

# Corporate Governance Guidelines

The Board of Directors (the "Board") of Brinker International, Inc. (the "Company"), acting on the recommendation of its Governance and Nominating Committee, has developed and adopted a set of corporate governance guidelines to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These guidelines are not intended to, nor do they, replace the legal obligations of the Board, but are intended to facilitate the efficient execution of such obligations. The Board may, from time to time, modify these guidelines or approve deviations from these guidelines as it deems appropriate.

## 1. Board Composition

The minimum and maximum number of directors on the Board shall be determined in accordance with the Company's Bylaws, the majority of whom shall be independent under the rules of the New York Stock Exchange ("NYSE") and the Securities and Exchange Commission ("SEC"), and at least one member shall be an "audit committee financial expert" under the rules of the SEC. An independent Director shall have no material relationship with the Company, either directly or as a partner, shareholder or officer of a company that has a relationship with the Company. It is anticipated that all Directors except the CEO, President or former CEO of the Company will be independent Directors.

A Director is not independent if any of the following are true about the Director:

- The Director is, or has been within the last three years, an employee of the Company or an immediate family member is, or has been within the last three years, an executive officer of the Company.
- The Director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company (other than director and committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service).
- The Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.
- The Director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- (i) The Director is a current partner or employee of a firm that is the Company's internal or external auditor; (ii) the Director has an immediate family member who is a current partner of such a firm; (iii) the Director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (iv) the Director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company's audit within that time.

For relationships not discussed above, the determination of whether the relationship is material or not, and therefore whether the Director would be independent or not, shall be made by the Directors who satisfy the independence guidelines set forth above. The Company would explain in the next proxy statement the basis for any Board determination that the relationship was immaterial.

## 2. Director Qualifications and Selection of Directors

The Board is responsible for selecting the nominees for election to the Company's Board of Directors. The Company's Governance and Nominating Committee is responsible for recommending to the Board a slate of directors or one or more nominees to fill vacancies occurring between annual meetings of stockholders.

In addition to the standards set forth herein, a Director shall be of the highest moral integrity, have had significant managerial experience, either as a current or former senior executive of a publicly traded or privately held company or similar business experience or the senior position at an institution of higher learning. A director of the Company shall serve on the Board of Directors of no more than two other publicly traded companies, unless the Board has determined that such service on additional boards will not interfere with the Director's discharge of his or her responsibilities to the

Company.

The invitation to join the Board should be extended by the Board itself via the Chairman of the Board and CEO of the Company (or, the Lead Director and CEO) together with such other independent director(s) as may be designated by the Board.

### **3. Director Responsibilities**

In addition to those responsibilities set forth in the applicable statutory and regulatory schemes governing the Company and Directors in general, it is expected that all Directors will make all reasonable efforts to attend each Board or Committee meeting upon which they serve, either in person or telephonically.

Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

### **4. Chairman of the Board, Vice Chairman of the Board & Lead Director**

(A) In the event the Chief Executive Officer does not act as Chairman of the Board, then the Independent Directors may, by unanimous vote, select one (1) of the independent directors to act as "Chairman of the Board". The Chairman of the Board will chair each meeting of the Directors including each meeting of the Independent Directors (i.e., an "Executive Session"). The Independent Directors generally meet in Executive Session at each meeting of the Board of Directors. The Chairman of the Board's duties shall include:

- creating and maintaining an effective working relationship with the CEO and management;
- managing the relationship between the Board as a whole and the CEO and management;
- providing significant advice, counsel and guidance to the CEO and management on strategic priorities and execution strategies;
- facilitating discussions among the directors inside and outside the Board meetings;
- driving practices and improvements on Board effectiveness and productivity;
- briefing the CEO on issues raised in executive sessions;
- presiding at all meetings of the Board of Directors;
- in collaboration with committee chairs and the CEO, scheduling Board meetings, setting meeting agendas and strategic discussions and providing review of pre-meeting materials delivered to Directors;
- overseeing annual Board and Board Committee evaluations;
- delivering the annual CEO evaluation;
- overseeing all governance matters for the Board and shareholders;
- being available for consultation and direct communication with major shareholders;
- and carrying out other duties requested by the CEO and the Board as a whole.

(B) In the event the Chief Executive Officer does not act as Chairman of the Board, then the Independent Directors may, by unanimous vote, select one (1) of the independent directors to act as "Vice Chairman of the Board". The Vice Chairman of the Board shall serve as "Chairman of the Board" in the event the Chairman of the Board is not available to perform such duties.

(C) In the event the Chief Executive Officer also acts as Chairman of the Board, then the Independent Directors may, by unanimous vote, select one (1) of the independent directors to act as "Lead Director". The Lead Director will chair each meeting of the Independent Directors (i.e., an "Executive Session"). The Independent Directors generally meet in Executive Session at each meeting of the Board of Directors. The Lead Director's duties shall include:

- presiding at all meetings of the Board of Directors when the Chairman of the Board is not present;

- serving as liaison between the Chairman of the Board and the Independent Directors;
- reviewing information sent to the Board of Directors;
- approving meeting agendas and schedules for the Board of Directors;
- having the authority to call a meeting of the Independent Directors;
- being available for consultation and direct communication with major shareholders; and
- such other duties as may be appropriately designated by the Board from time-to-time.

## 5. Charitable Contributions and Consulting Agreements

The Company will not make charitable contributions to organizations in which a Director is “affiliated” in excess of \$5,000 without the approval of the Governance and Nominating Committee. Further, a Director shall not solicit the Company for any charitable contribution. For purposes of this paragraph “affiliated” shall mean being a director or officer or similar position of such charitable organization. The Company will also not enter into consulting agreements with a Director.

## 6. Meetings

The Board shall meet at regularly scheduled intervals, and the non-management directors shall also meet at regularly scheduled Executive Sessions without management present, choosing a Director to preside over such Executive Session if the Chairman is a management Director. The Company shall have at least the following committees: Governance and Nominating, Audit, and Compensation Committee. The Board may also designate an Executive Committee in accordance with the Bylaws.

The agenda for each meeting should be coordinated by the Office of the Corporate Secretary with the Chairman of the Board and the Lead Director. Any director may suggest the inclusion of additional items on the agenda. Management will seek to provide to all directors an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible.

## 7. Board Terms, Peer Review & Change In Status

A Director is expected to serve for at least four one-year terms (subject to annual re-election by the shareholders). An independent Director will not stand for election after their 72nd birthday. Periodically, the Governance and Nominating Committee shall conduct a peer review process for all Directors (including the Chairman of the Board, Vice Chairman of the Board, or Lead Director, as applicable), focusing on such Director’s contribution to the Board and the Committees upon which he or she serves, and specifically focusing on areas in which the other Directors believe such Director could improve in his or her service to the Board. The results of the peer review, including continued service on the Board, will be discussed with each Director in accordance with the process adopted by the Committee.

If a Director changes his or her primary business or professional relationship, he or she shall volunteer to resign from the Board, such resignation being effective only if accepted by the Board.

## 8. Committees of the Board

Each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee must have a written charter satisfying the rules and regulations of the NYSE. The Audit Committee must also satisfy the

rules and regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). At least annually, each Committee of the Board will review their respective charters and make recommendations to the Board as may be needed in accordance with the Corporate Governance Guidelines.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chairperson for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chairperson will give a periodic report of his or her committee's activities to the Board as set forth in the charter of such committee.

Each of the Governance and Nominating Committee, the Audit Committee and the Compensation Committee shall be composed of at least three directors who the Board has determined have no material relationship with the Company, who are otherwise "independent" under the rules of the New York Stock Exchange, Inc. and, in the case of the Audit Committee, who satisfy the additional eligibility requirements of Rule 10A-3 under the Exchange Act. Unless otherwise determined by the Board, at least two members of the Compensation Committee shall also qualify as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code and as "Non-Employee Directors" within the meaning of Exchange Act Rule 16b-3. The required qualifications for the members of each committee shall be set out in the respective committee's charter. A director may serve on more than one committee for which he or she qualifies.

At least annually, the Governance and Nominating Committee will review the composition of each committee of the Board (including a review of Lead Director, chair, vice chair, and committee assignments) and make recommendations to the Board as may be needed in accordance with these Corporate Governance Guidelines.

## **9. Approve Committee Functions**

The Board Committees should function to review in-depth the matters that are set forth in their respective charters, and the Chairman shall report the conclusions of their review to the full Board for its final decision. Unless expressly provided in the Committee charter, all Committee actions require Board ratification before they become binding. This allows for full Board disclosure and assures that an in-depth analysis has been made on the relevant issues.

## **10. Schedule Committee Meetings When Board Is Scheduled**

To the extent practical, Committee Meetings should be held in conjunction with regularly scheduled Board Meetings. Either the chairperson of the Committee, the Lead Director, or the Chief Executive Officer may call a meeting.

## **11. Committee Chair/Membership**

The Chairman of each Committee should change every four years. The Compensation, Audit, and Governance and Nominating Committees shall be comprised exclusively of independent Directors. Each Committee shall adopt a Charter to be approved by the Board, and shall meet at least once annually (or more frequently as may be reasonably required to fulfill the Committee's obligations).

## **12. Annual Performance**

The Board shall at least annually conduct a self-evaluation to determine whether it and its Committees are functioning effectively.

## **13. Resources And Authority Of The Board**

The Board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel and other experts or consultants as it deems appropriate, without seeking approval of Company management. In order for the Board to perform the responsibilities set forth herein, each member of the Board shall have full and free access to the Company's officers and employees and as necessary and appropriate, independent advisors. Any meetings or

contacts that a director wishes to initiate may be arranged through the Chief Executive Officer, the Secretary, or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the Company's business operations and will, to the appropriate extent, copy the Chief Executive Officer on any written communication between a Director and an officer or an employee.

## **14. Director Orientation And Continuing Education**

The Company shall maintain an orientation program for new Board members that includes written materials, meeting with members of management and visits to Company facilities. Continuing education about the Company will involve periodic on-site visits, materials, and presentations as deemed appropriate by the Board and management. Directors are encouraged to participate in general continuing education for Directors.

## **15. Succession Planning**

The Board shall approve and maintain a succession plan for the Chief Executive Officer, based upon recommendations from the Governance and Nominating Committee. The Governance and Nominating Committee shall make an annual report to the Board on succession planning for the Chief Executive Officer and recommend policies regarding succession in the event of an emergency impacting the Chief Executive Officer or retirement of the Chief Executive Officer.

The Board shall approve and maintain a succession plan for Section 16 officers of the Company, based upon recommendations from the Compensation Committee. The Compensation Committee shall make an annual report to the Board on succession planning for the Section 16 officers of the Company. The Board shall also discuss succession planning at least annually at a meeting of the Board.

## **16. Ethics and Conflicts of Interest**

The Board expects Directors, officers and employees to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's Code of Conduct and Ethical Business Policy. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chief Executive Officer. All Directors will excuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving the Chief Executive Officer, President, any Executive Vice President or any Senior Vice President, and the Chief Executive Officer shall resolve any conflict of interest issue involving any other officer of the Company.

## **17. Board Compensation**

The Board, acting through the Governance and Nominating Committee, should conduct a review annually of the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity. Management directors do not receive additional compensation for service on the Board of Directors.

## **18. Executive Compensation**

The Board evaluates the performance of the CEO and the Company against the Company's goals and objectives and the Chairman of the Board, Lead Director, or another independent director designated by the Board (as applicable) shall discuss such evaluation with the CEO.

The Board shall approve and maintain a compensation plan for the Chief Executive Officer, based upon recommendations from the Compensation Committee. The Compensation Committee shall make an annual report to the Board on the compensation plan for the Chief Executive Officer.

The Board shall approve and maintain a compensation plan for the "Executive Officers" (defined below) of the Company, based upon recommendations from the Compensation Committee. The Compensation Committee shall

make an annual report to the Board on the compensation plan for the Executive Officers of the Company. The term "Executive Officer" shall have same meaning as defined in Article IV (Section 4) of the Compensation Committee Charter.

## **19. Executive Committee**

In the event the Board has caused formation of an Executive Committee pursuant to the Bylaws, then the Executive Committee should meet on an as needed basis to review significant mergers, acquisitions, divestitures, capital restructuring and related issues prior to submission to the Board. Routine non-material matters considered by the Executive Committee do not require full Board approval.