Fogo de Chão, Inc.

Notes to Consolidated Financial Statements (Continued)
(in thousands, except share and per share amounts)

The expected term of the options represents the estimated period of time until exercise and is based on historical experience of similar options, giving consideration to the contractual terms, vesting schedules and expectations of future employee behavior.

The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award.

Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table sets forth the assumptions that the Company used to determine the fair value of the stock options granted, presented on a weighted-average basis:

	Period from May 24, 2012 (Inception) through December 30, 2012 (successor period)	Fiscal Year Ended December 29, 2013	Fiscal Year Ended December 28, 2014
Expected term (in years)	6.40	6.34	6.10
Risk-free interest rate	0.85%	1.77%	1.76%
Volatility	50%	47%	42%
Dividend yield	0%	0%	0%

The following table summarizes the Company's stock option activity from May 24, 2012 through December 28, 2014:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at May 24, 2012 (Successor)	—			
Granted	67,500	$ 252.77		
Exercised	—	—		
Forfeited	—	—		
Outstanding at December 30, 2012	67,500	$ 252.77	9.6	—
Granted	11,110	$ 262.35		
Exercised	—	—		
Forfeited	(300)	$ 291.66		
Outstanding at December 29, 2013	78,310	$ 253.98	8.7	$ 855
Granted	9,891	$ 308.06		
Exercised	—	—		
Forfeited	—	—		
Outstanding at December 28, 2014	88,201	$ 260.05	8.0	$ 4,549
Vested at December 28, 2014	701	$ 214.15		
Unvested at December 28, 2014	87,500	$ 260.41		
Exercisable at December 28, 2014	701	$ 214.15	9.0	$ 42

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