



# Compensation Committee Charter

## **I. Purpose of Committee**

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Brinker International, Inc. (the "Company") is to: 1) oversee the administration of the Company's compensation programs; 2) review the compensation of the executive officers; 3) administer the Equity Compensation/Incentive Based Plans; 4) review CEO performance; 5) review and approve promotions of Executive Officers (defined below); and 6) oversee preparation of any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the "SEC").

## **II. Committee Membership**

The Committee shall consist solely of three or more members of the Board each of whom the Board has determined has no material relationship with the Company and each of whom is otherwise "independent" under the rules of the New York Stock Exchange, Inc. (the "NYSE"). Unless otherwise determined by the Board, at least two members of the 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 Rule 16b-3 under the Securities and Exchange Act of 1934, each as amended from time to time.

Members shall be appointed by the Board based on nominations recommended by the Company's Governance and Nominating Committee, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

## **III. Committee Structure and Operations**

The Board shall designate one member of the Committee as its chairperson and may designate one member as its vice-chair. Meetings of the Committee shall be presided over by the chairperson of the Committee or in the absence of a chairperson, by the vice-chair. The Committee shall meet in person or telephonically as often as may be deemed necessary or appropriate, in its judgment, at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

The Committee may invite such members of management to its meetings, as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation discussions. The Company's Chief Executive Officer ("CEO") should not attend any portion of a meeting where the CEO's performance or compensation are discussed, unless specifically invited by the Committee. To the extent practical, Committee meetings should be held in conjunction with regularly scheduled Board Meetings. Either the chairperson of the Committee, the Chairman of the Board or the Lead Director (if any), or the CEO may call a meeting.

At all meetings of the Committee, a majority of the Committee shall be sufficient and necessary to constitute a quorum for the transaction of business. The vote of a majority of the Committee members present at a meeting at which a quorum is present shall be an act of the Committee. The Committee may also act by unanimous written consent.

The Committee shall keep regular minutes of its meetings and proceedings and report on the same to the Board at the next meeting thereof.

## **IV. Committee Duties and Responsibilities**

The duties and responsibilities of the Committee include the following.

1. In consultation with senior management, establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs.

2. At least annually, review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO, with the Chairman of the Board or the Lead Director (if any), in light of those goals and objectives, and as a committee make recommendations to the independent directors of the Board on the CEO's compensation level based on this evaluation. The independent directors of the Board shall determine and approve the CEO's compensation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the CEO in past years.
3. The Committee will make recommendations to the Board with respect to incentive compensation and equity-based plans that are subject to Board approval. The Committee will also develop and review stock ownership guidelines for executive officers and monitor compliance with the guidelines no less frequently than annually.
4. The Committee shall retain the services of one or more independent experts, who will provide the Committee with competitive compensation data for the various officer positions, and shall provide advice and counsel to the Committee in setting salaries and total compensation.
  - The hiring and promotion of any "Executive Officer" (defined below) shall be subject to approval by the Committee. The Committee shall oversee the evaluation of Executive Officers, approve any "grants" (as defined in Section 5 below) to Executive Officers, and make recommendations to the independent directors of the Board on the compensation of Executive Officers based on the recommendation of the CEO. The independent directors of the Board shall determine and approve the CEO's compensation. The term "Executive Officer" means any Section 16 reporting officer with the title of "Senior Vice President" or above who reports directly to the CEO.
  - Except for Executive Officers, the hiring, promotion, and compensation of all other officers may be made without approval by the Committee so long as the Chair is promptly notified and provided the compensation to such officers does not exceed the competitive marketplace analysis provided to the Committee by the independent expert.
  - The CEO shall, at his/her discretion and without Committee approval, have the authority to alter compensation for all officers, except for Executive Officers, provided the revised compensation does not exceed the competitive market place analysis provided to the Committee by the independent expert.
  - The Committee shall be responsible for approving new compensation plans or other material prerequisites benefiting officers.
5. The Committee shall be the Plan Administrator for all Stock Options or other Incentive Based Plans. The Committee shall administer the Plan(s) in accordance with terms and conditions of such Plans. The Committee shall annually establish guidelines for the future issuance of options under the then current employee Stock Option Plans. The full Board shall approve the guidelines as recommended by the Committee. Management shall make recommendations to the Committee as to proposed individual grants. The Committee shall, from time to time, grant options, restricted stock, restricted stock units or other compensation ("grants") pursuant to the Plans and the guidelines established with it being anticipated that such grants will be granted once each fiscal year, and on a predetermined date as determined by the Committee. In no event will any such grant be made within six months of a previous grant without prior approval by the Chair or the Committee. The Committee shall specifically approve the individual grants to Senior Vice Presidents, Executive Vice Presidents, the President and the CEO. However, if an individual is promoted or newly employed and a grant is made to such individual as a result of such promotion or in conjunction with such individual's employment, the Compensation Committee Chair or CEO may approve grants without full Board approval to such individual provided they are at the lower end of the guidelines for such position as previously approved by the Board and are granted on or about the actual date of the promotion or the date the employment of the individual actually commences.
6. Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and related disclosures that must be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations and recommend to the Board based on the review and discussions whether the CD&A should be included in the proxy statement.

7. In consultation with senior management, oversee regulatory compliance with respect to compensation matters.
8. Prepare and issue the evaluations and reports required under “Committee Reports” below.
9. The Compensation Committee shall oversee succession planning for positions held by Section 16 officers of the Company (other than the CEO), and make an annual report to the Board on succession planning for the Section 16 officers of the Company (other than the CEO).
10. Provide recommendations to the Board on compensation-related proposals to be considered at the Company’s annual meeting.
11. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company’s compensation programs.

## **V. Delegation to Subcommittee**

The Committee may, in its discretion, delegate its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (i) “Non-Employee Directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time, and (ii) “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time.

## **VI. Committee Reports**

The Committee shall produce the following reports and provide them to the Board.

1. An annual Report of the Compensation Committee on Executive Compensation for inclusion in the Company’s annual proxy statement in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this charter. The performance evaluation should also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner, as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.
3. A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

## **VII. Resources and Authority of the Committee**

The Committee 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 outside counsel and other experts or consultants as it deems appropriate, without seeking approval of the Board or management. This authority shall be vested solely in the Committee, which shall be directly responsible for the appointment, compensation and oversight of the work of any outside counsel and other experts or consultants retained by the Committee. The Committee will assess the independence of outside counsel and other experts or consultants that provide advice to the Committee in accordance with NYSE rules.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any compensation consultant or other advisors or experts employed by the Committee, and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Committee is empowered to investigate any matter within the scope of its mandate brought to its attention with full access to any relevant books, records and facilities of the Company.

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