



# Audit Committee Charter

## I. Composition of the Audit Committee:

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Brinker International, Inc. (the "Company") shall be comprised of at least three directors, each of whom the Board has determined has no material relationship with the Company and each of whom is otherwise "independent" and meets any other eligibility requirements under the rules and regulations of the New York Stock Exchange, Inc. and the Securities and Exchange Commission (the "SEC"). The Board shall designate one member of the Committee as its chairperson and one as its vice-chair. Each member of the Committee shall be "financially literate," as determined by the Board, and at least one member of the Committee shall be an "audit committee financial expert," as defined by the rules of the SEC and determined by the Board.

No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee and discloses this determination in the Company's annual proxy statement. No director may serve as chairperson or as a voting member of the Committee if such director is a beneficial owner of 20% or more of the Company's voting stock (or is a general partner, controlling shareholder or officer of such a beneficial owner), but such a director may serve as a non-voting member of the Committee.

No member of the Committee may receive any compensation, either directly or indirectly, from the Company or any of its subsidiaries other than (i) director's fees (including, without limitation, cash, stock, restricted stock, restricted stock units and/or stock options), (ii) a pension or other deferred compensation for prior service that is not contingent on future service, and (iii) any other regular benefits that other directors receive.

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

## II. Purposes of the Committee:

The purposes of the Committee are to:

- a. Assist Board oversight of (i) the integrity of the Company's financial statements, information security processes, and the effectiveness of internal controls, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, (iv) the performance of the independent auditors and the Company's internal audit function, (v) management's resolution of any significant issues reported by the independent auditors, the internal audit department or other outside advisors, and (vi) management's practices to establish and maintain processes to promote adequate enterprise risk management.
- b. Oversee preparation of the report required by the SEC for inclusion in the Company's annual proxy statement.

The function of the Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements, and for the effectiveness of internal controls. Management and the internal auditing department are responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The internal audit department is responsible to advise management as to whether the processes management has in place to control the Company are adequately designed and functioning effectively and report to management and the Committee the results and any related recommendations for improvement. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, performing the functions of auditors or

accountants. As such, it is not the duty or responsibility of the Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

The independent auditors for the Company are accountable to the Committee, as representatives of the shareholders. The Committee has the ultimate and direct authority and responsibility to appoint, compensate, retain and terminate the Company’s independent auditors (subject, if applicable, to shareholder ratification). As used in this charter, the term “independent auditor” includes any registered public accounting firm engaged by the Company for the purpose of preparing an audit report or performing audit, review or attest services.

The independent auditors shall submit to the Committee annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent auditors: (i) the audit of the Company’s annual financial statements for the most recent fiscal year and the reviews of the financial statement included in the Company’s Quarterly Reports on Form 10-Q for that fiscal year; and (ii) all other services rendered by the independent auditors for the most recent fiscal year, in the aggregate and by each service.

### **III. Meetings of the Committee:**

The Committee shall meet once every fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Committee should meet separately at least quarterly with management, the director of the internal auditing department and the independent auditors to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

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.

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 Chief Executive Officer may call a meeting.

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

### **IV. Duties and Powers of the Committee:**

To carry out its purposes, the Committee’s duties and powers shall include:

- a. With respect to the independent auditors,
  - i. to be directly responsible for the appointment, compensation, retention, oversight and termination of the work of the independent auditors, including consideration of the stockholders’ vote regarding the ratification of the Company’s selection of independent auditors;
  - ii. to pre-approve all audit engagement fees and terms, and all other audit and permissible non-audit services to be provided by the independent auditors;

- iii. to adopt appropriate procedures to pre-approve audit and permissible non-audit services to be provided by the independent auditors, which procedures may include giving the Chairman of the Committee authority to pre-approve audit and permissible non-audit services, provided that the estimated fee for any such proposed service approved by the Chairman does not exceed amounts the Committee gives the Chairman authority to pre-approve;
  - iv. to obtain and review, at least annually, a report from the independent auditors, consistent with the rules of the Public Company Accounting Oversight Board ("PCAOB"), describing any relationships between the independent auditors, and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the auditors' independence, and to discuss with the independent auditors any relationships disclosed in the report that may impact the objectivity and independence of the independent auditors;
  - v. to obtain and review, at least annually, a report by the independent auditors describing the auditors' internal quality-control procedures, and any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues;
  - vi. to consider whether the independent auditors' provision of permissible non-audit services to the Company is compatible with maintaining the independence of the independent auditors;
  - vii. to review and evaluate the qualifications, performance and independence of the lead partner of the independent auditors and the independent auditors;
  - viii. to oversee the regular rotation of the lead audit partner as required by law, consider whether there should be a regular rotation of the audit firm itself and discuss with management the timing and process for implementing the rotation of the lead audit partner or the audit firm itself;
  - ix. to take into account the opinions of management and the Company's internal auditors in assessing the independent auditors' qualifications, performance and independence;
  - x. to instruct the independent auditors that the independent auditors are ultimately accountable to the Committee, as representatives of the shareholders;
  - xi. to review with the independent auditors any audit problems or difficulties and management's response; and
  - xii. to resolve any disagreements between management and the independent auditors regarding financial reporting issues.
- b. With respect to the internal auditing department,
- i. to review the appointment and replacement of the Senior Director of the internal auditing department;
  - ii. to review and discuss with the Senior Director of the internal auditing department the results of the internal audit program, including significant reports to management prepared by the internal auditing department and management's responses thereto;
  - iii. to approve the internal auditing department's annual work plan; and
  - iv. to review management's assessment of the performance, and to concur with the annual compensation and salary adjustment, of the Senior Director of the internal auditing department, as recommended by the Company's executive management.

- c. With respect to financial reporting principles and policies and internal audit controls and procedures,
- i. To discuss with management, the internal auditing department and the independent auditors a timely analysis of significant financial reporting issues and practices and major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection and application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
  - ii. To consider and discuss with the independent auditors any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Committee by the independent auditors under PCAOB Auditing Standard No. 1301, as may be modified or supplemented.
  - iii. To meet with management, the outside auditors and, if appropriate, the director of the internal auditing department:
    1. to discuss the scope of the annual audit;
    2. to discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
    3. to discuss any significant matters arising from any matters referred to above, whether raised by management, the internal auditing department or the independent auditors, relating to the Company's financial statements;
    4. to discuss any difficulties the independent auditors encountered in the course of the audit, including any restrictions on their activity or access to requested information and any significant disagreements with management and the resolution of such disagreements;
    5. to discuss any "second" opinions sought by management from an independent auditor with respect to the accounting treatment of a particular event or transaction;
    6. to discuss any noted or proposed accounting adjustments that were not made, any communication between offices of the independent auditor with respect to auditing or accounting issues presented by the engagement letter issued or proposed to be issued, by the independent auditors to the Company;
    7. to review the form of opinion the independent auditors propose to render to the Board of Directors and shareholders;
    8. to discuss any significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the independent auditors, the internal auditing department or management;
    9. to discuss, as appropriate: (a) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (b) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and any other major issues regarding accounting principles and financial statements; and
    10. to inquire about significant risks and exposures, if any, and the steps taken to monitor and minimize such risks.

- iv. to recommend to the Board whether the annual audited financial statements should be included in the Annual Report on Form 10-K;
  - v. to discuss with the Company's General Counsel any significant legal matters that may have a material effect on the financial statements or the Company's compliance policies, including material notices to or inquiries received from governmental agencies, compliance systems with respect to legal and regulatory requirements and programs to monitor compliance with the Company's code of conduct and ethics;
  - vi. to discuss earnings press releases (paying particular attention to any use of non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies;
  - vii. to establish clear hiring policies for employees or former employees of the outside auditors;
  - viii. to review and discuss: (1) the effectiveness of the Company's enterprise risk management process, (2) guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, (3) the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, and (4) risks associated with accounting, auditing, financial reporting, internal control over financial reporting, and cyber security and data protection;
  - ix. to review with management periodically management's evaluation of the Company's internal controls and the Company's disclosure controls and procedures, including management's conclusions about the efficacy of such controls and procedures, any significant deficiencies, or material weaknesses in the design or operation of, or material non-compliance with, such controls and procedures, and the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;
  - x. to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - xi. Establish and periodically review policies and procedures for the review, approval and ratification of related person transactions, as defined in applicable SEC rules, review related person transactions, and oversee other related party transactions governed by applicable accounting standards.
- d. with respect to reporting and recommendations,
- i. oversee the preparation of any report or other disclosures, including any recommendation of the Committee, required by the rules of the SEC to be included in the Company's annual proxy statement;
  - ii. pursuant to the delegated responsibility by the full Board of Directors to the Committee, to maintain oversight of the Company's 401(k) savings plan. In connection with such oversight responsibilities, the Committee may delegate, as plan administrator, any administrative, oversight, disclosure, and reporting duties and responsibilities for such plan to a savings plan committee as determined by the Committee and otherwise in accordance with relevant plan documents and applicable law;
  - iii. to review this Charter at least annually and recommend any changes to the full Board of Directors;

- iv. to report its activities to the full Board of Directors on a regular basis and to make recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate; and
  - v. to prepare and review with the Board 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 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.
- e. With respect to the organization's procedures for the prevention and detection of fraud,
- i. to oversee management's arrangements for the prevention and deterrence of fraud.
  - ii. to oversee that appropriate action is taken against known perpetrators of fraud.
  - iii. to review and discuss with management and internal and external auditors whether the Company has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.
- f. With respect to the adequacy and effectiveness of the Company's controls in responding to risk within the information systems, to consider the effectiveness of the organization's control framework, including information technology security and control.

#### **V. Delegation to Subcommittee:**

To the extent permitted by the rules of the New York Stock Exchange, Inc. and the SEC, the Committee may, in its discretion, delegate its duties and responsibilities to a subcommittee of the Committee. The Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee at its next scheduled meeting.

#### **VI. Resources and Authority of the Committee:**

The Committee shall have the funding, 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, accountants or other experts or advisors, as it deems appropriate, without seeking approval of the Board or management. And, without limiting the preceding sentence, the Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board for the payment of: compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; compensation of any advisers employed by the Committee; and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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

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