options and the provisions for pro rata purchases by us described in Section 1. An exercise of a stock option cannot be revoked even if all or a portion of the shares received upon the exercise and tendered pursuant to the Offer are not purchased by us for any reason. We strongly recommend those holders to discuss the Offer with their tax advisor or broker prior to making any determination to exercise their options for purposes of tendering the underlying shares pursuant to the Offer.

Procedures for Restricted Stock. Holders of restricted stock outstanding under any of our equity incentive plans may not tender such shares in the Offer unless and until such shares have vested. Once such shares have vested, you may tender some or all of these shares in the Offer, subject to the terms and conditions of the Offer.

Procedures for Restricted Stock Units. Holders of restricted stock units outstanding under any of our equity incentive plans may not tender the shares underlying such awards in the Offer unless and until such restricted stock units have vested and the holder thereof has received the underlying shares free of restrictions on the transfer of such shares. Once shares underlying the restricted stock units have vested, and you have received the underlying Shares free of restrictions on the transfer of such

shares, you may tender some or all of such shares in the Offer, subject to the terms and conditions of the Offer.

Procedures for Participants in Our Employee Stock Purchase Plan. Holders of shares in our Employee Stock Purchase Plan (the "ESPP") may tender such shares by following the instructions in the "Letter to Participants in the Employee Stock Purchase Plan" furnished to participants in the ESPP and returning it to the Depository in accordance with those instructions, three business days prior to the expiration of the Offer. All documents furnished to shareholders generally in connection with the Offer will be made available to participants whose plan accounts are credited with shares. **Participants in the ESPP cannot use the Letter of Transmittal to direct the tender of shares held under the ESPP, but must use the instruction form included in the separate "Letter to Participants in the Employee Stock Purchase Plan" sent to them.** Participants in the ESPP who also hold shares outside of the plan, however, must (i) complete the instruction form according to the instructions in the "Letter to Participants in the Employee Stock Purchase Plan" for shares held under the ESPP and (ii) use the applicable procedures otherwise described in this Offer to Purchase to tender shares held outside of the ESPP. Although the Offer will remain open to all shareholders until the Expiration Time, if the Depository does not receive a participant's instructions three business days prior to the Expiration Time, shares attributable to the participant's account will not be tendered. Participants are urged to read the "Letter to Participants in the Employee Stock Purchase Plan" and the separate instruction form carefully.

Return of Unpurchased Shares. The Depository will return certificates for properly withdrawn or unpurchased shares promptly following the Expiration Time or the valid withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at DTC, the Depository will credit the shares to the appropriate account maintained by the tendering broker/dealer participant at DTC in each case without expense to the shareholder.

Tendering Shareholders' Representations and Warranties; Tender Constitutes an Agreement. It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person acting alone or in concert with others, directly or indirectly, to tender shares for such person's own account unless at the time of tender and at the Expiration Time such person has a "net long position" in (a) the shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such shares for the purpose of tendering to us within the period specified in the Offer or (b) other securities immediately convertible into, exercisable for or exchangeable into shares ("Equivalent Securities") that is equal to or greater than the amount tendered and, upon the acceptance of such tender, will acquire such shares by conversion, exchange or exercise of such Equivalent Securities to the extent required by the terms of the Offer and will deliver or cause to be delivered such shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of shares made pursuant to any method of delivery set forth herein will constitute the tendering shareholder's acceptance of the terms and conditions of the Offer, as well as the tendering shareholder's representation and warranty to us that (a) such shareholder has a "net long position" in shares or Equivalent Securities at least equal to the shares being tendered within the meaning of Rule 14e-4 and (b) such tender of shares complies with Rule 14e-4.

A tender of shares made pursuant to any method of delivery set forth herein will also constitute a representation and warranty to us that the tendering shareholder has full power and authority to tender, sell, assign and transfer the shares tendered, and that, when the same are accepted for purchase by us, we will acquire good, marketable and unencumbered title thereto, free and clear of all security interests, liens, restrictions, claims, encumbrances and other obligations relating to the sale or transfer of the shares, and the same will not be subject to any adverse claim or right. Any such tendering shareholder will, on request by the Depository or us, execute and deliver any additional documents

deemed by the Depositary or us to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered, all in accordance with the terms of the Offer.

All authority conferred or agreed to be conferred by delivery of the Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the tendering shareholder and shall not be affected by, and shall survive, the death or incapacity of such tendering shareholder.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. All questions as to the number of shares to be accepted, the price to be paid for shares and the validity, form, eligibility (including time of receipt) and acceptance for payment of any shares will be determined by us, in our sole discretion, and our determination will be final and binding on all parties. We reserve the absolute right to reject any or all tenders we determine not to be in proper form, or subject to any contractual restrictions on transfer, or the acceptance for payment of or payment for which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any conditions of the Offer with respect to all shareholders or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder whether or not we waive similar defects or irregularities in the case of other shareholders. No tender of shares will be deemed to have been properly made until all defects or irregularities relating thereto have been cured or waived. None of the Company, the Dealer Manager, the Depositary or the Information Agent will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Our interpretation of the terms of and conditions to the Offer, including the Letter of Transmittal and the instructions thereto, will be final and binding on all parties. By tendering shares, you agree to accept all decisions we make concerning these matters and waive any right you might otherwise have to challenge those decisions.

U.S. Federal Income Tax Backup Withholding; Information Reporting. Under the U.S. federal income tax backup withholding rules, 28% of the gross proceeds payable to a shareholder in the Offer must be withheld and remitted to the Internal Revenue Service (the "IRS") unless the shareholder provides such person's taxpayer identification number (employer identification number or social security number) to the Depositary (or other applicable withholding agent), certifies under penalties of perjury that this number is correct and that the shareholder is exempt from backup withholding or otherwise establishes an exemption. If the Depositary (or other applicable withholding agent) is not provided with the correct taxpayer identification number or another adequate basis for exemption, the shareholder may be subject to certain penalties imposed by the IRS. Therefore, each tendering shareholder that is a U.S. Holder (as defined in Section 14) should complete and sign the Form W-9 included as part of the Letter of Transmittal in order to provide the information and certification necessary to avoid the backup withholding, unless the shareholder otherwise establishes to the satisfaction of the Depositary (or other applicable withholding agent) that the shareholder is not subject to backup withholding. If backup withholding results in the overpayment of taxes, a refund may be obtained from the IRS in accordance with its refund procedures.

Certain shareholders (including, among others, all corporations and certain Non-U.S. Holders (as defined in Section 14)) are not subject to these backup withholding rules. In order for a Non-U.S. Holder to qualify as an exempt recipient, that shareholder must submit an IRS Form W-8BEN (or a suitable substitute form), signed under penalties of perjury, attesting to that shareholder's exempt status. The applicable form can be obtained from the Depositary at the address and telephone number set forth on the back cover page of this Offer to Purchase, or online at www.irs.gov.

In addition, the Depositary (or other applicable withholding agent) may be required to report to the IRS the payment of the Offer proceeds to non-exempt shareholders.

Shareholders should consult their own tax advisors regarding information reporting and possible qualifications for exemption from backup withholding and the procedure for obtaining any applicable exemption.

U.S. Withholding at Source. Even if a Non-U.S. Holder has provided the required certification to avoid backup withholding, the Depository (or other applicable withholding agent) will deduct U.S. federal withholding taxes equal to 30% of the gross payments payable to such Non-U.S. Holder, unless the Depository (or other applicable withholding agent) determines that a reduced rate of withholding is available under an applicable income tax treaty or that an exemption from withholding is applicable because the gross proceeds are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. To obtain a reduced rate of withholding under a tax treaty, a Non-U.S. Holder must deliver to the Depository (or other applicable withholding agent) a properly executed IRS Form W-8BEN (or a suitable substitute form) before payment is made. To obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a Non-U.S. Holder must deliver to the Depository (or other applicable withholding agent) a properly executed IRS Form W-8ECI (or a suitable substitute form) before payment is made. A Non-U.S. Holder that qualifies for an exemption from withholding by delivering IRS Form W-8ECI (or a suitable substitute form) generally will be required to file a U.S. federal income tax return and, subject to any applicable tax treaty, generally will be subject to U.S. federal income tax on income derived from the sale of shares pursuant to the Offer in the manner and to the extent described in Section 14 as if it were a U.S. Holder. Additionally, in the case of a foreign corporation, such income may be subject to a branch profits tax at a rate of 30% (or a lower rate specified in an applicable income tax treaty). The Depository (or other applicable withholding agent) will determine a shareholder's status as a Non-U.S. Holder and eligibility for a reduced rate of, or an exemption from, withholding by reference to valid certificates or statements concerning eligibility for a reduced rate of, or an exemption from, withholding (e.g., IRS Form W-8BEN (or a suitable substitute form) or IRS Form W-8ECI (or a suitable substitute form)) received from the Non-U.S. Holder unless facts and circumstances indicate that reliance is not warranted.

A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if the Non-U.S. Holder (i) meets the "complete termination," "substantially disproportionate" or "not essentially equivalent to a dividend" test described in Section 14 that would characterize the exchange as a sale (as opposed to a dividend) with respect to which the Non-U.S. Holder is not subject to U.S. federal income tax or (ii) is otherwise able to establish that no tax or a reduced amount of tax is due. To obtain such a refund, a Non-U.S. Holder must file a U.S. federal income tax return with the IRS.

Non-U.S. Holders should consult their own tax advisors regarding the application of U.S. federal income tax withholding and information reporting, including eligibility for a withholding tax reduction or exemption, and the refund procedure.

Foreign Account Tax Compliance Act ("FATCA") Withholding. FATCA became effective for U.S. source dividends paid on or after July 1, 2014. Since the Depository cannot determine whether a payment made pursuant to the Offer should be characterized as an "exchange" or a "dividend" for tax purposes at the time of the payment, any payment to a tendering shareholder who is a foreign financial institution ("FFI") or non-financial foreign entity ("NFFE") may be subject to a 30% withholding tax. The FATCA withholding tax generally can be avoided: (a) by an FFI, if it reports certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) by an NFFE, if it: (i) certifies that it has no substantial U.S. persons as owners or (ii) if it does have such owners, reporting information relating to them. The U.S. Treasury has negotiated intergovernmental agreements ("IGA") with certain countries and is in various stages of negotiations with a number of other foreign countries with respect to one or more alternative approaches to implement FATCA. An

entity in one of those countries may be required to comply with the terms of an IGA instead of U.S. Treasury regulations.

An FFI can also avoid FATCA withholding if it is deemed compliant or by becoming a "participating FFI," which requires the FFI to enter into a U.S. tax compliance agreement with the IRS or, if applicable, a governmental authority of its own country ("FFI agreement") under which it agrees to verify, report and disclose certain of its U.S. accountholders and provided that such entity meets certain other specified requirements. The FFI will report to the IRS, or, depending on the FFI's country of residence, to the government of that country (pursuant to the terms and conditions of an applicable IGA and applicable law), which will, in turn, report to the IRS. An FFI that is resident in a country that has entered into an IGA with the U.S. to implement FATCA will be exempt from FATCA withholding provided that the FFI shareholder and the applicable foreign government comply with the terms of such agreement.

An NFFE that is the beneficial owner of a payment from the Fund can avoid the FATCA withholding tax generally by certifying that it does not have any substantial U.S. owners or by providing the name, address and taxpayer identification number of each substantial U.S. owner. The NFFE will report information either (i) to the Fund, or other applicable withholding agent, which will, in turn, report information to the IRS, or (ii) directly to the IRS.

Such foreign shareholders also may fall into certain exempt, excepted or deemed compliant categories as established by U.S. Treasury regulations, IGAs, and other guidance regarding FATCA. An FFI or NFFE will need to provide the Fund with the applicable IRS Form W-8 (W-8BEN-E, W-8ECI, W-8EXP or W-8IMY) properly certifying the entity's status under FATCA in order to avoid FATCA withholding. If a tendering shareholder is subject to withholding under both FATCA and either backup withholding or U.S. withholding at the source, the Fund will withhold only under FATCA (subject to an ability by the Fund to elect to backup withhold in certain circumstances).

For a discussion of U.S. federal income tax consequences to tendering shareholders, see Section 14.

Lost Certificates. If the share certificates which a registered holder wants to surrender have been lost, destroyed or stolen, the shareholder should promptly notify the Depository's Call Center at (888) 416-5176. The Depository will instruct the shareholder as to the steps that must be taken in order to replace the certificates. Such shareholders must contact the Depository by no later than December 24, 2015.

Certificates for tendered shares, together with a properly completed and duly executed Letter of Transmittal or facsimile thereof, or an agent's message, and any other documents required by the Letter of Transmittal, must be delivered to the Depository and not to the Company, the Dealer Manager or the Information Agent; any such documents delivered to the Company, the Dealer Manager or the Information Agent will not be forwarded to the Depository and therefore will not be deemed to be properly tendered.

4. Withdrawal Rights

Except as this Section 4 otherwise provides, you may withdraw shares that you have previously tendered under the Offer at any time prior to the Expiration Time. You may also withdraw your previously tendered shares at any time after 12:00 midnight, New York City time, on February 11, 2016, unless such shares have already been accepted for payment by us as provided in the Offer. Except as this Section 4 otherwise provides, tenders of shares are irrevocable.

For a withdrawal to be effective, a written notice of withdrawal must:

- be received in a timely manner by the Depository at its address or at the facsimile number set forth on the back cover of this Offer to Purchase; and

- specify the name of the person having tendered the shares to be withdrawn, the number of shares to be withdrawn and the name of the registered holder of the shares to be withdrawn, if different from the name of the person who tendered the shares.

If you wish to withdraw tendered shares held in the ESPP, you must withdraw all such tendered shares.

If a shareholder has used more than one Letter of Transmittal or has otherwise tendered shares in more than one group of shares, the shareholder may withdraw shares using either separate notices of withdrawal or a combined notice of withdrawal, so long as the information specified above is included.

If certificates for shares have been delivered or otherwise identified to the Depository, then, prior to the physical release of those certificates, the serial numbers shown on those certificates must be submitted to the Depository and, unless an eligible institution has tendered those shares, an eligible institution must guarantee the signatures on the notice of withdrawal.

If shares have been delivered in accordance with the procedures for book-entry transfer described in Section 3, any notice of withdrawal must also specify the name and number of the account at DTC to be credited with the withdrawn shares and otherwise comply with the book-entry transfer facility's procedures.

Withdrawals of tenders of shares may not be rescinded, and any shares properly withdrawn will thereafter be deemed not properly tendered for purposes of the Offer. Withdrawn shares may be retendered at any time prior to the Expiration Time by again following one of the procedures described in Section 3.

We will decide, in our sole discretion, all questions as to the form and validity, including time of receipt, of notices of withdrawal, and each such decision will be final and binding on all parties. We also reserve the absolute right to waive any defect or irregularity in the withdrawal of shares by any shareholder, whether or not we waive similar defects or irregularities in the case of any other shareholder. None of the Company, the Dealer Manager, the Depository or the Information Agent will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

If we extend the Offer, are delayed in our purchase of shares or are unable to purchase shares under the Offer for any reason, then, without prejudice to our rights under the Offer, the Depository may, subject to applicable law, retain tendered shares on our behalf, and such shares may not be withdrawn except to the extent tendering shareholders are entitled to withdrawal rights as described in this Section 4. Our reservation of the right to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that we must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer.

5. Purchase of Shares and Payment of Purchase Price

Upon the terms and subject to the conditions of the Offer, promptly following the Expiration Time, we (a) will determine the purchase price we will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering shareholders, and (b) will accept for payment and pay for, and thereby purchase, shares having an aggregate purchase price of up to \$35,000,000 properly tendered at prices at or below the purchase price and not properly withdrawn.

For purposes of the Offer, we will be deemed to have accepted for payment and therefore for purchase, subject to the "odd lot" priority, proration and conditional tender provisions of the Offer, shares that are properly tendered at or below the purchase price, and not properly withdrawn, only when, as and if we give oral or written notice to the Depository of our acceptance of the shares for payment pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay a single per share purchase price not greater than \$17.75 nor less than \$15.50 for all of the shares accepted for payment pursuant to the Offer promptly after the Expiration Time. In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made promptly, but only after timely receipt by the Depository of:

- certificates for shares, or a timely book-entry confirmation of the deposit of shares into the Depository's account at DTC;
- a properly completed and duly executed Letter of Transmittal or, in the case of a book-entry transfer, an agent's message; and
- any other required documents.

We will pay for shares purchased by depositing the aggregate purchase price for the shares with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payment from us and transmitting payment to tendering shareholders. We will be deemed to have purchased shares under the Offer following the last to occur of (i) acceptance for payment, (ii) final determination of the price and the proration factor and (iii) deposit of the aggregate purchase price for the shares.

In the event of proration, we will determine the proration factor and pay for those tendered shares accepted for payment promptly following the Expiration Time. However, we expect that we will not be able to announce the final results of any proration or commence payment for any shares purchased pursuant to the Offer until at least four business days after the Expiration Time.

Certificates for all shares tendered and not purchased, including shares not purchased due to proration or conditional tender, will be returned or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with DTC by the broker/dealer participant who delivered the shares, to the tendering shareholder at our expense promptly following the Expiration Time or termination of the Offer.

Under no circumstances will we pay interest on the purchase price, including by reason of any delay in making payment. In addition, if certain events occur, we may not be obligated to purchase shares pursuant to the Offer. See Section 7.

We will pay all stock transfer taxes, if any, payable on the transfer to us of shares purchased pursuant to the Offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted by the Offer) if unpurchased shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption from payment of the stock transfer taxes, is submitted.

Any tendering shareholder or other payee that fails to complete fully, sign and return to the Depository the Substitute Form W-9 included in the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to required United States backup withholding at a rate equal to 28% of the gross proceeds paid to the shareholder or other payee pursuant to the Offer. See Section 3. Also see Section 14 regarding U.S. federal income tax consequences for foreign shareholders.

6. Conditional Tender of Shares

Subject to the exception for Odd Lot Holders, in the event of an over-subscription of the Offer, shares tendered pursuant to the Offer prior to the Expiration Time will be subject to proration. See Section 1. As discussed in Section 14, the number of shares to be purchased from a particular shareholder may affect the U.S. federal income tax treatment of the purchase to the shareholder and

the shareholder's decision whether to tender. The conditional tender alternative is made available for shareholders seeking to take steps to have shares sold pursuant to the Offer treated as a sale or exchange of such shares by the shareholder, rather than a distribution to the shareholder, for U.S. federal income tax purposes. Accordingly, a shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to a Letter of Transmittal must be purchased if any shares tendered are purchased. Any shareholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal, and, if applicable, in the Notice of Guaranteed Delivery. It is the tendering shareholder's responsibility to calculate the minimum number of shares that must be purchased from the shareholder in order for the shareholder to qualify for sale or exchange (rather than distribution) treatment for U.S. federal income tax purposes. Shareholders are advised to consult their tax advisors. No assurances can be provided that a conditional tender will achieve the intended U.S. federal income tax result for any shareholder tendering shares.

Any tendering shareholder wishing to make a conditional tender must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased. After the Expiration Time, if, based on the purchase price determined in the Offer, more than \$35,000,000 in value of shares are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for tendered shares, we will calculate a preliminary proration percentage, after taking into account the priority given to tenders of Odd Lots, based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any shareholder below the minimum number specified by that shareholder, the tender will automatically be regarded as withdrawn and will be returned promptly after the Expiration Time, unless chosen by lot for reinstatement as discussed in the next paragraph.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders would otherwise be regarded as withdrawn and would cause the total number of shares to be purchased to fall below an aggregate purchase price of \$35,000,000 then, to the extent feasible, we will select enough of the conditional tenders that would otherwise have been withdrawn to permit us to purchase \$35,000,000 in value of shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular shareholder as a single lot, and will limit our purchase in each case to the designated minimum number of shares to be purchased. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

7. Conditions of the Offer

Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of and the payment for, shares tendered, subject to the rules under the Exchange Act, if at any time on or after the commencement of the Offer and before the Expiration Time any of the following events has occurred:

- there has been threatened, instituted or pending any action, suit or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency or other tribunal that directly or indirectly;
- challenges or seeks to challenge, restrain, prohibit or delay the making of the Offer, the acquisition by us of the shares in the Offer, or any other matter relating to the Offer, or seeks to obtain any material damages or otherwise relating to the transactions contemplated by the Offer;

- seeks to make the purchase of, or payment for, some or all of the shares pursuant to the Offer illegal or results in a delay in our ability to accept for payment or pay for some or all of the shares;
- otherwise could reasonably be expected to materially and adversely affect our business, condition (financial or otherwise), results of operations or prospects or the value of our shares;
- there has occurred any change in the general political, market, economic or financial conditions in the United States or abroad that is reasonably likely to materially and adversely affect our business, condition (financial or otherwise), results of operations or prospects or the value of our shares or otherwise materially impair the contemplated future conduct of our business or adversely affect trading in our shares;
- there has occurred a general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter markets in the United States or a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory;
- there has occurred a commencement or escalation of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, directly or indirectly involving the United States or any country in which we conduct operations that are material to our business;
- there has been a limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, could materially affect the extension of credit by banks or other lending institutions in the United States;
- there has been any suspension of, or limitation on, the markets for U.S. dollars or other currency in which any material bank loan of the Company or any of its subsidiaries is denominated, or any material change in the exchange rates of such currencies that could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), income, operations or prospects of the Company or its subsidiaries, taken as a whole;
- there has been a decrease of more than 10% in the market price for our shares or in the Dow Jones Industrial Average, New York Stock Exchange Index, Nasdaq Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on December 8, 2015, or any significant increase in interest rates;
- a tender or exchange offer for any or all of the shares, or any merger, acquisition, business combination or other similar transaction with or involving us or any subsidiary, has been proposed, announced or made by any person or has been publicly disclosed or we have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, acquisition, business combination or other similar transaction, other than in the ordinary course of business (in each case other than the Offer);
- any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person has acquired or proposed to acquire beneficial ownership of more than 5% of our outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the SEC on or before December 13, 2015);
- any entity, group or person who has filed with the SEC a Schedule 13D or Schedule 13G relating to the Company on or before December 13, 2015 has acquired or proposes to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the Offer), beneficial ownership of an additional 1% or more of our outstanding shares;

- any new group has been formed that beneficially owns more than 5% of our outstanding shares (options for and other rights to acquire shares that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause);
- any entity, group or person shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire us;
- any approval, permit, authorization, favorable review or consent of any domestic or foreign governmental entity or any third-party consents required to be obtained in connection with the Offer shall not have been obtained;
- there has occurred any change (or event involving a prospective change) that could reasonably be expected to materially adversely affect our business, condition (financial or otherwise), results of operations or prospects or the value of our shares; or
- we determine that the consummation of the Offer may either cause the shares to be held of record by less than 400 persons or cause our shares to be delisted from the NYSE or to be eligible for deregistration under the Exchange Act.

The conditions referred to above are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any condition, and may be waived by us, in whole or in part, at any time and from time to time in our sole discretion. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any right, and each such right will be deemed an ongoing right that may be asserted at any time prior to the Expiration Time and from time to time. In certain circumstances, if we waive any of the conditions described above, we may be required to extend the Expiration Time. See Section 15.

8. Price Range of the Shares; Dividends

The shares are listed for trading on the NYSE under the symbol "FC." The following table sets forth, for each of the periods indicated, the high and low sales prices per share as reported on the NYSE;

	<u>High</u>	<u>Low</u>
Fiscal Year Ending August 31, 2016		
Second Quarter (through December 8, 2015)	\$ 15.50	\$ 14.36
First Quarter	17.81	13.77
Fiscal Year 2015		
Fourth Quarter	\$ 20.93	\$ 14.39
Third Quarter	20.20	17.03
Second Quarter	20.24	16.68
First Quarter	20.33	18.27
Fiscal Year 2014		
Fourth Quarter	\$ 22.75	\$ 18.68
Third Quarter	22.50	18.29
Second Quarter	21.41	17.95
First Quarter	20.85	15.76

On December 7, 2015, the last full trading day before the announcement of the Offer, the last reported sale price of our common stock on the NYSE was \$14.55 per share. We urge shareholders to obtain a current market price for the shares before deciding whether, and at what price or prices, to tender their shares.

We did not pay or declare dividends on our common stock during the fiscal years ended August 31, 2015 or 2014. We currently anticipate that we will retain all available funds to repay our obligations, finance future growth and business opportunities, and to repurchase outstanding shares of our common stock.

9. Source and Amount of Funds

Our intent is to purchase up to \$35,000,000 in value of shares of our common stock. However, we expressly reserve the right, in our sole discretion, to purchase additional shares pursuant to the Offer, subject to applicable law. The Offer is expected to be funded with (i) available cash from operations and (ii) either the Revolving Line or, if in place prior to the expiration of the offer, the \$20 million Term Loan. As of December 7, 2015, the Company had cash on hand of approximately \$22 million, and there was \$30 million available under the Revolving Line. In the event the new \$20 million Term Loan is in place prior to the consummation of the Offer and the Company uses it to fund the Offer, the Company will amend this Offer to Purchase with the material terms of the Term Loan.

Revolving Line of Credit

During fiscal 2011, we entered into an amended and restated secured credit agreement (the Restated Credit Agreement) with our existing lender. The Restated Credit Agreement provided the Revolving Line of Credit with a maximum borrowing amount of \$10.0 million and a term loan with maximum available borrowing of up to \$5.0 million. The term loan was repaid in full as of August 31, 2013.

On March 31, 2015, we entered into the Fourth Modification Agreement to the Restated Credit Agreement. The primary purposes of the Fourth Modification Agreement are to (i) increase the maximum available credit on the Revolving Line of Credit; (ii) extend the maturity date of the Restated Credit Agreement; (iii) reduce the applicable interest rate on borrowings; (iv) reduce the unused commitment fee; and (v) increase the cap for permitted business acquisitions from \$5.0 million to \$10.0 million. The Revolving Line of Credit may be used for general business purposes. The key terms and conditions of the Revolving Line of Credit of the Fourth Modification Agreement are as follows:

Available Credit—The maximum borrowing amount was increased from \$10.0 million to \$30.0 million.

Maturity Date—The maturity date of the Revolving Line of Credit is now March 31, 2018.

Interest Rate—The effective interest rate was reduced from LIBOR plus 2.50 percent to LIBOR plus 1.85 percent per annum. The unused credit fee on the facility was reduced from 0.33 percent to 0.25 percent per annum.

Financial Covenants—The Revolving Line of Credit requires us to be in compliance with specified financial covenants, including (a) a funded debt to EBITDAR (earnings before interest, taxes, depreciation, amortization, and rental expense) ratio of less than 3.00 to 1.00; (b) a fixed charge coverage ratio greater than 1.5 to 1.0; (c) an annual limit on capital expenditures (not including capitalized curriculum development) of \$8.0 million; and (d) outstanding borrowings on the Revolving Line of Credit may not exceed 150 percent of consolidated accounts receivable.

In the event of noncompliance with these financial covenants and other defined events of default, the lender is entitled to certain remedies, including acceleration of the repayment of any amounts outstanding on the Restated Credit Agreement. At August 31, 2015, we believe that we were in compliance with the terms and covenants applicable to the Fourth Modification Agreement. The effective interest rate on our Revolving Line of Credit was 2.0 percent at August 31, 2015 and 2.7 percent August 31, 2014.

In connection with the Restated Credit Agreement, we entered into a promissory note, a security agreement, repayment guaranty agreements, and a pledge and security agreement. These agreements pledge substantially all of our assets located in the United States to the lender as collateral for borrowings under the Restated Credit Agreement and subsequent amendments. We had no outstanding borrowings on the Revolving Line of Credit at December 13, 2015.

10. Certain Information Concerning Franklin Covey

General. The Company was incorporated in Utah in 1983. Our principal executive offices are located at 2200 West Parkway Boulevard, Salt Lake City, Utah 84119, and our telephone number is (801) 817-1776. The Company is a global company specializing in performance improvement. We help organizations achieve results that require a change in human behavior, and our mission is to "enable greatness in people and organizations everywhere." We believe that our results-driven principle-centered content is a competitive advantage in the marketplace. We have developed deep expertise that extends to helping organizations and individuals achieve lasting behavioral change in seven crucial areas: Leadership, Execution, Productivity, Trust, Sales Performance, Customer Loyalty, and Education. We have over 810 employees worldwide delivering these principle-based curriculums and effectiveness tools to our customers.

We operate globally with one common brand and business model designed to enable us to provide clients around the world with the same high level of service. To achieve this level of service we operate three regional sales offices in the United States; an office that specializes in sales to governmental entities; wholly owned subsidiaries in Australia, Japan, and the United Kingdom; and we contract with licensee partners who deliver our content and provide services in over 150 other countries and territories around the world.

Our business-to-business service utilizes our expertise in training, consulting, and technology that is designed to help our clients define great performance and execute at the highest levels. We also provide clients with training in management skills, relationship skills, and individual effectiveness, and we can provide personal-effectiveness literature and electronic educational solutions to our clients as needed. Historically, our best-known offerings include the FranklinCovey Planner™ and a suite of the new and updated individual-effectiveness and leadership-development training products based on the best-selling book *The 7 Habits of Highly Effective People*. We also offer a range of training and assessment products including the popular workshop *FOCUS: Achieving Your Highest Priorities*™, *The 4 Disciplines of Execution*™, *The 4 Roles of Leadership*™, *Building Business Acumen: What the CEO Wants You to Know*™, the Advantage Series communication workshops, and the *Execution Quotient* (xQ™) organizational assessment tool.

Where You Can Find More Information. We are subject to the informational filing requirements of the Exchange Act, and, accordingly, are obligated to file reports, statements and other information with the SEC relating to our business, financial condition and other matters. Information, as of particular dates, concerning our directors and officers, their remuneration, options and other stock awards granted to them, the principal holders of our securities and any material interest of these persons in transactions with us is required to be disclosed in proxy statements distributed to our shareholders and filed with the SEC. We also have filed an Issuer Tender Offer Statement on Schedule TO with the SEC that includes additional information relating to the Offer.

These reports, statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of this material may also be obtained by mail, upon payment of the SEC's customary charges, from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. The SEC also maintains a website on the Internet at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

Incorporation by Reference. The rules of the SEC allow us to "incorporate by reference" information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The Offer incorporates by reference the documents listed (except for the financial statements and the notes related thereto which are not required to be disclosed in this Offer to Purchase) below that have been previously filed with the SEC. These documents contain important information about us.

<u>SEC Filing (File No. 1-11107)</u>	<u>Period or Date Filed</u>
Annual Report on Form 10-K	Fiscal year ended August 31, 2015
Current Report on Form 8-K	Filed on December 8, 2015

You can obtain any of the documents incorporated by reference in this document from us or from the SEC's website at the address described above. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents. You may request a copy of these filings at no cost, by writing or telephoning us at: Franklin Covey Co., Attention: Steve Young, 2200 West Parkway Boulevard, Salt Lake City, Utah 84119, telephone: (801) 817-1776. Please be sure to include your complete name and address in your request. You can find additional information by visiting our website at www.franklincovey.com. We are not incorporating the contents of our website into this Offer to Purchase and information contained on our website is not part of this Offer.

11. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares

As of November 27, 2015, there were 16,221,841 shares of our common stock outstanding. We are offering to purchase up to \$35,000,000 in value of shares. At the maximum purchase price of \$17.75 per share, we could purchase 1,971,830 shares if the Offer is fully subscribed, which would represent approximately 12.2% of our issued and outstanding common stock as of November 27, 2015. At the minimum purchase price of \$15.50 per share, we could purchase 2,258,064 shares, which would represent approximately 13.9% of our issued and outstanding common stock as of November 27, 2015.

As of October 31, 2015, our directors and executive officers as a group (14 persons) beneficially owned an aggregate of 5,206,550 shares. Our directors and executive officers are entitled to participate in the Offer on the same basis as other shareholders; however, all of our directors and executive officers have advised us that they do not intend to tender any of their shares in the Offer. After termination of the Offer, our directors and executive officers may, in compliance with applicable law, sell their shares in open market transactions or otherwise, at prices that may be more or less favorable than the purchase price to be paid to our shareholders in the Offer.

The following table sets forth information as of October 31, 2015, with respect to the beneficial ownership of shares of common stock by each person known by us to be the beneficial owner of more than five percent of our common stock, by each director, by our named executive officers, and by all directors and officers as a group. Unless noted otherwise, each person named has sole voting and investment power with respect to the shares indicated. In computing the number of shares of common stock beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed outstanding shares of common stock subject to options held by that person or entity that are currently exercisable or exercisable within 60 days of October 31, 2015. The table also shows the percentage of shares of common stock that will be owned after the Offer, assuming the Offer is fully subscribed, the purchase price for shares purchased in the Offer is \$16.625, the midpoint of the purchase price range for the Offer, and no beneficial owner of more than five percent of our common stock, director or executive officer, or any entity by which the director or executive officer is deemed to beneficially own shares, tenders any shares in the Offer. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity. The percentages set forth below have been computed without taking into account treasury shares held by us

and are based on 16,216,509 shares of Common Stock outstanding as of October 31, 2015. At the date of this report, there are no shares of Series A or B Preferred Stock outstanding.

The business address of each of our directors and executive officers is c/o the Corporate Secretary at Franklin Covey Co. 2200 West Parkway Boulevard, Salt Lake City, UT 84119.

	Number of Shares Beneficially Owned	Percentage of Class	Percentage of Class Owned After Offer (with above stated assumptions)
Donald J. McNamara(1)(2)(4) c/o Franklin Covey Co. 2200 West Parkway Blvd. Salt Lake City, UT 84119-2331	3,183,311	19.6	22.6
Knowledge Capital Investment Group(1) 3899 Maple Ave., Suite 300 Dallas, TX 75219	2,812,805	17.4	19.9
Pembroke Management, LTD(3) 1002 Sherbrooke Street West Suite 1700 Montreal, Canada A8 H3A 354	1,529,670	9.4	10.8
Dimensional Fund Advisors, Inc.(3) 1299 Ocean Avenue Santa Monica, CA 90401	1,242,997	7.7	8.8
Robert A. Whitman(5)	716,719	4.3	4.9
Stephen D. Young(5)	270,633	1.6	1.8
Joel C. Peterson(4)	270,242	1.7	1.9
M. Sean Covey	213,771	1.3	1.5
Dennis G. Heiner(4)	54,029	*	*
E. Kay Stepp(4)	53,787	*	*
Clayton M. Christensen(4)	18,654	*	*
Michael Fung(4)	16,620	*	*
Shawn D. Moon	12,907	*	*
Colleen Dom	12,493	*	*
C. Todd Davis	11,276	*	*
Scott J. Miller	858	*	*
Paul S. Walker	—	—	—
All directors and executive officers as a group(14 persons)(4)(5)	4,835,300	28.7	32.7

* Less than 1%.

- (1) Mr. McNamara, who is a director of the Company, is a principal of The Hampstead Group, the private investment firm that sponsors Knowledge Capital, and therefore may be deemed the beneficial owner of the Common Stock held by Knowledge Capital. Mr. McNamara disclaims beneficial ownership of the Common Stock held by Knowledge Capital.
- (2) The share amounts include those held for Donald J. McNamara by the Donald J. and Joan P. McNamara Foundation with respect to 23,000 shares. Mr. McNamara is the trustee of his foundation, having sole voting and dispositive control of all shares held by the foundation, and may be deemed to have beneficial ownership of such shares.

- (3) Information for Pembroke Management LTD and Dimensional Fund Advisors Inc. is provided as of September 30, 2015, the filing of their last 13F Reports.
- (4) The share amounts indicated include restricted stock awards currently held by the following persons in the following amounts: Clayton M. Christensen, 4,035 shares; Michael Fung, 4,035 shares; Dennis G. Heiner, 4,035 shares; Donald J. McNamara, 4,035 shares; Joel C. Peterson, 4,035 shares; E. Kay Stepp, 4,035 shares; and all directors as a group, 24,210 shares.
- (5) The share amounts indicated include shares subject to options currently exercisable held by the following persons in the following amounts: Robert A. Whitman 500,000 shares; Stephen D. Young 131,250 shares; and all executive officers and directors as a group, 631,250 shares.

Equity Incentive Plans

1992 Stock Incentive Plan. The Franklin Covey Co. Second Amended and Restated 1992 Stock Incentive Plan (the "Stock Incentive Plan") was originally adopted and approved by our shareholders in March 1992 and was most recently amended and restated in January 2011 with the approval of our shareholders. The maximum number of shares of our common stock reserved for issuance under the Stock Incentive Plan is 7,300,000. The Stock Incentive Plan, which is administered by the Organization and Compensation Committee of our Board of Directors, permits the issuance to our key employees of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, stock units and performance-based equity awards. There are no additional shares available for issuance under the Stock Incentive Plan due to the implementation of the 2015 Omnibus Incentive Plan.

Employee Stock Purchase Plan. The Company has an employee stock purchase plan that offers qualified employees the opportunity to purchase shares of our common stock at a price equal to 85 percent of the average fair market value of our common stock on the last trading day of each fiscal quarter. The ESPP reserved 1,000,000 shares for issuance to participants, and, as of December 8, 2015, approximately 479,000 shares remain available for issuance under the ESPP.

2015 Omnibus Incentive Plan. On January 23, 2015 our shareholders approved the 2015 Omnibus Incentive Plan (the 2015 Plan), which authorized an additional 1,000,000 shares of common stock for issuance to employees and members of the Board of Directors as share-based payments. At December 8, 2015, the 2015 Plan had approximately 964,000 shares available for future grants.

Employee Benefit Plans

Profit Sharing Plan. We have defined contribution profit sharing plans for our employees that qualify under Section 401(k) of the Internal Revenue Code. These plans provide retirement benefits for employees meeting minimum age and service requirements. Qualified participants may contribute up to 75 percent of their gross wages, subject to certain limitations. These plans also provide for matching contributions to the participants that are paid by the Company. The matching contributions, which were expensed as incurred, totaled \$1.7 million, \$1.6 million, and \$1.2 million during each of the fiscal years ended August 31, 2015, 2014, and 2013. We do not sponsor or participate in any defined-benefit pension plans.

Nonqualified Deferred Compensation Plan. We had a non-qualified deferred compensation (NQDC) plan that provided certain key officers and employees the ability to defer a portion of their compensation until a later date. Deferred compensation amounts used to pay benefits were held in a "rabbi trust," which invested in insurance contracts, various mutual funds, and shares of our common stock as directed by the plan participants. However, due to legal changes resulting from the American Jobs Creation Act of 2004, we determined to cease compensation deferrals to the NQDC plan after

December 31, 2004. Following the cessation of deferrals to the NQDC plan, the number of participants remaining in the plan declined steadily, and our Board of Directors decided to partially terminate the NQDC plan. Following this decision, all of the plan's assets were liquidated, the plan's liabilities were paid, and the only remaining items in the NQDC plan are shares of our common stock owned by the remaining plan participants. At August 31, 2015 and 2014, the cost basis of the shares of our common stock held by the rabbi trust was \$0.4 million.

Severance Policy

We implemented a severance policy to establish in advance the appropriate treatment for terminating executives and to ensure market competitiveness. Named executive officers who are terminated involuntarily without cause receive an equivalent of one year of base salary and target annual short-term incentive compensation. Additionally, we pay COBRA medical and dental insurance premiums for the term of the severance. Consistent with our severance payment policy, all severance payments are made as a lump sum. We do not gross-up severance payments to compensate for taxes withheld.

Other Plans and Arrangements

Preferred Stock. We have 14.0 million shares of preferred stock authorized for issuance. At December 8, 2015, no shares of preferred stock were issued or outstanding.

Common Stock Warrants. Pursuant to the terms of a preferred stock recapitalization plan completed in fiscal 2005, we issued warrants to purchase 6.2 million shares of common stock with an exercise price of \$8.00 per share that expired on March 8, 2013. Prior to the expiration of the warrants, we issued 2.3 million shares of our common stock, including 1.7 million shares during fiscal 2013, and paid approximately \$55,000 (at our discretion) for net cash exercises in fiscal 2013. Knowledge Capital Investment Group (Knowledge Capital), a related entity that originally held a warrant to purchase 5.9 million shares of our common stock (such warrant is included in the 6.2 million warrants discussed above), exercised its warrant at various dates according to the terms of a fiscal 2011 exercise agreement, and received a total of 2.2 million shares of our common stock from shares held in treasury. In the fiscal 2011 exercise agreement, Knowledge Capital agreed to the following:

1. To exercise its remaining warrant shares on a net settlement basis.
2. Not to exercise its right to cause the Company to file a registration statement with respect to the resale of any of the shares owned by Knowledge Capital (including shares already owned by Knowledge Capital) prior to the earlier of (i) March 8, 2013 (the expiration of the warrant) and (ii) one year after the date on which the warrant has been exercised in full (the Stand-Off Period).
3. If Knowledge Capital intends to sell any of our shares (including shares previously owned by Knowledge Capital) in the market during the Stand-Off Period on an unregistered basis, Knowledge Capital will notify us in writing of such intent, including the details surrounding such sale, at least five trading days before commencing such sales, and, if requested by us, will refrain from selling shares of our common stock for up to 120 days after the date Knowledge Capital intended to begin such sales in order to permit us to arrange for an underwritten or other organized sale of these shares. This action includes filing with the Securities and Exchange Commission (SEC), if applicable and required, an effective registration statement covering the sale of the shares in the manner proposed by Knowledge Capital or as otherwise agreed to by Knowledge Capital and us.
4. To discuss with us any proposal by us to purchase such shares during the 120-day period.

In exchange for these considerations, we agreed to waive our right to pay cash in lieu of shares upon exercises of the warrant. Two members of our Board of Directors, including our Chief Executive Officer, have an equity interest in Knowledge Capital. This transaction and agreement was approved by members of our Board of Directors who are not affiliated with Knowledge Capital and had no economic interest in the warrant.

Pursuant to the fiscal 2011 warrant exercise agreement with Knowledge Capital described above, we filed a registration statement with the SEC on Form S-3 to register shares held by Knowledge Capital. This registration statement was declared effective on January 26, 2015. On May 20, 2015, Knowledge Capital sold 400,000 shares of our common stock on the open market and we did not purchase any of these shares. At December 8, 2015, Knowledge Capital held 2.8 million shares of our common stock.

Treasury Stock. On January 23, 2015, our Board of Directors approved a new plan to repurchase up to \$10.0 million of the Company's outstanding common stock. All previously existing common stock repurchase plans were canceled and the new common share repurchase plan does not have an expiration date. On March 27, 2015, our Board of Directors increased the aggregate value of shares of Company common stock that may be purchased under the January 2015 plan to \$40.0 million so long as we have either \$10.0 million in cash and cash equivalents or have access to debt financing of at least \$10.0 million. Under the terms of this expanded common stock repurchase plan, we have purchased 759,914 shares of our common stock for \$14.1 million through December 8, 2015. The Company will not repurchase shares under the repurchase plan during the period of the Offer and for at least ten days after the consummation of the Offer.

The amount of common stock purchased for treasury on our consolidated statement of cash flows for the year ending August 31, 2015 includes 17,935 shares withheld for minimum statutory taxes on share-based compensation award shares issued to participants during fiscal 2015. The withheld shares were valued at the market price on the date that the shares were distributed to participants, which totaled \$0.3 million.

The actual timing, number, and value of shares repurchased under this plan will be determined at our discretion and will depend on a number of factors, including, among others, general market and business conditions, the trading price of shares, and applicable legal requirements. The Company has no obligation to repurchase any shares under the authorization, and the repurchase plan may be suspended, discontinued, or modified at any time for any reason. The Offer is being conducted separate from the common stock repurchase plan.

Management Stock Loan Program. During fiscal 2000, certain of our management personnel borrowed funds from an external lender, on a full-recourse basis, to acquire shares of our common stock. The loan program closed during fiscal 2001 with 3.825 million shares of common stock purchased by the loan participants for a total cost of \$33.6 million, which was the market value of the shares acquired and distributed to loan participants. The Company initially participated on these management common stock loans as a guarantor to the lending institution. However, in connection with a new credit facility obtained during fiscal 2001, we acquired the loans from the external lender at fair value and became the creditor for these loans. The loans in the management stock loan program initially accrued interest at 9.4 percent, were full-recourse to the participants, and were originally due in March 2005. Although interest accrued on the participants' outstanding balance over the life of the loans, the Company ceased recording interest income from these loans in fiscal 2002.

In May 2004, our Board of Directors approved modifications to the terms of the management stock loans. The Company chose to forego certain of its rights under the terms of the loans and granted participants the modifications to improve their ability to pay, and the Company's ability to collect, the outstanding balances of the loans. The fiscal 2004 modifications waived the Company's right to collect the outstanding balance of the loans for three years, or until the closing price of the Company's stock multiplied by the number of shares held by participants equaled the outstanding principal and accrued interest on the loans (the Breakeven Date), lowered the effective interest rate, allowed participants to repay the loans with common shares, and waived the prepayment penalty.

During fiscal 2006, the Company offered participants in the management common stock loan program the opportunity to formally modify the terms of their loans in exchange for placing their shares of common stock in an escrow account that allowed us to have a security interest in the loan program shares. The fiscal 2006 modifications changed the promissory due date to the earlier of March 30, 2013 or the Breakeven Date, and the Company was granted the right to redeem the shares held in the escrow account on the Breakeven Date. At the closing date of the extension offer, management stock loan participants holding approximately 3.5 million shares, or 94 percent of the remaining loan shares, elected to accept the extension offer and placed their management stock loan shares into the escrow account.

During the second quarter of fiscal 2013, the common share price required to trigger the Breakeven Date redemptions was achieved for participants that accepted the fiscal 2006 modifications. Accordingly, we transferred the shares of common stock held in the escrow account to our transfer agent as full payment on the loans. These shares were valued at the closing price of our common stock on the Breakeven Date and were added to our treasury stock account with a corresponding increase to additional paid-in capital. In connection with the repayment of the management stock loans, the Company recorded \$0.5 million of share-based compensation expense for the value of the shares retained by loan participants that was in excess of the breakeven price. The Company is currently collecting amounts due from participants who declined to accept the fiscal 2006 modification terms.

For additional information about these agreements and other agreements to which the Company is a party, please see our Proxy Statement and Annual Report on Form 10-K for the fiscal year ended August 31, 2015, which descriptions are incorporated herein by reference.

Recent Securities Transactions

There were no transactions in the shares by the Company or any of our directors or executive officers during the 60 days prior to the commencement of the Offer.

12. Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act

The purchase of shares under the Offer will reduce the number of shares that might otherwise be traded publicly and is likely to reduce the number of shareholders. As a result, trading of a relatively smaller volume of shares after consummation of the Offer may have a greater impact on trading prices than would be the case prior to consummation of the Offer.

We believe that there will be a sufficient number of shares outstanding and publicly traded following completion of the Offer to ensure a continued trading market for the shares. Based upon published guidelines of the NYSE, we do not believe that our purchase of shares under the Offer will cause the remaining outstanding shares to be delisted from the NYSE. The Offer is conditioned upon our determination that the consummation of the Offer and the purchase of shares will not cause the shares to be delisted from the NYSE. See Section 7.

Our shares are currently "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using such shares as collateral. We believe that, following the purchase of shares under the Offer, the shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin rules and regulations.

Our shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our shareholders. We believe that our purchase of shares under the Offer pursuant to the terms of the Offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

13. Legal Matters; Regulatory Approvals

During fiscal 2012, a former software vendor performed a license review and claimed that in prior years we had used certain software modules that we were not licensed to use. After reviewing the claims from the vendor, we determined that the amounts claimed by the vendor were not consistent with our previously existing software licensing agreement. We settled this complaint during fiscal 2014 for an insignificant amount. We are also the subject of certain other legal actions, which we consider routine to our business activities. At August 31, 2015, we believe that, after consultation with legal counsel, any potential liability to us under these other actions will not materially affect our financial position, liquidity, or results of operations.

Except as otherwise discussed herein, we are not aware of any license or regulatory permit that is material to our business that might be adversely affected by our acquisition of shares as contemplated by the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for the acquisition or ownership of shares by us as contemplated by the Offer. Should any such approval or other action be required, we presently contemplate that we will seek that approval or other action. We are unable to predict whether we will be required to delay the acceptance for payment of or payment for shares tendered under the Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition. Our obligation under the Offer to accept for payment and pay for shares is subject to the conditions set forth in Section 7.

14. Material U.S. Federal Income Tax Consequences

The following summary describes the material U.S. federal income tax consequences as of the date hereof to U.S. Holders and Non-U.S. Holders (each as defined below) of an exchange of shares for cash pursuant to the Offer. The summary is based on the Internal Revenue Code (the "Code"), Treasury Regulations, judicial decisions, published positions of the IRS, and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax consequences that may be relevant to a particular shareholder or to shareholders subject to special treatment under U.S. federal income tax laws (such as financial institutions, broker dealers, insurance companies, cooperatives, expatriates, tax exempt organizations, pension plans, regulated investment companies or real estate investment trusts, traders in securities who elect to apply a mark-to-market method of accounting, U.S. Holders (as defined below) whose "functional currency" is not the U.S. dollar, persons that acquired their shares through the exercise of an employee stock option or otherwise as compensation, or partnerships or other pass-through entities or persons holding shares through partnerships or other pass-through entities) or to persons who hold shares as part of a straddle, hedge, conversion, synthetic security, or constructive sale transaction for U.S. federal income tax purposes, all of whom may be subject to tax rules that differ from those summarized below. In addition, this discussion does not address the consequences of the alternative minimum tax, or any state, local or foreign tax consequences or any tax consequences (e.g., estate or gift tax) other than U.S. federal income tax consequences. In particular, this discussion does not address any tax consequences arising from the sale of shares acquired pursuant to the ESPP or the Deferred Compensation Plan. This summary assumes that shareholders hold shares as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). No IRS ruling has been or will be sought regarding any matter discussed herein.

As used herein, the term "U.S. Holder" means a beneficial owner of shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation created or organized in or under the laws of the

United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (y) it has a valid election in effect to be treated as a U.S. person. As used herein, the term "Non-U.S. Holder" means a beneficial owner of shares that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes). If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partnership holding shares and each partner in such partnership should consult its own tax advisor about the U.S. federal income tax consequences of a sale of shares for cash pursuant to the Offer.

Each shareholder should consult its own tax advisor as to the particular U.S. federal income tax consequences to such shareholder of tendering shares pursuant to the Offer and the applicability and effect of any state, local or foreign tax laws and other tax consequences with respect to the Offer.

U.S. Federal Income Tax Treatment of U.S. Holders

Characterization of Sale of Shares Pursuant to the Offer. The sale of shares by a shareholder for cash pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder may vary depending upon the U.S. Holder's particular facts and circumstances. Under Section 302 of the Code, the sale of shares by a shareholder for cash pursuant to the Offer will be treated as a "sale or exchange" of shares for U.S. federal income tax purposes, rather than as a distribution with respect to the shares held by the tendering U.S. Holder, if the sale (i) results in a "complete termination" of the U.S. Holder's equity interest in us under Section 302(b)(3) of the Code, (ii) is a "substantially disproportionate" redemption with respect to the U.S. Holder under Section 302(b)(2) of the Code, or (iii) is "not essentially equivalent to a dividend" with respect to the U.S. Holder under Section 302(b)(1) of the Code, each as described below (the "Section 302 Tests").

The receipt of cash by a U.S. Holder will be a "complete termination" of the U.S. Holder's equity interest in us if either (i) the U.S. Holder owns none of our shares either actually or constructively after the shares are sold pursuant to the Offer, or (ii) the U.S. Holder actually owns none of our shares after the sale of shares pursuant to the Offer and, with respect to shares constructively owned by the U.S. Holder after the Offer, the U.S. Holder is eligible to waive, and effectively waives, constructive ownership of all such shares under procedures described in Section 302(c) of the Code. U.S. Holders wishing to satisfy the "complete termination" test through waiver of attribution are particularly advised to consult their own tax advisors regarding the requirements, mechanics and desirability of such a waiver.

The receipt of cash by a U.S. Holder will be "substantially disproportionate" if the percentage of our outstanding shares actually and constructively owned by the U.S. Holder following the sale of shares pursuant to the Offer is less than 80% of the percentage of our outstanding shares actually and constructively owned by the U.S. Holder before the sale of shares pursuant to the Offer.

Even if the receipt of cash by a U.S. Holder fails to satisfy the "complete termination" test and the "substantially disproportionate" test, a U.S. Holder may nevertheless satisfy the "not essentially equivalent to a dividend" test if the U.S. Holder's surrender of shares pursuant to the Offer results in a "meaningful reduction" in the U.S. Holder's equity interest in us. Whether the receipt of cash by a U.S. Holder will be "not essentially equivalent to a dividend" will depend upon the U.S. Holder's particular facts and circumstances. The IRS has indicated in published guidance that even a small reduction in the proportionate interest of a small minority shareholder in a publicly and widely held corporation who exercises no control over corporate affairs may constitute a "meaningful reduction."

Constructive Ownership and Related Transactions. Several special rules apply to the calculation of ownership percentages that must be made under the Section 302 Tests.

First, special "constructive ownership" rules will apply in determining whether any of the Section 302 Tests has been satisfied. A U.S. Holder must take into account not only the shares that are actually owned by the U.S. Holder, but also shares that are constructively owned by the U.S. Holder within the meaning of Section 318 of the Code. Very generally, a U.S. Holder may constructively own shares actually owned, and in some cases constructively owned, by certain members of the U.S. Holder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the U.S. Holder actually or constructively has an equity interest, as well as shares the U.S. Holder has an option to purchase.

Second, contemporaneous dispositions or acquisitions of shares by a U.S. Holder or related individuals or entities may be deemed to be part of a single integrated transaction and may be taken into account in determining whether the Section 302 Tests have been satisfied. Each U.S. Holder should be aware that, because proration may occur in the Offer, even if all the shares actually and constructively owned by a U.S. Holder are tendered pursuant to the Offer, fewer than all of these shares may be purchased by us. Thus, proration may affect whether the surrender of shares by a U.S. Holder pursuant to the Offer will meet any of the Section 302 Tests. See Section 6 for information regarding an option to make a conditional tender of a minimum number of shares. U.S. Holders should consult their own tax advisors regarding whether to make a conditional tender of a minimum number of shares, and the appropriate calculation thereof.

Third, for purposes of the Section 302 Tests, any repurchases made by us following the expiration of the Offer pursuant to one or more additional equity self-tender offers, accelerated stock repurchase programs or open market share repurchase programs, as described in Section 2 above, may be required to be taken into account by a U.S. Holder in determining such Holder's percentage ownership in our shares after the Offer. This may make it more difficult for the U.S. Holder to satisfy the Section 302 Tests. For example, even if a U.S. Holder would meet the "substantially disproportionate" or "not essentially equivalent to a dividend" test based solely on the Holder's sale of shares in the Offer, the test might not be satisfied after taking into account the reduction in the number of outstanding shares as a result of later repurchases by us of shares from other shareholders.

U.S. Holders should consult their own tax advisors regarding the application of the three Section 302 Tests to their particular circumstances, including the effect of the constructive ownership rules on their sale of shares pursuant to the Offer. In addition, a U.S. Holder owning at least 5% of our outstanding shares must comply with the reporting requirement of Treasury Regulation Section 1.302-2(b)(2).

Sale or Exchange Treatment. If any of the above three Section 302 Tests is satisfied, and the sale of the shares is therefore treated as a "sale or exchange" for U.S. federal income tax purposes, the tendering U.S. Holder will recognize gain or loss equal to the difference, if any, between the amount of cash received by the U.S. Holder and such holder's tax basis in the shares sold pursuant to the Offer. Generally, a U.S. Holder's tax basis in the shares will be equal to the cost of the shares to the U.S. Holder. Any gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder's holding period for the shares that were sold exceeds one year as of the date of the purchase by us pursuant to the Offer. Certain individual and other non-corporate U.S. Holders are eligible for reduced rates of U.S. federal income tax in respect of long-term capital gain (maximum rate of 15%). A U.S. Holder's ability to deduct capital losses may be limited. A U.S. Holder must calculate gain or loss separately for each block of shares (generally, shares acquired at the same cost in a single transaction) we purchase from the U.S. Holder under the Offer.

Distribution Treatment. If none of the Section 302 Tests is satisfied, the tendering U.S. Holder will be treated as having received a distribution by us with respect to the U.S. Holder's shares in an amount

equal to the cash received by such holder pursuant to the Offer. The distribution would be treated as a dividend to the extent that we have current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such a dividend would be taxed in its entirety as ordinary dividend income without a reduction for the U.S. Holder's tax basis of the shares exchanged, and the tax basis of such exchanged shares would be added to the tax basis of the U.S. Holder's remaining shares, if any. Dividends received by a non-corporate U.S. Holder in tax years prior to 2011 will be eligible to be taxed at capital gains rates if the U.S. holder meets certain holding period and other applicable requirements. The amount of any distribution in excess of our current and accumulated earnings and profits would be treated as a return of capital to the U.S. Holder, with a corresponding reduction in such U.S. Holder's tax basis in its shares until reduced to zero, and then as capital gain from the sale or exchange of the shares. The IRS has stated in a published announcement that it is studying whether the basis reduction in such a case should be limited to the basis of the shares redeemed, or whether the basis of both the retained and redeemed shares should be reduced to zero before gain is recognized.

If a sale of shares for cash pursuant to the Offer by a corporate U.S. Holder is treated as a dividend, the corporate U.S. Holder may be (i) eligible for a dividends received deduction (subject to applicable exceptions and limitations) and (ii) subject to the "extraordinary dividend" provisions of Section 1059 of the Code. Corporate U.S. Holders should consult their own tax advisors regarding (i) whether a dividends received deduction will be available to them, and (ii) the application of Section 1059 of the Code to the ownership and disposition of their shares. Provided that minimum holding period requirements are met, and subject to certain limitations for hedged positions, dividend income with respect to non-corporate U.S. Holders (including individuals) generally will be eligible for U.S. federal income taxation at a maximum rate of 15%.

Net Investment Income Tax. A 3.8% tax is imposed on net investment income earned by certain individuals, estates and trusts. "Net investment income," for these purposes, means investment income, including ordinary dividends and net gains from taxable dispositions of shares, reduced by the deductions properly allocable to such income. In the case of an individual, the tax will be imposed on the lesser of (1) the shareholder's net investment income or (2) the amount by which the shareholder's modified adjusted gross income exceeds \$250,000 (if the shareholder is married and filing jointly or a surviving spouse), \$125,000 (if the shareholder is married and filing separately) or \$200,000 (in any other case). This net investment income tax, if applicable, is reported by you on, and paid with, your federal income tax return.

U.S. Federal Income Tax Treatment of Non-U.S. Holders

Withholding. See Section 3 with respect to the application of U.S. federal income tax withholding to payments made to Non-U.S. Holders pursuant to the Offer.

Sale or Exchange Treatment. Gain realized by a Non-U.S. Holder on a sale of shares for cash pursuant to the Offer generally will not be subject to U.S. federal income tax if the sale is treated as a "sale or exchange" pursuant to the Section 302 Tests described above under "U.S. Federal Income Tax Treatment of U.S. Holders" unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty applies, the gain is attributable to the U.S. permanent establishment maintained by such Non-U.S. Holder) or (ii) in the case of gain realized by a Non-U.S. Holder who is an individual, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

In addition, a Non-U.S. Holder that is a foreign corporation may be subject to a branch profits tax at a 30% rate, or lower rate specified in an applicable income tax treaty, on gain from the sale of

shares pursuant to the Offer that is effectively connected with the conduct of a trade or business within the United States.

Distribution Treatment. If the Non-U.S. Holder does not satisfy any of the Section 302 Tests explained above, the full amount received by the Non-U.S. Holder with respect to the sale of shares to us pursuant to the Offer will be treated as a distribution to the Non-U.S. Holder with respect to the Non-U.S. Holder's shares. The treatment for U.S. federal income tax purposes of such distribution as a dividend, tax-free return of capital, or gain from the sale of shares will be determined in the manner described above under "U.S. Federal Income Tax Treatment of U.S. Holders." Except as described in the following paragraphs, to the extent that amounts received by a Non-U.S. Holder are treated as dividends, such dividends will be subject to U.S. federal withholding tax at a rate of 30%, or a lower rate specified in an applicable income tax treaty. To obtain a reduced rate of withholding under an income tax treaty, a Non-U.S. Holder must provide a properly executed IRS Form W-8BEN (or a suitable substitute form) certifying, under penalties of perjury, that the Non-U.S. Holder is a non-U.S. person and the dividends are subject to a reduced rate of withholding under an applicable income tax treaty. Non-U.S. Holders should consult their own tax advisors regarding their entitlement to, and the procedure for obtaining, benefits under an applicable income tax treaty.

Amounts treated as dividends that are effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States are not subject to U.S. federal withholding tax but instead, unless an applicable tax treaty provides otherwise, generally are subject to U.S. federal income tax in the manner applicable to U.S. Holders, as described above. To claim exemption from U.S. federal withholding tax with respect to the purchase price of shares treated as dividends that are effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States, the Non-U.S. Holder must comply with applicable certification and disclosure requirements by providing a properly executed IRS Form W-8ECI (or a suitable substitute form) certifying, under penalties of perjury, that the Non-U.S. Holder is a non-U.S. person and the dividends are effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States and includible in that holder's gross income. In addition, a Non-U.S. Holder that is a foreign corporation may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty, on dividends effectively connected with the conduct of a trade or business within the United States, subject to certain adjustments.

The Depositary (or other applicable withholding agent) will withhold at a 30% rate on the gross proceeds of the Offer paid to a Non-U.S. Holder, unless the Non-U.S. Holder provides the Depositary (or other applicable withholding agent) with (i) an IRS Form W-8 ECI (or suitable substitute form), claiming that the Offer proceeds are effectively connected with a U.S. trade or business carried on by the Non-U.S. Holder or (ii) an IRS Form W-8BEN (or a suitable substitute form) establishing that a reduced rate of withholding is available under an applicable income tax treaty. See Section 3.

A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any U.S. federal tax withheld if the Non-U.S. Holder meets any of the three Section 302 Tests described above under "U.S. Federal Income Tax Treatment of U.S. Holders" with respect to the sale of shares pursuant to the Offer, or is able to establish that no tax or a reduced amount of tax is due, in either case, provided that an appropriate claim is timely filed with the IRS. To obtain such a refund, the Non-U.S. Holder must file a U.S. federal income tax return with the IRS.

Non-U.S. Holders should consult their own tax advisors regarding the application of U.S. federal withholding tax to the sale of shares pursuant to the Offer, including the eligibility for withholding tax reductions or exemptions and refund procedures and the availability of any foreign tax credit under applicable foreign tax laws.

We believe that the Offer should have no U.S. federal income tax consequences to our shareholders that do not tender any shares in the Offer.

Federal Withholding

See Section 3 with respect to the application of U.S. federal backup withholding, U.S. withholding at the source and FATCA withholding.

The U.S. federal income tax discussion set forth above is a summary included for general information purposes only. In view of the individual nature of tax consequences, each shareholder should consult its own tax adviser with respect to the specific tax consequences to it of participating, or not participating, in the Offer, including the effect and applicability of state, local, non-U.S. and other tax laws and the possible effects of changes in federal or other tax laws.

15. Extension of the Tender Offer; Termination; Amendment

We expressly reserve the right, in our sole discretion, at any time and from time to time prior to the Expiration Time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the Depositary and making a public announcement of such extension. We also expressly reserve the right, in our sole discretion, to terminate the Offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the failure of any of the conditions specified in Section 7 by giving oral or written notice of such termination or postponement to the Depositary and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that we must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. Subject to compliance with applicable law (including Rule 13e-4 under the Exchange Act), we further reserve the right, in our sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to amend the Offer in any respect prior to the Expiration Time, including by changing the purchase price range or the aggregate purchase price limit. Amendments to the Offer may be made at any time and from time to time effected by public announcement, such announcement, in the case of an extension, to be issued no later than 11:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Time. Any public announcement made under the Offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law (including Rule 13e-4 under the Exchange Act), we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through PRNewswire or another comparable service.

If we materially change the terms of the Offer or the information concerning the Offer, we will extend the Offer to the extent required by Rules 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the Offer or information concerning the Offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information; however, in no event will the Offer remain open for fewer than five business days following such a material change in the terms of, or information concerning, the

Offer. If (1) we make any change to (a) the price range at which we are offering to purchase shares in the Offer, (b) decrease the aggregate purchase price limit and thereby decrease the number of shares purchasable in the Offer, or (c) increase the aggregate purchase price limit and thereby increase the number of shares purchasable in the Offer by more than 2% of our outstanding shares and (2) the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to shareholders in the manner specified in this Section 15, the Offer will be extended until the expiration of such 10 business day period.

16. Fees and Expenses

We have retained B. Riley & Co., LLC to act as the Dealer Manager and financial advisor in connection with the Offer. In such role, the Dealer Manager may contact brokers, dealers and similar entities and may provide information regarding the Offer to those that they contact or persons that contact them. The Dealer Manager will receive reasonable and customary compensation. We also have agreed to reimburse the Dealer Manager for reasonable out-of-pocket expenses incurred in connection with the Offer, including reasonable fees and expenses of counsel, and to indemnify the Dealer Manager against certain liabilities in connection with the Offer, including certain liabilities under federal securities laws.

The Dealer Manager and its affiliates have in the past provided, and in the future may provide, financial advisory, brokerage, investment banking and financing services to us, for which services they have received, and would expect to receive, compensation from us. Additionally, in the ordinary course of business, including in its trading and brokerage operations, the Dealer Manager and its affiliate may hold positions, both long and short, for their own accounts and for those of their customers, in our securities.

We also have retained Georgeson Inc. to act as Information Agent and Zions Bank to act as Depositary in connection with the Offer. The Information Agent may contact holders of shares by mail, facsimile and personal interviews and may request brokers, dealers and other nominee shareholders to forward materials relating to the Offer to beneficial owners. The Information Agent and the Depositary will each receive reasonable and customary compensation for their respective services, will be reimbursed by us for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Offer.

We will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager and the Information Agent as described above) for soliciting tenders of shares pursuant to the Offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs may apply if shareholders tender shares through the brokers or banks and not directly to the Depositary. We will, however, upon request, reimburse brokers, dealers and commercial banks for customary mailing and handling expenses incurred by them in forwarding the Offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent or the agent of the Dealer Manager, the Information Agent or the Depositary for purposes of the Offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of shares, except as otherwise provided in Section 5 hereof.

17. Miscellaneous

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offer or the acceptance of shares pursuant thereto is not in compliance with applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with

the applicable law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares residing in such jurisdiction.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, we have filed with the SEC an Issuer Tender Offer Statement on Schedule TO, which contains additional information with respect to the Offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning us. In any jurisdiction where the securities, "Blue Sky" or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on our behalf by the Dealer Manager or one or more requested brokers or dealers licensed under the laws of the applicable jurisdiction.

You should only rely on the information contained in this document or to which we have referred you. We have not authorized any person to make any recommendation on behalf of us as to whether you should tender or refrain from tendering your shares in the Offer or regarding the purchase price or prices at which you may tender shares. We have not authorized any person to give any information or to make any representation in connection with the Offer other than those contained in this document or in the related Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by us, our Board of Directors, the Dealer Manager, the Depository or the Information Agent.

December 14, 2015



The Letter of Transmittal, certificates for shares and any other required documents should be sent or delivered by each shareholder of the Company or his or her bank, broker, dealer, trust company or other nominee to the Depository as follows:

The Depository for the Offer is:

Zions Bank

*For Delivery of Notice of Guaranteed
Delivery or Requests to Withdraw
Tenders via facsimile:
(801) 594-8018*

*To confirm receipt of FAX, call
(801) 844-7546*

*By First Class Mail, Registered, Certified,
Express, Overnight Delivery or in Person:*

Zions Bank Corporate Trust Department
Attn: Stock Transfer
One South Main Street, 12th Floor
Salt Lake City, UT 84133

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Delivery will be deemed made only when actually received by the Depository. If delivery is by mail, registered mail with return receipt requested, properly insured for at least 2% of the current market value, is recommended. Shareholders have the responsibility to cause the Letter of Transmittal and any other documents required by this Letter of Transmittal to be delivered in accordance with the Offer.

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at the telephone number and location listed below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

Georgeson

480 Washington Boulevard, 26th Floor
Jersey City, NJ 07310
Shareholders, Banks and Brokers
Call Toll Free: 800-213-0473

The Dealer Manager for the Offer is:

B. Riley & Co., LLC

11100 Santa Monica Blvd., Ste. 800
Los Angeles, CA 90025
(310) 966-1444

Letter of Transmittal
To Tender Shares of Common Stock
Pursuant to the Offer to Purchase
Dated December 14, 2015
by

Franklin Covey Co.

CUSIP No. 353469109
of
Up to \$35,000,000 in Value of Shares of its Common Stock at a
Purchase Price not greater than \$17.75 nor less than
\$15.50 per Share

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JANUARY 12, 2016, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

ZIONS BANK

*By First Class Mail, Registered, Certified, Express,
Overnight Delivery or in Person:*

Zions Bank Corporate Trust Department
Attn: Corporate Trust Department
One South Main Street, 12th Floor
Salt Lake City, UT 84133

YOU SHOULD READ CAREFULLY THIS LETTER OF TRANSMITTAL, INCLUDING THE ACCOMPANYING INSTRUCTIONS, BEFORE YOU COMPLETE IT. FOR THIS LETTER OF TRANSMITTAL TO BE VALIDLY DELIVERED, IT MUST BE RECEIVED BY THE DEPOSITARY AT THE ABOVE ADDRESS BEFORE OUR OFFER EXPIRES (IN ADDITION TO THE OTHER REQUIREMENTS DETAILED IN THIS LETTER OF TRANSMITTAL AND ITS INSTRUCTIONS). DELIVERY OF THIS LETTER OF TRANSMITTAL TO ANOTHER ADDRESS WILL NOT CONSTITUTE A VALID DELIVERY. DELIVERIES TO THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR DTC WILL NOT BE FORWARDED TO THE DEPOSITARY AND WILL NOT CONSTITUTE A VALID DELIVERY.

Delivery will be deemed made only when actually received by the Depositary. If delivery is by mail, registered mail with return receipt requested, properly insured for at least 2% of the current market value, is recommended. Shareholders have the responsibility to cause the Letter of Transmittal and any other documents required by this Letter of Transmittal to be delivered in accordance with the Tender Offer.

This Letter of Transmittal, properly completed and duly executed, together with all other required documents, must accompany certificates for the shares of common stock of Franklin Covey Co. (the "Company") deposited pursuant to the Offer to Purchase dated December 14, 2015 (together with any amendments or supplements thereto, the "Offer to Purchase") and must be delivered or sent to and received by the Depositary at its address set forth above on or prior to the Expiration Date.

The terms and conditions of the Offer to Purchase are incorporated by reference in this Letter of Transmittal. Capitalized terms used but not defined in this Letter of Transmittal have the meanings ascribed to them in the Offer to Purchase. Shareholders should carefully consider the income tax consequences of depositing shares under the tender offer. See Section 14 entitled "Material U.S. Federal Income Tax Consequences" in the Offer to Purchase that accompanies this Letter of Transmittal.

Please be sure to read this Letter of Transmittal and the accompanying Instructions carefully before you complete this Letter of Transmittal. The Company's Board of Directors has approved the making of the Offer. However, none of the Company, its Board of Directors, the Dealer Manager, the Depository or the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them.

Indicate below the order (by certificate number) in which shares are to be purchased in the event of proration (attach additional signed list if necessary). If you do not designate an order, if less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depository. See Instruction 15.

1st: _____	2nd: _____	3rd: _____
4th: _____	5th: _____	6th: _____

Lost Certificates. My certificate(s) for _____ shares have been lost, stolen, destroyed or mutilated, and I require assistance in replacing the shares (See Instruction 12).

DESCRIPTION OF SHARES TENDERED (See Instructions 3, 4 and 13)			
Names(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s))	Shares of Common Stock Tendered (Attach Additional Signed List if Necessary)		
	Certificate Number(s)*	Total Number of Shares Represented by Certificate(s) or DRS	Number of Shares Tendered**
Total Shares Tendered:			
<p>* Need not be completed if shares are tendered by book-entry transfer or Direct Registration System (DRS). ** Unless otherwise indicated, it will be assumed that all shares described above are being tendered. See Instruction 4.</p>			

List above the certificate numbers and number of shares to which this Letter of Transmittal relates. If the space provided above is inadequate, list the certificate numbers tendered on a separately executed and signed list and attach the list to this Letter of Transmittal. The name(s) and address(es) of the holder(s) should be printed exactly as they appear on the certificates representing the shares tendered hereby. The shares that the undersigned wishes to tender should be indicated in the appropriate boxes.

This Letter of Transmittal is to be used if certificates for shares are to be forwarded herewith or to tender DRS shares. This Letter of Transmittal should also be used if delivery of shares is to be made by book-entry transfer to an account maintained by the Depository at DTC pursuant to the procedures set forth in Section 3 of the Offer to Purchase unless an agent's message (as defined in Section 3 of

the Offer to Purchase) is utilized. Tendering shareholders whose certificates for shares are not immediately available or who cannot deliver either the certificates for, or a book-entry confirmation (as defined in Section 3 of the Offer to Purchase) with respect to, their shares and all other required documents to the Depository prior to the Expiration Time (as defined in Section 1 of the Offer to Purchase) must tender their shares in accordance with the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2.

Your attention is directed to the following:

1. If you want to retain your shares, do not take any action.
2. If you want to participate in the Offer (as defined below) and wish to maximize the chance that your shares will be purchased in the Offer, you should check the box marked "Shares Tendered at Price Determined Under the Tender Offer" below and complete the other portions of this Letter of Transmittal as appropriate. If you agree to accept the purchase price determined pursuant to the Offer, your shares will be deemed to be tendered at the minimum price of \$15.50 per share. **YOU SHOULD UNDERSTAND THAT THIS ELECTION COULD RESULT IN YOUR TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$15.50 PER SHARE.**
3. If you wish to select a specific price at which you will be tendering your shares, you should select one of the boxes in the section captioned "Shares Tendered at Price Determined by You" below and complete the other portions of this Letter of Transmittal as appropriate.

We urge shareholders who hold shares through a broker, dealer, commercial bank, trust company or other nominee to consult their nominee to determine whether transaction costs are applicable if they tender shares through their nominee and not directly to the Depository.

QUESTIONS AND REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO THE INFORMATION AGENT OR THE DEALER MANAGER AT THEIR RESPECTIVE ADDRESSES OR TELEPHONE NUMBERS SET FORTH AT THE END OF THIS LETTER OF TRANSMITTAL. REQUESTS FOR ADDITIONAL COPIES OF THE OFFER TO PURCHASE OR THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE INFORMATION AGENT AT THE ADDRESS OR TELEPHONE NUMBER SET FORTH AT THE END OF THIS LETTER OF TRANSMITTAL.

Please read carefully the Instructions set forth below before completing this Letter of Transmittal.

- o **CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):**

Name of Tendering Institution: _____

Institution's DTC Participant Number: _____

Account Number: _____

Transaction Code Number: _____

- o **CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY. ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY AND COMPLETE THE FOLLOWING:**

Name(s) of Registered Owner(s): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution that Guaranteed Delivery: _____

Institution's DTC Participant Number: _____

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK ONLY ONE BOX):

(1) SHARES TENDERED AT PRICE DETERMINED BY YOU (SEE INSTRUCTION 5)

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by the Company is less than the price checked below. **A SHAREHOLDER WHO DESIRES TO TENDER SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE LETTER OF TRANSMITTAL FOR EACH PRICE SELECTED.** The same shares cannot be tendered at more than one price, unless previously validly withdrawn as provided in Section 4 of the Offer to Purchase.

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

- | | | | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <input type="radio"/> \$15.50 | <input type="radio"/> \$16.25 | <input type="radio"/> \$17.00 | <input type="radio"/> \$17.75 |
| <input type="radio"/> \$15.75 | <input type="radio"/> \$16.50 | <input type="radio"/> \$17.25 | |
| <input type="radio"/> \$16.00 | <input type="radio"/> \$16.75 | <input type="radio"/> \$17.50 | |

OR

(2) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER (SEE INSTRUCTION 5)

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by You," the undersigned hereby tenders shares at the purchase price determined by the Company in accordance with the terms of the Offer.

- o The undersigned wants to maximize the chance of having the Company purchase all shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the purchase price determined by the Company in accordance with the terms of the Offer. **THE UNDERSIGNED UNDERSTANDS THAT THIS ELECTION COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$15.50 PER SHARE.**

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

ODD LOTS

(See Instruction 14)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s), shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares either (check one box):

- at the purchase price, as shall be determined by the Company in accordance with the terms of the Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated above in the section captioned "Shares Tendered at Price Determined by You."

CONDITIONAL TENDER

(See Instruction 13)

A tendering shareholder may condition his or her tender of shares upon the Company purchasing a specified minimum number of shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the shares tendered by you will be purchased. **It is the tendering shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

Ladies and Gentlemen:

The undersigned hereby tenders to Franklin Covey Co. (the "Company") the above-described shares of common stock, \$0.05 par value per share (the "shares"), of the Company on the terms and subject to the conditions set forth in the Company's Offer to Purchase dated December 14, 2015 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and this Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer").

Subject to and effective on acceptance for payment of the shares tendered with this Letter of Transmittal in accordance with the terms and subject to the conditions of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all the shares that are being tendered and irrevocably constitutes and appoints Zions Bank (the "Depositary"), the true and lawful agent and attorney-in-fact of the undersigned, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to the full extent of the undersigned's rights with respect to such shares, to (a) deliver certificates representing such shares or transfer ownership of such shares on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of the Company, upon receipt by the Depositary as the undersigned's agent, of the aggregate purchase price with respect to such shares, (b) present certificates for such shares for cancellation and transfer on the Company's books and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, subject to the next paragraph, all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby covenants, represents and warrants that (a) the undersigned owns the shares tendered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and has full power and authority to tender, sell, assign and transfer the shares tendered and that, when and to the extent the same are accepted for payment by the Company, the Company will acquire good, marketable and unencumbered title thereto, free and clear of all security interests, liens, restrictions, claims, charges, encumbrances and other obligations relating to the sale or transfer of the shares, and the same will not be subject to any adverse claim or right; (b) the undersigned will, on request by the Depositary or the Company, execute and deliver any additional documents deemed by the Depositary or the Company to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered, all in accordance with the terms of the Offer; (c) the undersigned has read and agrees to all of the terms of the Offer to Purchase and this Letter of Transmittal; and (d) the undersigned understands that tendering shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that: (i) the undersigned has a "net long position" in shares or Equivalent Securities (as defined in the Offer to Purchase) at least equal to the shares tendered within the meaning of Rule 14e-4 under the Exchange Act and (ii) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act. See Section 3 of the Offer to Purchase.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall be binding on the undersigned and any successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase and this Letter of Transmittal, this tender is irrevocable. See Section 4 of the Offer to Purchase.

The valid tender of shares pursuant to any of the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and the Company on the terms and subject to the conditions of the Offer.

The undersigned understands that the Company will, upon the terms and subject to the conditions of the Offer, determine a single per share purchase price, not greater than \$17.75 nor less than \$15.50

per share, net to the seller in cash, less any applicable withholding taxes and without interest, that the Company will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering shareholders. The undersigned understands that the Company will look at the prices chosen by tendering shareholders and select the lowest purchase price (in multiples of \$0.25) within the price range specified above that will allow the Company to purchase \$35,000,000 in value of shares, or a lower amount depending on the number of shares as are properly tendered and not properly withdrawn. The undersigned understands that if, based on the purchase price determined by the Company, shares having an aggregate value of less than \$35,000,000 are properly tendered and not properly withdrawn, the Company will buy all the shares that were properly tendered and not properly withdrawn. The undersigned understands that the Company will purchase only shares properly tendered and not properly withdrawn at prices at or below the purchase price the Company determines.

The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, the Company may terminate or amend the tender offer or may postpone the acceptance for payment of, or the payment for, shares tendered or may accept for payment fewer than all of the shares tendered hereby. In such event, the undersigned understands that certificate(s) for any shares delivered herewith but not tendered or not purchased will be returned to the undersigned at the address indicated above.

The name(s) and address(es) of the registered holder(s) should be printed, if they are not already printed above, exactly as they appear on the certificates representing shares tendered hereby. The certificate numbers, the number of shares represented by such certificates and the number of shares that the undersigned wishes to tender should be set forth in the appropriate boxes above. The price at which the shares are being tendered should be indicated in the appropriate box below.

The undersigned understands that acceptance of shares by the Company for payment will constitute a binding agreement between the undersigned and the Company on the terms and subject to the conditions of the tender offer. The undersigned acknowledges that no interest will be paid on the purchase price for tendered shares.

Unless otherwise indicated herein under "Special Payment Instructions," please issue a check for payment of the purchase price for any shares tendered hereby that are purchased and/or return any certificates for shares not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for payment of the purchase price for any shares tendered hereby that are purchased and/or return any certificates for shares not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered." In the event that both the "Special Delivery Instructions" and the "Special Payment Instructions" herein are completed, please issue the check for payment of the purchase price for any shares tendered hereby that are purchased and/or return any certificates for shares not tendered or not accepted for payment (and any accompanying documents, as appropriate) in the name(s) of, and deliver such check and/or return such certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. In case of a book-entry delivery of the shares, please credit any shares tendered herewith by book-entry transfer that are not accepted for payment by crediting the brokerage account at DTC designated above in accordance with the instructions of the broker. The undersigned recognizes that the Company has no obligation pursuant to the "Special Payment Instructions" to transfer any shares from the name of the registered holder(s) thereof if the Company does not accept for purchase any of the shares so tendered.

SPECIAL PAYMENT INSTRUCTIONS

(See Instructions 1, 6, 7, and 8)

To be completed ONLY if certificates for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be issued in the name of someone other than the undersigned.

Issue: Check Certificate(s) to

Name: _____
(Please print)

Address: _____
(Include Zip Code)

(Taxpayer Identification or Social Security
Number of the Persons Named Above)
(See Form W-9 Included Herewith)

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 1, 6, 7 and 8)

To be completed ONLY if certificates for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that above.

Mail: Check Certificate(s) to

Name: _____
(Please Print)

Address: _____
(Include Zip Code)

**PLEASE SIGN HERE
(ALSO COMPLETE ACCOMPANYING FORM W-9)**

By signing below, the undersigned expressly agrees to the terms and conditions set forth above.

X _____

X _____

Signature(s) of Shareholder(s)

Dated:

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) for the shares or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 6).

Name(s): _____

(Please Type or Print)

Capacity (Full Title): _____

Address: _____

(Include Zip Code)

Daytime Area Code and Telephone Number: () _____

Tax Identification or Social Security No.: _____

**GUARANTEE OF SIGNATURE(S)
(If required—see Instructions 1 and 6)**

The signature(s) should be guaranteed by an eligible Guarantor Institution, (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Medallion Program), pursuant to S.E.C. Rule 17Ad-15

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. No signature guarantee is required on this Letter of Transmittal if either (a) this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Instruction 1, includes any participant in DTC's system whose name appears on a security position listing as the owner of the shares) of shares tendered herewith exactly as the name of the registered holder(s) appears on the certificate(s) for the shares tendered with this letter of transmittal and payment and delivery are to be made to such registered holder, unless such registered holder(s) has completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on this Letter of Transmittal or (b) such shares are tendered for the account of a firm that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program or the Stock Exchange Medallion Program (each, an "eligible institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an eligible institution. Shareholders may also need to have any certificates they deliver endorsed or accompanied by a stock power, and the signatures on these documents also may need to be guaranteed. See Instruction 6.

2. Requirements of Tender. This Letter of Transmittal is to be completed by shareholders either if certificates are to be forwarded herewith or, unless an agent's message is utilized, if delivery of shares is to be made pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase. For a shareholder validly to tender shares pursuant to the Offer, either (a) a Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other required documents, must be received by the Depository at its address set forth on the back of this Letter of Transmittal prior to the Expiration Time and either certificates for tendered shares must be received by the Depository at such address or shares must be delivered pursuant to the procedures for book-entry transfer set forth herein (and a book-entry confirmation must be received by the Depository), in each case prior to the Expiration Time, or (b) the tendering shareholder must comply with the guaranteed delivery procedures set forth below and in Section 3 of the Offer to Purchase.

The method of delivery of shares, this Letter of Transmittal and all other required documents, including delivery through DTC, is at the sole election and risk of the tendering shareholder. Shares will be deemed delivered only when actually received by the Depository (including, in the case of a book-entry transfer, by book-entry confirmation). If delivery is by mail, registered mail with return receipt requested, properly insured for at least 2% of the current market value, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery to the Depository prior to the Expiration Time.

Except as specifically provided by the Offer to Purchase, no alternative, conditional or contingent tenders will be accepted. No fractional shares will be purchased (other than any fractional shares acquired under any stock purchase plan sponsored by the Company). All tendering shareholders, by execution of this Letter of Transmittal, waive any right to receive any notice of the acceptance for payment of their shares.

3. Inadequate Space. If the space provided in the box entitled "Description of Shares Tendered" in this Letter of Transmittal is inadequate, the certificate numbers and/or the number of shares should be listed on a separate signed schedule attached hereto.

4. Partial Tenders (Not Applicable to Shareholders Who Tender by Book-Entry Transfer). If fewer than all the shares represented by any certificate submitted to the Depository are to be tendered, fill in the number of shares that are to be tendered in the box entitled "Number of Shares Tendered."

In that case, if any tendered shares are purchased, new certificate(s) for the remainder of the shares that were evidenced by the old certificate(s) will be sent to the registered holder(s), unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the acceptance for payment of, and payment for, the shares tendered herewith. All shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Indication of Price at Which Shares are Being Tendered. The shareholder MUST either (1) check the box indicating the price per share at which such shareholder is tendering shares under the section captioned "Shares Tendered at Price Determined by You" or (2) check the box in the section captioned "Shares Tendered at Price Determined Under the Tender Offer." For purposes of determining the purchase price, those shares that are tendered by shareholders agreeing to accept the purchase price determined in the Offer will be deemed to be tendered at the minimum price of \$15.50 per share. Selecting option (1) could result in none of the shareholder's tendered shares being purchased if the purchase price for the shares turns out to be less than the price selected by the shareholder. Selecting option (2) may lower the purchase price paid for shares in the Offer and could result in the shareholder receiving the minimum price of \$15.50 per share.

Only one box under (1) or (2) may be checked. If more than one box is checked, or if no box is checked, there is no valid tender of shares. A shareholder wishing to tender portions of such shareholder's share holdings at different prices must complete a separate Letter of Transmittal for each price at which such shareholder wishes to tender each such portion of such shareholder's shares. The same shares cannot be tendered at more than one price, unless previously properly withdrawn in accordance with the terms of the Offer.

6. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

If any of the shares tendered hereby are owned of record by two or more joint owners, all such persons must sign this Letter of Transmittal.

If any shares tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, no endorsement(s) of certificate(s) representing such shares or separate stock power(s) are required unless payment is to be made or the certificate(s) for shares not tendered or not purchased are to be issued to a person other than the registered holder(s) thereof. **Signature(s) on such certificate(s) must be guaranteed by an eligible guarantor institution.**

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, he or she should so indicate when signing, and proper evidence satisfactory to the Company of his or her authority to so act must be submitted with this Letter of Transmittal.

If this Letter of Transmittal is signed by the registered owner(s) of the shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made, or certificates for shares not tendered or accepted for payment are to be issued, to a person other than the registered owner(s). **Signatures on any such certificates or stock powers must be guaranteed by an eligible institution.**

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the shares tendered hereby, or if payment is to be made or certificate(s) for shares not tendered or not purchased are to be issued to a person other than the registered owner(s), the certificate(s) representing such shares must be properly endorsed for transfer or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered owner(s) appear(s) on the certificate(s). The signature(s) on any such certificate(s) or stock power(s) must be guaranteed by an eligible institution. See Instruction 1. Stock power forms may be obtained by calling Zions Bank Shareholder Services at (888) 416-5176.

7. Stock Transfer Taxes. The Company will pay any stock transfer taxes with respect to the transfer and sale of shares to it pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if shares not tendered or not accepted for payment are to be registered in the name of any person(s) other than the registered owner(s), or if shares tendered hereby are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered owner(s) or such person(s)) payable on account of the transfer to such person(s) will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted with this Letter of Transmittal.

Except as provided in this Instruction 7, it will not be necessary for transfer tax stamps to be affixed to the certificates listed in this Letter of Transmittal.

8. Special Payment and Delivery Instructions. If a check for the purchase price of any shares accepted for payment is to be issued in the name of, and/or certificates for any shares not accepted for payment or not tendered are to be issued in the name of and/or returned to, a person other than the signer of this Letter of Transmittal or if a check is to be sent, and/or such certificates are to be returned, to a person other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed and signatures must be guaranteed as described in Instructions 1 and 6.

9. Irregularities. The Company will determine in its sole discretion all questions as to the number of shares to accept, the price to be paid therefore, and the validity, eligibility (including time of receipt), and acceptance for payment of any tender of shares. Any such determinations will be final and binding on all parties. The Company reserves the absolute right to reject any or all tenders of shares it determines not to be in proper form, or subject to any contractual restrictions on transfer, or the acceptance of which or payment for which may, in the Company's opinion, be unlawful. The Company also reserves the right to waive any defect or irregularity in the tender of any particular shares, and the Company's interpretation of the terms of the Offer, including these instructions, will be final and binding on all parties. No tender of shares will be deemed to be validly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Company shall determine. Neither the Company, the Dealer Manager, the Depositary, the Information Agent (as defined in the Offer to Purchase) nor any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

10. Tax Identification Number and Backup Withholding. To prevent backup withholding, each U.S. Holder (as defined below) should either (x) provide his, her or its correct taxpayer identification number ("TIN") by completing the copy of the IRS Form W-9 (the "Form W-9") attached to this Letter of Transmittal, certifying that (1) he, she or it is a "United States person" (as defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), (2) the TIN provided is correct (or that such U.S. Holder is awaiting a TIN) and (3) that the U.S. Holder is exempt from backup withholding because (i) the holder has not been notified by the Internal Revenue Service (the "IRS") that he, she or it is subject to backup withholding as a result of a failure to report all interest or dividends, or (ii) the IRS has notified the U.S. Holder that he, she or it is no longer subject to

backup withholding or (y) otherwise establish an exemption. If you do not provide the Depository (or other applicable withholding agent) with the correct TIN or an adequate basis for exemption, you may be subject to a \$50 penalty imposed by the IRS, and payments made to you pursuant to the Offer may be subject to backup withholding at a rate of 28%. If withholding results in an overpayment of taxes, a refund may be obtained, provided the required information is timely furnished to the IRS.

To prevent backup withholding, a Non-U.S. Holder (as defined below) should (i) submit a properly completed IRS Form W-8BEN or other Form W-8 to the Depository (or other applicable withholding agent), certifying under penalties of perjury to the holder's exempt status or (ii) otherwise establish an exemption. IRS Forms W-8 may be obtained from the Depository or on the web at www.irs.gov.

Certain holders (including, among others, corporations) are exempt recipients generally not subject to these backup withholding requirements. See the enclosed Form W-9 for additional information regarding exempt recipients. To avoid possible erroneous backup withholding, exempt U.S. Holders, while not required to file Form W-9, should complete and return the Form W-9 and check the "Exempt from backup withholding" box on its face.

For the purposes of these instructions, a "U.S. Holder" is (i) an individual who is a citizen or resident alien of the United States, (ii) a corporation (including an entity taxable as a corporation) created under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. Holders that are, or hold their shares through, partnerships and other pass-through entities should consult their tax advisors regarding their treatment for purposes of these instructions. A "Non-U.S. Holder" is any holder (other than a holder that is, or holds its shares through, a partnership or other pass-through entity) that is not a U.S. Holder.

See the enclosed Form W-9 for additional information and instructions.

U.S. Withholding at Source. Even if a Non-U.S. Holder (as defined above) has provided the required certification to avoid backup withholding tax, the Depository (or other applicable withholding agent) will withhold U.S. federal income taxes equal to 30% of the gross payments payable to a Non-U.S. Holder unless the Depository (or other applicable withholding agent) determines that a reduced rate of withholding is available pursuant to an applicable income tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. In order to obtain a reduced rate of withholding pursuant to an income tax treaty, a Non-U.S. Holder must deliver to the Depository (or other applicable withholding agent) before the payment a properly completed and executed IRS Form W-8BEN (or a suitable substitute form). In order to obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the Offer are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States, a Non-U.S. Holder must deliver to the Depository (or other applicable withholding agent) a properly completed and executed IRS Form W-8ECI (or a suitable substitute form) before payment is made. The Depository (or other applicable withholding agent) will determine a shareholder's status as a Non-U.S. Holder and eligibility for a reduced rate of, or an exemption from, withholding by reference to outstanding certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., IRS Form W-8BEN or IRS Form W-8ECI) unless facts and circumstances indicate that such reliance is not warranted.

A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such Non-U.S. Holder meets those tests described in Section 14 of the Offer to Purchase that would characterize the exchange as a sale (as opposed to a distribution) for U.S. federal income tax purposes

or is otherwise able to establish that no tax or a reduced amount of tax is due and the requisite information is timely furnished to the IRS. To obtain such a refund, a Non-U.S. Holder must file a U.S. federal income tax return with the IRS.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX WITHHOLDING AND BACKUP WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING TAX REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.

Foreign Account Tax Compliance Act ("FATCA") Withholding. FATCA became effective for U.S. source dividends paid on or after July 1, 2014. Since the Depository cannot determine whether a payment made pursuant to the Offer should be characterized as an "exchange" or a "dividend" for tax purposes at the time of the payment, any payment to a tendering shareholder who is a foreign financial institution ("FFI") or non-financial foreign entity ("NFFE") may be subject to a 30% withholding tax. The FATCA withholding tax generally can be avoided: (a) by an FFI, if it reports certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) by an NFFE, if it: (i) certifies that it has no substantial U.S. persons as owners or (ii) if it does have such owners, reporting information relating to them. The U.S. Treasury has negotiated intergovernmental agreements ("IGA") with certain countries and is in various stages of negotiations with a number of other foreign countries with respect to one or more alternative approaches to implement FATCA. An entity in one of those countries may be required to comply with the terms of an IGA instead of U.S. Treasury regulations.

An FFI can also avoid FATCA withholding if it is deemed compliant or by becoming a "participating FFI," which requires the FFI to enter into a U.S. tax compliance agreement with the IRS or, if applicable, a governmental authority of its own country ("FFI agreement") under which it agrees to verify, report and disclose certain of its U.S. accountholders and provided that such entity meets certain other specified requirements. The FFI will report to the IRS, or, depending on the FFI's country of residence, to the government of that country (pursuant to the terms and conditions of an applicable IGA and applicable law), which will, in turn, report to the IRS. An FFI that is resident in a country that has entered into an IGA with the U.S. to implement FATCA will be exempt from FATCA withholding provided that the FFI shareholder and the applicable foreign government comply with the terms of such agreement.

An NFFE that is the beneficial owner of a payment from the Fund can avoid the FATCA withholding tax generally by certifying that it does not have any substantial U.S. owners or by providing the name, address and taxpayer identification number of each substantial U.S. owner. The NFFE will report information either (i) to the Fund, or other applicable withholding agent, which will, in turn, report information to the IRS, or (ii) directly to the IRS.

Such foreign shareholders also may fall into certain exempt, excepted or deemed compliant categories as established by U.S. Treasury regulations, IGAs, and other guidance regarding FATCA. An FFI or NFFE will need to provide the Fund with the applicable IRS Form W-8 (W-8BEN-E, W-8ECI, W-8EXP or W-8IMY) properly certifying the entity's status under FATCA in order to avoid FATCA withholding. If a tendering shareholder is subject to withholding under both FATCA and either backup withholding or U.S. withholding at the source, the Fund will withhold only under FATCA (subject to an ability by the Fund to elect to backup withhold in certain circumstances).

11. Requests for Assistance or Additional Copies. Questions and requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address set forth on the last page of this Letter of Transmittal.

12. Lost, Destroyed, Stolen or Mutilated Certificates. If any certificate(s) for part or all of your shares has been lost, stolen, destroyed or mutilated, you should contact Zions Bank, as Transfer Agent for the Company, at (888) 416-5176 to arrange for replacement of lost securities. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, stolen, destroyed or mutilated certificates have been followed and the tender is deemed by the Depository to be in proper form prior to the Expiration Time. You may be required to purchase a surety bond in order to replace the shares. You are urged to contact the Transfer Agent immediately if you wish to tender shares that you are unable to locate or have been destroyed.

If the Transfer Agent does not receive your request for replacement by December 24, 2015, you may not receive instructions for replacement in time to properly surrender your shares for tender by the Expiration Time.

13. Conditional Tenders. As described in Sections 1 and 6 of the Offer to Purchase, shareholders may condition their tenders on all or a minimum number of their tendered shares being purchased.

If you wish to make a conditional tender, you must indicate this in the box captioned "Conditional Tender" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. In the box in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, you must calculate and appropriately indicate the minimum number of shares that must be purchased from you if any are to be purchased from you.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether the Company accepts conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the required minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares of common stock and checked the box so indicating. Upon selection by lot, if any, the Company will limit its purchase in each case to the designated minimum number of shares of common stock.

All tendered shares of common stock will be deemed unconditionally tendered unless the "Conditional Tender" box is completed.

The conditional tender alternative is made available so that a shareholder may seek to structure the purchase of shares of common stock pursuant to the Offer in such a manner that the purchase will be treated as a sale or exchange of such shares of common stock by the shareholder, rather than a distribution to the shareholder, for U.S. federal income tax purposes. If you are an odd lot holder and you tender all of your shares of common stock, you cannot conditionally tender, since your shares of common stock will not be subject to proration. It is the tendering shareholder's responsibility to calculate the minimum number of shares of common stock that must be purchased from the shareholder in order for the shareholder to qualify for sale or exchange (rather than distribution) treatment for U.S. federal income tax purposes. Each shareholder is recommended to consult his or her own tax advisor. No assurances can be provided that a conditional tender will achieve the intended U.S. federal income tax results in all cases. See Section 14 of the Offer to Purchase.

14. Odd Lots. As described in Section 1 of the Offer to Purchase, if the Company is to purchase fewer than all shares validly tendered before the Expiration Time and not validly withdrawn, the shares purchased first will consist of all shares validly tendered by any shareholder who owned, beneficially or of record, an aggregate of fewer than 100 shares, and who tenders all of the holder's shares at or below the purchase price. This preference will not be available to you unless you complete the section captioned "Odd Lots" in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

15. Order of Purchase in Event of Proration. As described in Section 1 of the Offer to Purchase, shareholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the U.S. federal income tax classification of any gain or loss on the shares purchased. See Section 1 and Section 14 of the Offer to Purchase.

IMPORTANT. This Letter of Transmittal, together with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other required documents, must be received by the Depositary prior to the Expiration Time and either certificates for tendered shares must be received by the Depositary or shares must be delivered pursuant to the procedures for book-entry transfer, in each case prior to the Expiration Time, or the tendering shareholder must comply with the procedures for guaranteed delivery.

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type
See **Specific Instructions** on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) > _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) > _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number										
or										
Employer identification number										

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person >	Date >
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- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.*

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)

- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1 – An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2 – The United States or any of its agencies or instrumentalities
- 3 – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4 – A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5 – A corporation
- 6 – A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7 – A futures commission merchant registered with the Commodity Futures Trading Commission
- 8 – A real estate investment trust
- 9 – An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10 – A common trust fund operated by a bank under section 584(a)
- 11 – A financial institution
- 12 – A middleman known in the investment community as a nominee or custodian
- 13 – A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A – An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B – The United States or any of its agencies or instrumentalities
- C – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D – A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E – A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F – A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G – A real estate investment trust
- H – A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I – A common trust fund as defined in section 584(a)
- J – A bank as defined in section 581
- K – A broker
- L – A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M – A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

* **Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

This Letter of Transmittal, certificates for shares and any other required documents should be sent or delivered by each shareholder of the Company or such shareholder's bank, broker, dealer, trust company or other nominee to the Depository at its address set forth below.

The Depository for the Offer is:

Zions Bank

For Delivery of Notice of Guaranteed

Delivery or Requests to Withdraw

Tenders via facsimile:

(855) 547-5637

To confirm receipt of FAX, call

(801) 844-7561

By First Class Mail, Registered, Certified, Express,

Overnight Delivery or in Person:

Zions Bank Corporate Trust Department

Attn: Corporate Trust Department

One South Main Street, 12th Floor

Salt Lake City, UT 84133

Delivery will be deemed made only when actually received by the Depository. If delivery is by mail, registered mail with return receipt requested, properly insured for at least 2% of the current market value, is recommended. Shareholders have the responsibility to cause the Letter of Transmittal and any other documents required by this Letter of Transmittal to be delivered in accordance with the Tender Offer.

Questions specifically relating to your shareholder account or stock certificates may be directed to Zions Bank Shareholder Services at (801) 844-7546.

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at the telephone number and location listed below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

Georgeson

480 Washington Boulevard, 26th Floor

Jersey City, NJ 07310

Shareholders, Banks and Brokers

Call Toll Free: 800-213-0473

The Dealer Manager for the Offer is:

B. Riley & Co., LLC

11100 Santa Monica Blvd., Ste. 800

Los Angeles, CA 90025

(310) 966-1444

QuickLinks

[Exhibit \(a\)\(1\)\(B\)](#)

[PRICE \(IN DOLLARS\) PER SHARE AT WHICH SHARES ARE BEING TENDERED](#)

[ODD LOTS \(See Instruction 14\)](#)

[CONDITIONAL TENDER \(See Instruction 13\)](#)

[INSTRUCTIONS Forming Part of the Terms and Conditions of the Offer](#)

NOTICE OF GUARANTEED DELIVERY
(Not to be used for Signature Guarantee)
for
Tender of Shares of Common Stock
of
Franklin Covey Co.

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JANUARY 12, 2016, UNLESS THE OFFER IS EXTENDED.

As set forth in Section 3 of the Offer to Purchase (as defined below) this form (or a manually executed facsimile hereof) must be used to accept the Offer (as defined below) if (1) certificates representing your shares of common stock, of \$0.05 par value per share, of Franklin Covey Co., a Utah corporation (the "Company"), are not immediately available or cannot be delivered to the Depository before the Expiration Time (as defined in the Offer to Purchase), (2) the procedures for book-entry transfer described in Section 3 of the Offer to Purchase cannot be completed before the Expiration Time or (3) time will not permit all required documents to reach the Depository before the Expiration Time. This form, signed and properly completed, must be delivered by hand, mail or overnight delivery or transmitted by facsimile to the Depository. See Section 3 of the Offer to Purchase.

The Depository for the Offer is:

ZIONS BANK

By Facsimile:
(801) 594-8018

*By First Class Mail, Registered, Certified, Express,
Overnight Delivery or in Person:*

To confirm receipt of FAX, call
(801) 844-7546

Zions Bank Corporate Trust Department
Attn: Stock Transfer
One South Main Street, 12th Floor
Salt Lake City, UT 84133

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Deliveries to the Company, to the Dealer Manager for the Offer or to the Information Agent for the Offer will not be forwarded to the Depository and therefore will not constitute valid delivery. Deliveries to DTC (as defined in the Offer to Purchase) will not constitute valid delivery to the Depository.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "eligible institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

The Company's Board of Directors has approved the making of the Offer. However, none of the Company, its Board of Directors, the Dealer Manager, the Depository or the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them.

Ladies and Gentlemen:

The undersigned acknowledges receipt of the Offer to Purchase dated December 14, 2015 (the "Offer to Purchase") and the related Letter of Transmittal (the "Letter of Transmittal" and, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") and hereby tenders to the Company, on the terms and subject to the conditions set forth in the Offer, the number of shares set forth below, all pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. Unless the context otherwise requires, all references to the shares shall refer to the common stock, \$0.05 par value per share, of the Company.

Number of shares to be tendered: **shares***

* Unless otherwise indicated, it will be assumed that all shares are to be tendered.

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK ONLY ONE BOX):

(1) SHARES TENDERED AT PRICE DETERMINED BY YOU (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by the Company is less than the price checked below. **A SHAREHOLDER WHO DESIRES TO TENDER SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE NOTICE OF GUARANTEED DELIVERY AND/OR LETTER OF TRANSMITTAL FOR EACH PRICE AT WHICH SHARES ARE TENDERED.** The same shares cannot be tendered at more than one price, unless previously validly withdrawn as provided in Section 4 of the Offer to Purchase.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES
ARE BEING TENDERED**

- | | | | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <input type="radio"/> \$15.50 | <input type="radio"/> \$16.25 | <input type="radio"/> \$17.00 | <input type="radio"/> \$17.75 |
| <input type="radio"/> \$15.75 | <input type="radio"/> \$16.50 | <input type="radio"/> \$17.25 | |
| <input type="radio"/> \$16.00 | <input type="radio"/> \$16.75 | <input type="radio"/> \$17.50 | |

OR

(2) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by You," the undersigned hereby tenders shares at the purchase price determined by the Company in accordance with the terms of the Offer.

- The undersigned wants to maximize the chance of having the Company purchase all shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the purchase price determined by the Company in accordance with the terms of the Offer. **THE UNDERSIGNED UNDERSTANDS THAT THIS ELECTION COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$15.50 PER SHARE.**

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

ODD LOTS

(See Instruction 14 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s), shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares either (check one box):

- at the purchase price, as shall be determined by the Company in accordance with the terms of the Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated above in the section captioned "Shares Tendered at Price Determined by You."

CONDITIONAL TENDER

(See Instruction 13 of the Letter of Transmittal)

A tendering shareholder may condition his or her tender of shares upon the Company purchasing a specified minimum number of shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the shares tendered by you will be purchased. **It is the tendering shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is recommended to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

Certificate Nos. (if available): _____

Name(s) of Registered Holder(s): _____

(Please print or type)

Address(es): _____

(Include Zip Code)

Daytime Area Code and Telephone Number: () _____

Tax Identification or Social Security No.: _____

If shares will be delivered by book-entry transfer, check this box and provide the following information:

Name of Tendering Institution: _____

Account Number: _____

Transaction Code Number: _____

THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED.

**GUARANTEE OF DELIVERY
(NOT TO BE USED FOR SIGNATURE GUARANTEE)**

The undersigned, a firm that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program, or is otherwise an "eligible guarantor institution," as that term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), hereby guarantees (1) that the above named person(s) "own(s)" the shares tendered hereby within the meaning of Rule 14e-4 under the Exchange Act, (2) that such tender of shares complies with Rule 14e-4 under the Exchange Act and (3) to deliver to the Depository either the certificates representing the shares tendered hereby, in proper form for transfer, or a book-entry confirmation (as defined in the Offer to Purchase) with respect to such shares, in any such case together with a properly completed and duly executed Letter of Transmittal, with any required signature guarantees, or an agent's message (as defined in the Offer to Purchase) in the case of a book-entry delivery, and any other required documents, within three trading days (as defined in the Offer to Purchase) after the date hereof.

The eligible institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal or an agent's message (as defined in the Offer to Purchase) and certificates for shares to the Depository, or complete the procedures for book-entry transfer deliveries, within the time period shown herein. Failure to do so could result in financial loss to such eligible institution.

Authorized Signature: _____

Names: _____

(Please Type or Print)

Name of Firm: _____

Title: _____

Address: _____

(Include Zip Code)

Daytime Area Code and Telephone Number: () _____

Dated: _____

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE. CERTIFICATES FOR SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

QuickLinks

[Exhibit \(a\)\(1\)\(C\)](#)

[PRICE \(IN DOLLARS\) PER SHARE AT WHICH SHARES ARE BEING TENDERED](#)

[ODD LOTS \(See Instruction 14 of the Letter of Transmittal\)](#)

[CONDITIONAL TENDER \(See Instruction 13 of the Letter of Transmittal\)](#)

[THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED. GUARANTEE OF DELIVERY \(NOT TO BE USED FOR SIGNATURE GUARANTEE\)](#)

Offer to Purchase for Cash
by
Franklin Covey Co.
of
Up to \$35,000,000 in Value of Shares of its Common Stock
at a Purchase Price not greater than \$17.75 nor less than \$15.50 per Share

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JANUARY 12, 2016, UNLESS THE OFFER IS EXTENDED.

December 14, 2015

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We have been appointed by Franklin Covey Co., a Utah corporation (the "Company"), to act as Dealer Manager in connection with its offer to purchase for cash up to \$35,000,000 in value of shares ("shares") of its common stock, \$0.05 par value per share, at a price not greater than \$17.75 nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 14, 2015 (the "Offer to Purchase") and the related Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer"). Please furnish copies of the enclosed materials to your clients for whom you hold shares registered in your name or in the name of your nominee.

Enclosed with this letter are copies of the following documents:

1. Offer to Purchase dated December 14, 2015;
2. Letter of Transmittal (including Form W-9), for your use in accepting the Offer and tendering shares of your clients;
3. Letter to Clients, for you to send to your clients for whose account you hold shares registered in your name or in the name of a nominee, with an Instruction Form provided for obtaining such client's instructions with regard to the Offer;
4. Notice of Guaranteed Delivery, to be used to accept the Offer in the event you are unable to deliver the share certificates, together with all other required documents, to the Depository before the Expiration Time, or if the procedure for book-entry transfer cannot be completed before the Expiration Time; and
5. Return envelope addressed to Zions Bank, as the Depository.

Shareholders must make their own decision as to whether to tender their shares and, if so, how many shares to tender and at what price or prices. None of the Company, its Board of Directors, the Dealer Manager, the Depository or the Information Agent makes any recommendation to any stockholders as to whether to tender or refrain from tendering shares or as to the purchase price or purchase prices at which a stockholder may choose to tender shares. Your clients should read carefully the information set forth or incorporated by reference in the Offer to Purchase and in the related Letter of Transmittal, including the Company's reasons for making the Offer.

Certain conditions to the Offer are described in Section 7 of the Offer to Purchase. All tenders must be in proper form as described in Section 3 of the Offer to Purchase to be valid.

We urge you to contact your clients as promptly as possible. Please note that the Offer, proration period and withdrawal rights will expire at 11:59 p.m., New York City time, on January 12, 2016, unless the Offer is extended.

Under no circumstances will interest be paid on the purchase price of the shares regardless of any extension of, or amendment to, the Offer or any delay in paying for such shares.

For shares to be properly tendered pursuant to the Offer, (a) the share certificates or confirmation of receipt of such shares under the procedure for book-entry transfer, together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or an "agent's message" (as described in the Offer to Purchase) in the case of book-entry transfer, and any other documents required in the Letter of Transmittal, must be timely received by the Depository, or (b) the tendering stockholder must comply with the guaranteed delivery procedures, all in accordance with the Offer to Purchase and Letter of Transmittal.

The Company will not pay any fees or commissions to any broker, dealer or other person (other than fees to the Dealer Manager, the Depository and the Information Agent, as described in the Offer to Purchase) in connection with the solicitation of tenders of shares pursuant to the Offer. However, the Company will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed Offer materials to your clients. The Company will pay or cause to be paid any stock transfer taxes applicable to its purchase of shares pursuant to the Offer, except as otherwise provided in the Offer (see Section 5 of the Offer to Purchase).

As withholding agent for your clients, ***you are instructed to withhold*** on the gross proceeds of the Offer paid to your clients that are ***non-U.S. persons*** (as determined for U.S. federal income tax purposes) ***as if all such gross proceeds are dividends*** for U.S. federal income tax purposes, in accordance with appropriate, accepted procedures. The determination of whether any portion of the gross proceeds paid to a beneficial holder is treated as a dividend for U.S. federal income tax purposes depends on the individual circumstances of the beneficial holder, which neither we nor you know. This withholding is disclosed in the Offer to Purchase.

In addition, you are instructed to backup withhold on the gross proceeds of the Offer paid to your clients that do not submit the Form W-9, Form W-8BEN or Form W-8ECI, as applicable, in accordance with appropriate, accepted procedures. This withholding is disclosed in the Offer to Purchase.

Questions and requests for assistance or for additional copies of the enclosed material may be directed to the Information Agent at the telephone number and address listed below.

Very Truly Yours,
B. Riley & Co., LLC
Dealer Manager

Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of the Company, the Dealer Manager, the Depository, the Information Agent or any affiliate of any of them or authorize you or any other person to give any information or use any document or make any statement on behalf of any of them with respect to the Offer other than the enclosed documents and the statements contained therein.

The Information Agent for the Offer is:

Georgeson

480 Washington Boulevard, 26th Floor
Jersey City, NJ 07310
Shareholders, Banks and Brokers
Call Toll Free: 800-213-0473

QuickLinks

[Exhibit \(a\)\(1\)\(D\)](#)

Offer to Purchase for Cash
by
Franklin Covey Co.
of
Up to \$35,000,000 in Value of Shares of its Common Stock
at a Purchase Price not greater than \$17.75 nor less than \$15.50 per Share

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JANUARY 12, 2016, UNLESS THE OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated December 14, 2015 (the "Offer to Purchase"), and the related Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer") in connection with the Offer by Franklin Covey Co., a Utah corporation (the "Company"), to purchase for cash up to \$35,000,000 in value of shares ("shares") of its common stock, \$0.05 par value per share, at a price not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase.

On the terms and subject to the conditions of the Offer, the Company will determine a single share price, not greater than \$17.75 nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, that it will pay for shares properly tendered and not withdrawn in the Offer, taking into account the total number of shares tendered and the prices specified by tendering shareholders. After the Offer expires, the Company will look at the prices chosen by shareholders for all of the shares properly tendered and not withdrawn. The Company will then select the lowest purchase price (in multiples of \$0.25) within the price range specified above that will allow it to purchase \$35,000,000 in value of shares, or a lower amount depending on the number of shares properly tendered and not properly withdrawn. If, based on the purchase price the Company determines, shares having an aggregate value of less than \$35,000,000 are properly tendered and not properly withdrawn, the Company will buy all the shares that are properly tendered and not properly withdrawn. All shares the Company acquires in the Offer will be acquired at the same purchase price regardless of whether the shareholder tendered at a lower price. The Company will purchase only shares tendered at prices at or below the purchase price it determines. However, because of the odd lot priority, proration and conditional tender provisions described in the Offer to Purchase, the Company may not purchase all of the shares tendered at or below the purchase price if, based on the purchase price the Company determines, more than \$35,000,000 in value of shares are properly tendered at or below the purchase price and not properly withdrawn. Shares tendered but not purchased in the Offer will be returned to the tendering shareholders at the Company's expense promptly after the expiration of the Offer.

If the number of shares properly tendered at or below the purchase price determined in the Offer and not properly withdrawn prior to the Expiration Time is less than or equal to \$35,000,000 in value of shares, the Company will, subject to applicable law and upon the terms and subject to the conditions of the Offer, purchase all shares so tendered at the purchase price the Company determines.

Upon the terms and subject to the conditions of the Offer, if, based on the purchase price the Company determines, shares having an aggregate value in excess of \$35,000,000 are properly tendered at or below the purchase price and not properly withdrawn, the Company will purchase shares as follows:

- first, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares at or below the purchase price selected by the Company;
- second, from all other shareholders who properly tender shares at or below the purchase price selected by the Company, on a pro rata basis (except for shareholders who tendered shares conditionally for which the condition was not satisfied); and

- third, only if necessary to permit the Company to purchase \$35,000,000 in value of shares (or such greater amount as the Company may elect to pay), from holders who have properly tendered shares at or below the purchase price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

Because of the "odd lot" priority, proration and conditional tender provisions described above, the Company may not purchase all the shares that you tender even if you tender them at or below the purchase price. See Section 1 of the Offer to Purchase, and, for additional information on conditional purchases, see Section 6 of the Offer to Purchase.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. **We are sending you the Letter of Transmittal for your information only; you cannot use it to tender shares we hold for your account.**

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. You may tender your shares at prices not greater than \$17.75 nor less than \$15.50 per share, as indicated in the attached Instruction Form, net to you in cash, less any applicable withholding tax and without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The Offer is not conditioned on any minimum number of shares being tendered.
4. The Offer, withdrawal rights and proration period will expire at 11:59 p.m., New York City time, on January 12, 2016, unless the Company extends the Offer.
5. The Offer is for up to \$35,000,000 in value of shares. If the Offer is fully subscribed at a purchase price of \$17.75 per share, the Company will repurchase 1,971,830 shares. The maximum number of shares that the Company will purchase is 2,258,064.
6. Tendering shareholders who are registered shareholders or who tender their shares directly to the Depository will not be obligated to pay any brokerage commissions or fees, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on the Company's purchase of shares under the Offer.
7. If you wish to tender portions of your shares at different prices, you must complete a separate instruction form for each price at which you wish to tender each such portion of your shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.
8. If you are an Odd Lot Holder and you instruct us to tender on your behalf all of the shares that you own at or below the purchase price before the Expiration Time and check the box captioned "Odd Lots" on the attached instruction form, the Company, on the terms and subject to the conditions of the Offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered at or below the purchase price and not withdrawn before the Expiration Time.
9. If you wish to condition your tender upon the purchase of all shares tendered or upon the Company's purchase of a specified minimum number of the shares which you tender, you may elect to do so and thereby avoid possible proration. The Company's purchase of shares from all tenders which are so conditioned, to the extent necessary, will be determined by random

lot. To elect such a condition, complete the section captioned "Conditional Tender" in the attached instruction form.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached instruction form. If you authorize us to tender your shares, we will tender all your shares unless you specify otherwise on the attached Instruction Form.

Your prompt action is requested. Your instruction form should be forwarded to us in ample time to permit us to submit a tender on your behalf before the Expiration Time of the Offer. Please note that the Offer, proration period and withdrawal rights will expire at 11:59 p.m., New York City time, on January 12, 2016, unless the Offer is extended.

The Offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares of the Company's common stock. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

In any jurisdiction the laws of which require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by B. Riley & Co., LLC, the Dealer Manager for the Offer, or by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

The Company's Board of Directors has approved the making of the Offer. However, none of the Company, its Board of Directors, the Dealer Manager, the Depositary or the Information Agent make any recommendation to you as to whether to tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and at what price or prices. You should read carefully the information set forth or incorporated by reference in the Offer to Purchase and in the related Letter of Transmittal, including the Company's reasons for making the Offer. All of the Company's directors and executive officers have advised the Company that they do not intend to tender any of their shares in the Offer.

INSTRUCTION FORM WITH RESPECT TO
Offer to Purchase for Cash
by
Franklin Covey Co.
of
Up to \$35,000,000 in value of Shares of its Common Stock
at a Purchase Price not greater than \$17.75 nor less than \$15.50 per Share

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated December 14, 2015 (the "Offer to Purchase"), and the related Letter of Transmittal (the "Letter of Transmittal," which, together with any amendments or supplements thereto, collectively constitute the "Offer"), in connection with the Offer by Franklin Covey Co., a Utah corporation (the "Company"), to purchase for cash up to \$35,000,000 in value of shares ("shares") of its common stock, \$0.05 par value per share, at a price not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer.

The undersigned hereby instruct(s) you to tender to the Company the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, on the terms and subject to the conditions of the Offer.

In participating in the Offer, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer; (2) the undersigned is voluntarily participating in the Offer; (3) the future value of the Company's common stock is unknown and cannot be predicted with certainty; (4) the undersigned has read and understands the Offer; (5) the undersigned has consulted his or her tax and financial advisors with regard to how the Offer will impact his or her personal situation; (6) any foreign exchange obligations triggered by the undersigned's tender of shares or the receipt of proceeds are solely his or her responsibility; and (7) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance, transfer tax or other tax-related items ("Tax Items") related to the Offer and the disposition of shares, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned.

The undersigned consents to the collection, use and transfer, in electronic or other form, of the undersigned's personal data as described in this document by and among, as applicable, the Company, its subsidiaries, and third party administrators for the exclusive purpose of implementing, administering and managing his or her participation in the Offer.

The undersigned understands that the Company holds certain personal information about him or her, including, as applicable, but not limited to, the undersigned's name, home address and telephone number, date of birth, social security or insurance number or other identification number, nationality, any shares of stock held in the Company, details of all options or any other entitlement to shares outstanding in the undersigned's favor, for the purpose of implementing, administering and managing his or her stock ownership ("Data"). The undersigned understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Offer, that these recipients may be located in his or her country or elsewhere, and that the recipient's country may have different data privacy laws and protections than his or her country. The undersigned understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Company. The undersigned authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing his or her participation in the Offer, including any requisite transfer of such Data as may be

required to a broker or other third party with whom he or she held any shares of stock. The undersigned understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Offer. The undersigned understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company. The undersigned understands, however, that refusing or withdrawing his or her consent may affect his or her ability to participate in the Offer. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the undersigned understands that he or she may contact the Company.

Number of shares to be tendered by you for the account of the undersigned: shares*

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK ONLY ONE BOX):

(1) SHARES TENDERED AT PRICE DETERMINED BY YOU (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by the Company is less than the price checked below. **A SHAREHOLDER WHO DESIRES TO TENDER SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE INSTRUCTION FORM FOR EACH PRICE AT WHICH SHARES ARE TENDERED.** The same shares cannot be tendered at more than one price, unless previously withdrawn as provided in Section 4 of the Offer to Purchase.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES
ARE BEING TENDERED**

- | | | | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <input type="radio"/> \$15.50 | <input type="radio"/> \$16.25 | <input type="radio"/> \$17.00 | <input type="radio"/> \$17.75 |
| <input type="radio"/> \$15.75 | <input type="radio"/> \$16.50 | <input type="radio"/> \$17.25 | |
| <input type="radio"/> \$16.00 | <input type="radio"/> \$16.75 | <input type="radio"/> \$17.50 | |

OR

(2) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by You," the undersigned hereby tenders shares at the purchase price determined by the Company in accordance with the terms of the Offer. For purposes of determining the purchase price, those shares that are tendered by the undersigned agreeing to accept the purchase price determined in the Offer will be deemed to be tendered at the minimum price.

- The undersigned wants to maximize the chance of having the Company purchase all shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the purchase price determined by the Company in accordance with the terms of the Offer. **THE UNDERSIGNED UNDERSTANDS THAT THIS ELECTION COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$15.50 PER SHARE.**

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

* Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.

ODD LOTS

(See Instruction 14 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s), shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares either (check one box):

- at the purchase price, as shall be determined by the Company in accordance with the terms of the Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated above in the section captioned "Shares Tendered at Price Determined by You."

CONDITIONAL TENDER

(See Instruction 13 of the Letter of Transmittal)

A tendering shareholder may condition his or her tender of shares upon the Company purchasing a specified minimum number of shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the shares tendered by you will be purchased. **It is the tendering shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

The method of delivery of this document is at the election and risk of the tendering shareholder. If delivery is by mail, registered mail with return receipt requested, properly insured for at least 2% of

the current market value, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Signature: _____

Names: _____
(Please Type or Print)

Tax Identification or Social Security No.: _____

Address: _____
(Include Zip Code)

Daytime Area Code and Telephone Number: () _____

Dated: _____

QuickLinks

[Exhibit \(a\)\(1\)\(E\)](#)

[PRICE \(IN DOLLARS\) PER SHARE AT WHICH SHARES ARE BEING TENDERED](#)

[ODD LOTS \(See Instruction 14 of the Letter of Transmittal\)](#)

[CONDITIONAL TENDER \(See Instruction 13 of the Letter of Transmittal\)](#)

LETTER TO PARTICIPANTS IN THE EMPLOYEE STOCK PURCHASE PLAN

RELATED TO THE
OFFER TO PURCHASE FOR CASH
BY

FRANKLIN COVEY CO.

OF
UP TO \$35,000,000 IN VALUE OF SHARES OF ITS COMMON STOCK AT A
PURCHASE PRICE NOT GREATER THAN \$17.75 NOR LESS THAN
\$15.50 PER SHARE
December 14, 2015

TO:<First Name Last Name>

<Address 1>

<Address 2>

<City, State Zip>

Dear participant:

Enclosed for your consideration are (1) the Offer to Purchase by Franklin Covey Co. (the "Company"), dated December 14, 2015, and (2) the related Letter of Transmittal, in connection with the offer by the Company to purchase for cash up to \$35,000,000 in value of shares of its common stock, \$0.05 par value per share, at a price not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase and the Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer").

These materials are being forwarded to you because the events they describe may affect your interest in the Franklin Covey Co. Employee Stock Purchase Plan (the "Plan").

THIS LETTER AND THE ENCLOSED MATERIALS EXPLAIN THE TERMS AND CONDITIONS OF THE OFFER BY THE COMPANY FOR ITS COMMON SHARES. YOU SHOULD READ ALL OF THIS INFORMATION CAREFULLY.

If, after reading the enclosed materials, you decide to instruct the Agent to tender any common shares of the Company in your Plan account ("Plan Shares"), you must follow the instructions contained in this letter, fill out and sign the enclosed instruction form, and mail the instruction form in the enclosed envelope. If you do not wish to use the enclosed envelope, you may mail your instruction form to Zions Bank at the address provided below. If you do elect to instruct the Agent to tender your Plan Shares and such shares are accepted in the Offer, any proceeds received in respect of such Plan Shares will be paid to you by the Agent promptly following expiration of the Offer.

If you are also a common shareholder of the Company, you will receive under separate cover another copy (or copies) of the Offer documents which can be used to tender your directly-owned shares if you choose to do so. Instructions with respect to tendering your directly held shares will be set forth in those materials.

The Agent has the sole authority under the Plan to tender Plan Shares as described herein. However, you must decide whether or not to instruct the Agent to tender your Plan Shares for sale in accordance with the terms of the Offer. The Agent will not act without your instructions.

If valid instructions to tender Plan Shares are not received by 5:00 p.m., New York City time, on January 7, 2016, the Plan Shares in your Plan account will not be tendered, unless the Company extends the Offer. You also may request the Agent to withdraw any tender instruction you have previously submitted, as long as you do so prior to 5:00 p.m., New York City time, on January 7, 2016

by completing the enclosed notice of withdrawal and delivering it to Zions Bank. If the Offer is extended, then you must ensure that Zions Bank receives any notice of withdrawal or instruction forms that you send by 5:00 p.m., New York City time, on the date that is three (3) business days before the new expiration date.

NONE OF THE COMPANY, THE DEALER MANAGER, THE DEPOSITARY, THE AGENT OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR NOT TENDER YOUR PLAN SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR PLAN SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR PLAN SHARES AND, IF SO, HOW MANY PLAN SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH THE PLAN SHARES SHOULD BE TENDERED.

The enclosed Offer to Purchase and Letter of Transmittal contain important information about the terms and conditions of the Offer by the Company.

However, we have also provided the following information about questions you may have related to your decision to tender or not tender your Plan Shares.

Should I use the Letter of Transmittal to tender my Plan Shares?

No. The Letter of Transmittal is for your information only. You must fill out the enclosed instruction form to instruct the Agent to tender your Plan Shares. Only the Agent can use the Letter of Transmittal to tender common shares of the Company once the Agent has received instructions from the Plan participants.

How do I direct the Agent to tender my Plan Shares?

If you wish to direct the Agent to tender your Plan Shares, please complete the attached instruction form and return it to the Agent's tabulator in the enclosed envelope. The tabulator's address is:

Zions Bank Corporate Trust Department
Attn: Corporate Trust
One South Main Street, 12th Floor
Salt Lake City, UT 84133

THE INSTRUCTION FORM MUST BE RECEIVED BY THE AGENT'S TABULATOR NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON JANUARY 7, 2016, (UNLESS THE OFFER IS EXTENDED) IN ORDER FOR YOUR INSTRUCTIONS TO BE FOLLOWED. If the instruction form is not properly completed or is not received by the 5:00 p.m., New York City time, January 7, 2016 deadline, none of your Plan Shares will be tendered and none will be purchased (unless the Offer is extended).

Please note that this deadline is **THREE BUSINESS DAYS BEFORE** the current expiration date for the Offer. It is necessary to submit your Instruction Form to the Agent's tabulator before the expiration date because the Agent must deliver the information to the Depositary for the Offer by the expiration date.

The only actions you are required to take to direct the Agent to tender your Plan Shares are:

- (1) specify the percentage of your Plan Shares that you wish the Agent to tender,
- (2) designate the price at which the Agent should tender your Plan Shares, and
- (3) return the enclosed instruction form so that it is received by Zions Bank, no later than 5:00 p.m., New York City time, on January 7, 2016.

You do not need to complete any form other than the enclosed instruction form.

After January 12, 2016, the expiration date for the Offer unless the Offer is extended, it will be determined whether all, part, or none of your tendered Plan Shares have been purchased by the Company, pursuant to the procedures, including procedures for proration, described in the Offer to Purchase.

See the information in the Offer to Purchase regarding when and how the expiration date for the Offer period may change and when and how the Offer may be extended by the Company.

What if I want to withdraw the instructions to tender my Plan Shares after I have already submitted my instruction form?

You may withdraw or change your instructions at any time on or prior to 5:00 p.m., New York City time, January 7, 2016 (or such later date as may apply in the case the Offer is extended). To revoke or change your instruction to tender your Plan Shares, you must complete the notice of withdrawal provided with this letter. Promptly mail the completed notice of withdrawal via overnight delivery to Zions Bank at the address above.

**INSTRUCTION FORM
FOR
THE FRANKLIN COVEY CO.
EMPLOYEE STOCK PURCHASE PLAN**

To Plan Participant:

The undersigned acknowledges receipt of the accompanying letter and enclosed Offer to Purchase, dated December 14, 2015, and the related Letter of Transmittal in connection with the tender offer by Franklin Covey Co. (the "Company"), a Utah corporation, to purchase up to \$35,000,000 in value of shares of its common stock, \$0.05 par value per share, at a price not greater than \$17.75 per share nor less than \$15.50 per share, net to the seller in cash, less any applicable withholding taxes and without interest.

This Instruction Form directs AST Equity Plan Solutions, as agent for the Plan, to tender the number of common shares of the Company indicated below held by the Agent for the undersigned's Plan account pursuant to the Offer.

Name: _____

Social Security Number: _____

Address: _____

Daytime Telephone Number with Area Code: _____

TENDERING OF SHARES

Your current ESPP Share Balance is:

In order to instruct the Agent to tender your Plan Shares, you must TENDER A PERCENTAGE OF SHARES ALLOCATED TO YOUR PLAN ACCOUNT BELOW.

I wish to direct the Agent to tender a percentage of my Plan Shares. The percentage of my Plan Shares that I direct the Agent to tender in the Offer is set forth below. (Check the appropriate box.) IF MORE THAN ONE BOX IS CHECKED, THERE IS NO VALID INSTRUCTION AND YOUR PLAN SHARES WILL NOT BE TENDERED.

- | | | | |
|---------------------------|---------------------------|---------------------------|----------------------------|
| <input type="radio"/> 0% | <input type="radio"/> 30% | <input type="radio"/> 60% | <input type="radio"/> 90% |
| <input type="radio"/> 5% | <input type="radio"/> 35% | <input type="radio"/> 65% | <input type="radio"/> 95% |
| <input type="radio"/> 10% | <input type="radio"/> 40% | <input type="radio"/> 70% | <input type="radio"/> 100% |
| <input type="radio"/> 15% | <input type="radio"/> 45% | <input type="radio"/> 75% | |
| <input type="radio"/> 20% | <input type="radio"/> 50% | <input type="radio"/> 80% | |
| <input type="radio"/> 25% | <input type="radio"/> 55% | <input type="radio"/> 85% | |

TENDERING PRICE

The price at which I direct the Agent to tender my Plan Shares is set forth below. (Check the appropriate box.) This action could result in none of my Plan Shares being purchased if the purchase price determined by the Company for purchase of its common shares in the Offer is less than the price checked below.

IF MORE THAN ONE BOX IS CHECKED THERE IS NO VALID INSTRUCTION AND THE PLAN SHARES WILL NOT BE TENDERED. PARTICIPANTS WHO DESIRE TO TENDER PLAN SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE INSTRUCTION FORM FOR EACH PRICE AT WHICH PLAN SHARES ARE TENDERED.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES
ARE BEING TENDERED**

- | | | | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <input type="radio"/> \$15.50 | <input type="radio"/> \$16.25 | <input type="radio"/> \$17.00 | <input type="radio"/> \$17.75 |
| <input type="radio"/> \$15.75 | <input type="radio"/> \$16.50 | <input type="radio"/> \$17.25 | |
| <input type="radio"/> \$16.00 | <input type="radio"/> \$16.75 | <input type="radio"/> \$17.50 | |

OR

Shares Tendered at a Price Determined pursuant to the Offer:

- By checking this one box instead of one of the price boxes above, you are tendering Plan Shares and are willing to accept the purchase price selected by the Company in accordance with the terms of the Offer. This action will maximize the chance of having the Company purchase your Plan Shares (subject to the possibility of proration). Note this election could result in your Plan Shares, as well as all shares purchased by the Company pursuant to the Offer, being purchased at the minimum price of \$15.50 per share and, in general, may have the effect of decreasing the price of shares tendered in the Offer.

Date: _____, 2015

(Signature of Participant)

Return this form to Zions Bank, at:

Zions Bank Corporate Trust Department
Attn: Corporate Trust
One South Main Street, 12th Floor
Salt Lake City, UT 84133

The Information Agent for the Offer is Georgeson Inc. All questions regarding the Offer should be directed to Georgeson at (800) 213-0473.

QuickLinks

[Exhibit \(a\)\(1\)\(E\)](#)

**NOTICE OF WITHDRAWAL
RELATED TO THE
OFFER TO PURCHASE FOR CASH
BY
FRANKLIN COVEY CO.
OF
UP TO \$35,000,000 IN VALUE OF SHARES OF ITS COMMON STOCK AT A
PURCHASE PRICE NOT GREATER THAN \$17.75 NOR LESS THAN
\$15.50 PER SHARE**

December 14, 2015

To: Employee Stock Purchase Plan, Agent:

As a participant in Franklin Covey Co.'s Employee Stock Purchase Plan, I hereby instruct the Agent to withdraw from the tender offer all Plan Shares that I previously instructed the Agent to tender on my behalf, pursuant to the offer to purchase by Franklin Covey Co.

Signature	Date
Please print name clearly	Social Security Number
Address:	Phone Number:

Promptly mail this form via overnight delivery to Zions Bank, the Agent's tabulator. The tabulator's address is:

Zions Bank Corporate Trust Department
Attn: Corporate Trust
One South Main Street, 12th Floor
Salt Lake City, UT 84133

Can I direct the Agent to re-tender my Plan Shares?

Yes. If, after directing the Agent to withdraw your previously tendered Plan Shares, you wish to direct the Agent to re-tender your Plan Shares (or any portion thereof), you must complete another instruction form and return it to Zions Bank by 5:00 p.m., New York City time, on January 7, 2016 (unless the offer is extended, in which case the deadline for receipt of your election form will be extended until 5:00 p.m., New York City time, on the date that is three (3) business days before the new expiration date). You may request additional copies of the instruction form by calling Georgeson Inc., which is acting as the Information Agent for the tender offer, at (800) 213-0473.

QuickLinks

[Exhibit \(a\)\(1\)\(G\)](#)

December 14, 2015

Franklin Covey Co.
2200 West Parkway Boulevard
Salt Lake City, Utah 84119
(801) 817-1776

Robert A. Whitman
Chairman and Chief Executive Officer

To Our Shareholders:

As described in the enclosed materials, Franklin Covey Co. ("Franklin Covey") is offering to purchase up to \$35 million in value of shares of its common stock, or a lower amount depending on the number of shares that are properly tendered.

The price paid by Franklin Covey will not be greater than \$17.75 nor less than \$15.50 per share, net to the seller in cash, without interest. Franklin Covey is conducting the offer through a procedure commonly referred to as a modified Dutch auction tender offer. This procedure allows you to select the price within (and including) the \$15.50 to \$17.75 price range at which you are willing to sell your shares to Franklin Covey. Alternatively, this procedure allows you to sell all or a portion of your shares to Franklin Covey at the purchase price to be determined by Franklin Covey in accordance with the terms of the tender offer. Choosing the latter alternative could result in your receipt of a price per share as low as \$15.50. All shares that Franklin Covey purchases under the tender offer will be purchased at the same price. The Company will not purchase any shares above the determined purchase price. You may tender all or only a portion of your shares upon the terms and subject to the conditions of the tender offer, including the odd lot, proration and conditional tender provisions.

Based upon the number of shares tendered and the prices specified by the tendering shareholders, Franklin Covey will determine the lowest single price (the "Purchase Price") within the \$15.50 to \$17.75 range that will allow it to buy up to \$35 million in value of shares of its common stock, or a lower amount depending on the number of shares that are properly tendered. Franklin Covey will pay tendering shareholders the Purchase Price in cash, for all of the shares that are properly tendered at or below the Purchase Price, subject to possible proration and the provisions relating to the tender of odd lots and conditional tenders described in the enclosed offer to purchase. Any shareholder whose shares are properly tendered directly to Zions Bank, the depository in the tender offer, and thereafter purchased by Franklin Covey pursuant to the tender offer, will receive the net aggregate Purchase Price in cash, without interest, as promptly as practicable after the expiration of the tender offer, thus avoiding the usual transaction costs associated with open market sales. If you hold shares through a broker or bank, you should consult your broker or bank to determine whether any transaction costs apply. Shareholders that own fewer than 100 shares should note that the tender offer represents an opportunity for them to sell their shares without reduction for any odd lot discounts. Tendered shares that Franklin Covey does not purchase will be promptly returned to the tendering shareholder.

If you do not wish to participate in the tender offer, you do not need to take any action.

We explain the terms and conditions of the tender offer in detail in the enclosed Offer to Purchase. I encourage you to read these materials carefully before making any decision with respect to the tender offer.

The Board of Directors of Franklin Covey has approved the tender offer. However, neither Franklin Covey, its Board of Directors, the Depository, the dealer manager, nor the information agent make any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the price or prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you wish to tender your shares. Franklin Covey's directors and executive officers have advised Franklin Covey that they do not intend to tender any shares in the tender offer.

The tender offer will expire at 11:59 p.m., New York City time, on January 12, 2016, unless Franklin Covey extends the tender offer. If you have any questions regarding the tender offer or need assistance in tendering your shares, please contact Georgeson Inc., the information agent for the tender offer, at (800) 213-0473.

Sincerely,

/s/ ROBERT A. WHITMAN

Robert A. Whitman
Chairman and Chief Executive Officer

Franklin Covey Co. Commences Dutch Auction Tender Offer

SALT LAKE CITY, December 14, 2015—Franklin Covey Co. (NYSE: FC) today announced that it has commenced its previously announced modified Dutch Auction tender offer for up to \$35.0 million in value of shares of its common stock at a price within (and including) the range of \$15.50 to \$17.75 per share, which may allow up to 2,258,064 shares, or approximately 13.9 percent of the Company's outstanding common stock, to be acquired through the tender offer. The midpoint of this range represents a premium of approximately 14.3 percent over Franklin Covey's closing stock price of \$14.55 on December 7, 2015, the last trading day preceding the prior announcement of the tender offer.

The tender offer will expire at 11:59 p.m. New York City time, on January 12, 2016, unless extended by Franklin Covey. Tenders of Franklin Covey common stock must be made prior to the expiration of the tender offer and may be withdrawn at any time prior to the expiration of the tender offer. The tender offer is subject to terms and conditions described in the Offer to Purchase filed with the Securities and Exchange Commission ("SEC") and distributed to shareholders.

The Company intends to finance the tender offer primarily from (i) available cash and (ii) either the Company's existing revolving line of credit with JPMorgan Chase Bank, N.A. (the "Revolving Line") or, if in place prior to the expiration of the tender offer, a new \$20 million term loan. As of December 7, 2015, the Company had cash on hand of approximately \$22 million, and there was \$30 million available under the Revolving Line.

The modified Dutch Auction tender offer will give shareholders who tender their shares directly to the depositary the opportunity to sell a portion or all of their shares to the Company without incurring any brokerage fees or commissions and will allow shareholders to indicate how many shares and at what price within the Company's specified range they wish to tender. Based on the number of shares tendered and the price specified by the tendering shareholders, the Company will determine the lowest price per share within (and including) the range that will enable it to purchase up to \$35.0 million in value of shares of its common stock, or a lower amount depending on the number of shares that are properly tendered. The Company also reserves the right, in the event that more than \$35.0 million of its shares of common stock are tendered in the tender offer at or below the purchase price, to purchase up to an additional 2% of its shares of common stock outstanding without extending the tender offer. Tender offer materials are being distributed to shareholders and are being filed with the SEC today. All shares purchased by the Company will be purchased at the same price, even if shareholders selected a lower price at which to sell; however, the Company will not purchase any shares above the determined purchase price. The tender offer is not conditioned on the receipt of outside financing or upon any minimum number of shares being tendered. The Company's Board of Directors and its executive officers do not intend to participate in the tender offer.

Franklin Covey's Board of Directors approved the tender offer. However, none of the Company, its Board of Directors, the dealer manager or the information agent makes any recommendation to shareholders on whether or not to tender their shares. Shareholders must decide how many shares they will tender, if any, and the price within (and including) the anticipated offer range at which they will offer their shares for purchase by the Company.

B. Riley & Co., LLC is acting as the dealer manager for the tender offer and the information agent is Georgeson Inc. The depositary institution is Zions Bank. The Offer to Purchase, Letter of Transmittal, and related documents are being mailed to shareholders of record and will be made available for distribution to beneficial owners of Franklin Covey's shares. For questions of information, please call the information agent toll-free at (800) 213-0473.

Forward-Looking Statements

This press release contains forward-looking statements related to, among other things, a proposed tender offer. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements

inherently involve risks and uncertainties that could cause actual results to differ materially from those contemplated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the Company may decide, for any number of reasons, not to pursue the tender offer, the conditions to any such tender offer may not be satisfied, market conditions and the price of the Company's stock may not be favorable, general economic conditions, the Company's cash needs, shareholders may not tender shares in response to the offer in sufficient numbers to make the tender offer advisable and other risks and uncertainties outlined in the Company's documents filed with the SEC, including the Company's most recent annual report on Form 10-K for the fiscal year ended August 31, 2015 as filed with the SEC. All forward-looking statements and other information in this press release are based upon information available as of the date of this press release. Such information may change or become invalid after the date of this press release, and, by making these forward-looking statements, the Company undertakes no obligation to update these statements after the date of this press release, except as required by law.

Additional Information and Where to Find It

This announcement is neither an offer to purchase nor a solicitation of an offer to sell securities. The solicitation of offers to buy shares of Franklin Covey common stock will only be made pursuant to the Offer to Purchase, dated December 14, 2015 (as may be amended or supplemented), the related Letter of Transmittal and other related documents that Franklin Covey is sending to its shareholders. Shareholders of the Company are urged to read the relevant tender offer documents because they will contain important information that shareholders should consider before making any decision regarding tendering their shares. Those materials are being distributed by the Company to the Company's shareholders at no expense to them.

In addition to the Offer to Purchase, the related Letter of Transmittal and certain other offer documents, the Company files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information filed by the Company at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the public reference room. The Company's filings with the SEC are also available to the public from commercial document-retrieval services and at the website maintained by the SEC at www.sec.gov.

About Franklin Covey Co.

Franklin Covey Co. (NYSE:FC) (www.franklincovey.com), is a global provider of training and consulting services in the areas of leadership, productivity, strategy execution, customer loyalty, trust, sales performance, government, education and individual effectiveness. Over its history, Franklin Covey has worked with 90 percent of the Fortune 100, more than 75 percent of the Fortune 500, and thousands of small and mid-sized businesses, as well as numerous government entities and educational institutions. Franklin Covey has more than 40 direct and licensee offices providing professional services in over 150 countries.

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QuickLinks

[Franklin Covey Co. Commences Dutch Auction Tender Offer](#)



December 14, 2015

Knowledge Capital Investment Group
c/o The Hampstead Group
3899 Maple Ave.
Suite 300
Dallas, Texas 75219
Attention: Donald J. McNamara

Re: Letter Agreement Regarding Regulation M Compliance

Dear Mr. McNamara:

As you know, Franklin Covey Co. (the "Company") intends to commence an issuer tender offer in the second quarter of fiscal 2016. In order to try to comply with Regulation M of the SEC rules, the Company is requesting that you not engage in a distribution of securities (as those terms are used in Regulation M) relating to the Company from the date of this letter until the completion of the Company's issuer tender offer.

The Company will promptly notify you when its issuer tender offer is completed.

Please acknowledge your agreement with the above by signing below.

Very truly yours,

FRANKLIN COVEY CO.

By: /s/ ROBERT A. WHITMAN

Name: Robert A. Whitman
Title: *Chairman and Chief Executive Officer*

ACKNOWLEDGED AND ACCEPTED:

KNOWLEDGE CAPITAL INVESTMENT GROUP

By: Inspiration Investments Partners III, L.P.
Its: *Manager*

By: Inspiration Investments GenPar III, L.P.
Its: *General Partner*

By: Hampstead Associates, Inc.
Its: *Managing General Partner*

By: /s/ DONALD J. MCNAMARA

Name: Donald J. McNamara
Title:

QuickLinks

[Exhibit \(d\)\(8\)](#)