

RARE HOSPITALITY INTERNATIONAL, INC.

Charter of the Audit Committee of the Board of Directors

I. Audit Committee Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Oversee and monitor the integrity of the Company's accounting and financial reporting processes, systems of internal controls and audits of the Company's financial statements.
- Monitor the independence, performance and integrity of the Company's independent auditors and internal auditing department.
- Provide an avenue of open and effective communication among the independent auditors, management, the internal auditing department, and the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as any employee, documents or files of the Company. The Audit Committee has the authority and ability to engage and/or determine funding for, at the Company's expense, ordinary administrative expenses of the Committee, independent or special legal counsel, accounting, or other consultants, advisors or experts it deems necessary or appropriate in the performance of its duties.

II. Audit Committee Composition and Meetings

Audit Committee members shall meet the independence requirements of the NASDAQ Stock Market and Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the regulations thereunder, and must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee must be an "audit committee financial expert" as defined in Item 401 of Regulation S-K under the Exchange Act and be financially sophisticated as described in the rules of NASDAQ Stock Market.

Audit Committee members shall be appointed by the Board, and the Committee shall elect a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the director of the internal auditing department, the independent auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed. In addition, the Committee, or at least its Chair, should communicate with management and the independent auditors quarterly to review with them the Company's financial statements and significant findings based upon the auditors' limited review procedures.

III. Audit Committee Responsibilities and Duties

Review Procedures

1. Review and reassess the adequacy of this Charter at least annually. Submit the Charter and any recommended revisions thereto to the Board of Directors for approval, and have the document published at least every three years in accordance with SEC regulations.
2. Review the Company's annual audited financial statements prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices, and judgments.
3. In consultation with management, the independent auditors, and the internal auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors and the internal auditing department together with management's responses.
4. Review with financial management and/or the independent auditors the Company's quarterly and annual financial results prior to the release of earnings and financial statements prior to filing or distribution. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors in accordance with American Institute of Certified Public Accountants Statement on Auditing Standards No. 61 ("SAS No. 61"). The Chair of the Committee may represent the entire Audit Committee for purposes of this review.

Oversight of Independent Auditors

5. Be solely and directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) in preparing or issuing an audit report or performing other audit, review, or attest services for the Company. The independent auditors shall report directly, and be accountable, to the Committee. When and if necessary, the Committee shall take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the independent auditors.
6. Preapprove all audit services and permissible non-audit services as set forth in Section 10A of the Exchange Act. Such preapproval may be designated, in accordance with applicable law, to one or more designated members of the Committee; provided any such decision made pursuant to the foregoing delegation of authority shall be presented to the Committee at its next regularly scheduled meeting.
7. On an annual basis, review a formal written statement from the independent auditors delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1, and discuss with the independent auditors any disclosed relationships and services that may impact the objectivity and independence of the auditors.
8. Review and approve the independent auditors plan and discuss scope, staffing, locations, reliance upon management, and internal audit and general audit approach.
9. Review the report to the Committee from the Company's independent auditors in accordance with Section 204 of the Sarbanes-Oxley Act of 2002.
10. Discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees in accordance with SAS No. 61.
11. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

Internal Audit Department

12. Review and assess the adequacy of internal accounting procedures and controls, including a review with the independent auditors of their evaluation of the Company's internal controls. Review quarterly the programs that the Company has instituted to correct any control deficiencies noted by the director of internal audit in his or her periodic review or the independent auditors in their annual review. Discuss with management the results of the foregoing reviews, including significant items and potential ways to improve the accounting procedures and controls.

13. Meet with Company officers responsible for certifying the Company's financial reports as required under Section 302 of the Sarbanes-Oxley Act 2002 and discuss whether such officers are aware of (i) any significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize, and report financial data, (ii) any material weaknesses in internal controls, or (iii) any fraud that involves management or other employees who have a significant role in the Company's internal controls.
14. Review the budget, plan, changes in the plan, activities, organizational structure, and qualifications of the internal audit department, as needed.
15. Review the appointment, performance, and replacement of the senior internal audit executive.
16. Review significant reports prepared by the internal audit department together with management's response and follow-up to these reports.
17. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Legal Compliance

18. On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

Other Audit Committee Responsibilities

19. Annually prepare a report to shareholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement.
20. Review and approve all related-party transactions (as such term is defined in Item 404 of Regulation S-K).
21. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate.
22. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.