UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 29, 2017

Commission File Number 1-10275

BRINKER INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**75-1914582**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6820 LBJ FREEWAY, DALLAS, TEXAS	**75240**
(Address of principal executive offices)	**(Zip Code)**

(972) 980-9917

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x		Accelerated filer	o
Non-accelerated filer	o	(Do not check if a smaller reporting company)	Smaller reporting company	o
			Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 1, 2017
Common Stock, $0.10 par value	48,930,887 shares

BRINKER INTERNATIONAL, INC.
INDEX

PART I. FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS

BRINKER INTERNATIONAL, INC.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	March 29, 2017	June 29, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 9,043	$ 31,446
Accounts receivable, net	38,326	43,944
Inventories	26,317	25,104
Restaurant supplies	46,328	45,455
Prepaid expenses	28,182	30,825
Total current assets	148,196	176,774
Property and Equipment, at Cost:		
Land	149,098	147,626
Buildings and leasehold improvements	1,654,067	1,626,924
Furniture and equipment	688,409	663,472
Construction-in-progress	12,144	23,965
	2,503,718	2,461,987
Less accumulated depreciation and amortization	(1,506,665)	(1,418,835)
Net property and equipment	997,053	1,043,152
Other Assets:		
Goodwill	163,814	164,007
Deferred income taxes, net	35,687	27,003
Intangibles, net	27,960	30,225
Other	30,368	28,299
Total other assets	257,829	249,534
Total assets	$ 1,403,078	$ 1,469,460
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current Liabilities:		
Current installments of long-term debt	$ 3,860	$ 3,563
Accounts payable	85,606	95,414
Gift card liability	131,438	122,329
Accrued payroll	75,579	70,999
Other accrued liabilities	134,287	121,324
Income taxes payable	6,497	18,814
Total current liabilities	437,267	432,443
Long-term debt, less current installments	1,325,604	1,110,693
Other liabilities	138,907	139,423
Commitments and Contingencies (Note 11)		
Shareholders' Deficit:		
Common stock—250,000,000 authorized shares; $0.10 par value; 176,246,649 shares issued and 48,914,360 shares outstanding at March 29, 2017, and 176,246,649 shares issued and 55,420,656 shares outstanding at June 29, 2016	17,625	17,625
Additional paid-in capital	501,167	495,110
Accumulated other comprehensive loss	(13,005)	(11,594)
Retained earnings	2,605,637	2,558,193
	3,111,424	3,059,334
Less treasury stock, at cost (127,332,289 shares at March 29, 2017 and 120,825,993 shares at June 29, 2016)	(3,610,124)	(3,272,433)
Total shareholders' deficit	(498,700)	(213,099)
Total liabilities and shareholders' deficit	$ 1,403,078	$ 1,469,460

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Comprehensive Income
(In thousands, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016	March 29, 2017	March 23, 2016
Revenues:				
Company sales	$ 790,624	$ 805,145	$ 2,276,743	$ 2,311,298
Franchise and other revenues	20,017	19,494	63,433	64,510
Total revenues	810,641	824,639	2,340,176	2,375,808
Operating costs and expenses:				
Company restaurants (excluding depreciation and amortization)				
Cost of sales	201,903	215,362	587,742	615,764
Restaurant labor	261,632	262,701	760,894	756,874
Restaurant expenses	192,372	187,216	582,146	567,049
Company restaurant expenses	655,907	665,279	1,930,782	1,939,687
Depreciation and amortization	39,335	39,050	117,526	117,335
General and administrative	35,931	30,170	102,014	95,190
Other gains and charges	6,600	3,864	13,984	5,454
Total operating costs and expenses	737,773	738,363	2,164,306	2,157,666
Operating income	72,868	86,276	175,870	218,142
Interest expense	13,658	8,403	36,108	24,077
Other, net	(402)	(277)	(1,084)	(1,110)
Income before provision for income taxes	59,612	78,150	140,846	195,175
Provision for income taxes	17,243	20,648	40,607	56,772
Net income	$ 42,369	$ 57,502	$ 100,239	$ 138,403
Basic net income per share	$ 0.87	$ 1.01	$ 1.96	$ 2.36
Diluted net income per share	$ 0.86	$ 1.00	$ 1.93	$ 2.33
Basic weighted average shares outstanding	48,954	56,673	51,211	58,699
Diluted weighted average shares outstanding	49,506	57,407	51,854	59,505
Other comprehensive income (loss):				
Foreign currency translation adjustment	$ 734	$ (29)	$ (1,411)	$ (3,294)
Other comprehensive income (loss)	734	(29)	(1,411)	(3,294)
Comprehensive income	$ 43,103	$ 57,473	$ 98,828	$ 135,109
Dividends per share	$ 0.34	$ 0.32	$ 1.02	$ 0.96

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016
Cash Flows from Operating Activities:		
Net income	$ 100,239	$ 138,403
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	117,526	117,335
Stock-based compensation	13,237	12,095
Deferred income taxes, net	(8,684)	36,535
Restructure charges and other impairments	8,837	5,937
Net gain on disposal of assets	(628)	(633)
Undistributed earnings on equity investments	(82)	(522)
Other	2,082	1,390
Changes in assets and liabilities:		
Accounts receivable, net	11,078	4,713
Inventories	(1,386)	785
Restaurant supplies	(1,338)	(1,030)
Prepaid expenses	4,580	2,197
Intangibles	(54)	(294)
Other assets	(286)	(272)
Accounts payable	(7,487)	(6,560)
Gift card liability	9,109	12,802
Accrued payroll	4,592	(14,945)
Other accrued liabilities	9,269	4,682
Current income taxes	(16,644)	(14,182)
Other liabilities	(338)	1,145
Net cash provided by operating activities	243,622	299,581
Cash Flows from Investing Activities:		
Payments for property and equipment	(79,730)	(76,090)
Proceeds from sale of assets	3,077	4,256
Payment for business acquisition, net of cash acquired	0	(105,577)
Net cash used in investing activities	(76,653)	(177,411)
Cash Flows from Financing Activities:		
Proceeds from issuance of long-term debt	350,000	0
Purchases of treasury stock	(350,768)	(266,157)
Payments on revolving credit facility	(328,000)	(50,000)
Borrowings on revolving credit facility	200,000	256,500
Payments of dividends	(54,087)	(56,192)
Payments for debt issuance costs	(10,216)	0
Proceeds from issuances of treasury stock	4,505	4,725
Payments on long-term debt	(2,847)	(2,547)
Excess tax benefits from stock-based compensation	2,041	5,365
Net cash used in financing activities	(189,372)	(108,306)
Net change in cash and cash equivalents	(22,403)	13,864
Cash and cash equivalents at beginning of period	31,446	55,121
Cash and cash equivalents at end of period	$ 9,043	$ 68,985

See accompanying notes to consolidated financial statements.

BRINKER INTERNATIONAL, INC.
Notes to Consolidated Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION

References to “Brinker,” the "Company," “we,” “us” and “our” in this Form 10-Q are references to Brinker International, Inc. and its subsidiaries and any predecessor companies of Brinker International, Inc.

Our consolidated financial statements as of March 29, 2017 and June 29, 2016 and for the thirteen and thirty-nine week periods ended March 29, 2017 and March 23, 2016 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). We are principally engaged in the ownership, operation, development, and franchising of the Chili’s® Grill & Bar (“Chili’s”) and Maggiano’s Little Italy® (“Maggiano’s”) restaurant brands. At March 29, 2017, we owned, operated or franchised 1,660 restaurants in the United States and 30 countries and two territories outside of the United States.

The foreign currency translation adjustment included in comprehensive income on the consolidated statements of comprehensive income represents the unrealized impact of translating the financial statements of our Canadian restaurants and our Mexican joint venture from their respective functional currencies to U.S. dollars. This amount is not included in net income and would only be realized upon disposition of the businesses. The accumulated other comprehensive loss is presented on the consolidated balance sheets. We reinvest foreign earnings, therefore, United States deferred income taxes have not been provided on foreign earnings.

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and costs and expenses during the reporting periods. Actual results could differ from those estimates.

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-03, Simplifying the Presentation of Debt Issuance Costs. This update requires that debt issuance costs be presented in the balance sheet as a direct deduction from the associated debt liability. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2015, which required us to adopt these provisions in the first quarter of fiscal 2017. Accordingly, we reclassified the debt issuance cost balances associated with the 2.60% notes and 3.88% notes of $1.0 million and $2.2 million, respectively, from other assets to long-term debt, less current installments on the consolidated balance sheet as of June 29, 2016. The reclassification did not have a material effect on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05, Customer's Accounting for Fees Paid in a Cloud Computing Arrangement. This update provides guidance to companies that purchase cloud computing services to determine whether or not the arrangement includes a software license and the related accounting treatment. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2015, which required us to adopt these provisions in the first quarter of fiscal 2017. We adopted the guidance prospectively and the adoption did not have any impact on our consolidated financial statements.

The information furnished herein reflects all adjustments (consisting only of normal recurring accruals and adjustments) which are, in our opinion, necessary to fairly state the interim operating results, financial position and cash flows for the respective periods. However, these operating results are not necessarily indicative of the results expected for the full fiscal year. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to SEC rules and regulations. The notes to the consolidated financial statements (unaudited) should be read in conjunction with the notes to the consolidated financial statements contained in the June 29, 2016 Form 10-K. We believe the disclosures are sufficient for interim financial reporting purposes.

2. ACQUISITION OF CHILI'S RESTAURANTS

On June 25, 2015, we completed the stock acquisition of Pepper Dining Holding Corp. ("Pepper Dining"), a franchisee of 103 Chili's Grill & Bar restaurants primarily located in the Northeast and Southeast United States. The purchase price of $106.5 million, excluding cash and customary working capital adjustments of $0.9 million, was funded with borrowings from our existing credit facility. The results of operations of these restaurants are included in our consolidated financial statements from the date of acquisition. The assets and liabilities of the restaurants were recorded at their respective fair values as of the date of acquisition.

The acquisition of Pepper Dining resulted in the recognition of $31.9 million of goodwill and we expect $12.8 million of the goodwill balance to be deductible for tax purposes. The portion of the purchase price attributable to goodwill represents the benefits expected as a result of the acquisition, including sales and unit growth opportunities.

3. EARNINGS PER SHARE

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding for the reporting periods. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. For the calculation of diluted net income per share, the basic weighted average number of shares is increased by the dilutive effect of stock options and restricted share awards determined using the treasury stock method. Stock options and restricted share awards with an anti-dilutive effect are not included in the diluted net income per share calculation.

Basic weighted average shares outstanding is reconciled to diluted weighted average shares outstanding as follows (in thousands):

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016	March 29, 2017	March 23, 2016
Basic weighted average shares outstanding	48,954	56,673	51,211	58,699
Dilutive stock options	168	297	212	337
Dilutive restricted shares	384	437	431	469
	552	734	643	806
Diluted weighted average shares outstanding	49,506	57,407	51,854	59,505
Awards excluded due to anti-dilutive effect on diluted net income per share	993	561	970	533

4. LONG-TERM DEBT

Long-term debt consists of the following (in thousands):

	March 29, 2017	June 29, 2016
Revolving credit facility	$ 402,250	$ 530,250
5.00% notes	350,000	0
3.88% notes	300,000	300,000
2.60% notes	250,000	250,000
Capital lease obligations	35,832	37,532
Total long-term debt	1,338,082	1,117,782
Less unamortized debt issuance costs and discounts	(8,618)	(3,526)
Total long-term debt less unamortized debt issuance costs and discounts	1,329,464	1,114,256
Less current installments	(3,860)	(3,563)
	$ 1,325,604	$ 1,110,693

On September 23, 2016, we completed the private offering of $350 million of our 5.0% senior notes due October 2024. We received proceeds of $350.0 million prior to debt issuance costs of $6.2 million and utilized the proceeds to fund a $300 million accelerated share repurchase agreement and to repay $50.0 million on the amended $1 billion revolving credit facility. See Note 9 for additional disclosures related to the accelerated share repurchase agreement. The notes require semi-annual interest payments beginning on April 1, 2017.

On September 13, 2016, we amended the revolving credit agreement to increase the borrowing capacity from $750 million to $1 billion. We capitalized debt issuance costs of $4.0 million associated with the amendment of the revolving credit facility which is included in other assets in the consolidated balance sheet as of March 29, 2017. During the first three quarters of fiscal 2017, net payments of $128.0 million were made on the revolving credit facility.

Under the amended $1 billion revolving credit facility, the maturity date for $890.0 million of the facility was extended from March 12, 2020 to September 12, 2021 and the remaining $110.0 million remains due on March 12, 2020. The amended revolving credit facility bears interest of LIBOR plus an applicable margin, which is a function of our credit rating and debt to cash flow ratio, but is subject to a maximum of LIBOR plus 2.00%. Based on our current credit rating, we are paying interest at a rate of LIBOR plus 1.38% for a total of 2.36%. One month LIBOR at March 29, 2017 was approximately 0.98%. As of March 29, 2017, $597.7 million of credit is available under the revolving credit facility.

Our debt agreements contain various financial covenants that, among other things, require the maintenance of certain leverage and fixed charge coverage ratios. The financial covenants were not significantly changed as a result of the new and amended debt agreements. We are currently in compliance with all financial covenants.

5. OTHER GAINS AND CHARGES

Other gains and charges consist of the following (in thousands):

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016	March 29, 2017	March 23, 2016
Severance	$ 5,929	$ 0	$ 6,222	$ 2,368
Restaurant closure charges	794	89	3,621	89
Gain on the sale of assets, net	(55)	(1,096)	(2,624)	(2,858)
Information technology restructuring	0	0	2,700	0
Restaurant impairment charges	0	3,413	1,851	3,937
Impairment of investment	0	1,000	0	1,000
Litigation	0	0	0	(2,032)
Acquisition costs	0	120	0	700
Other	(68)	338	2,214	2,250
	$ 6,600	$ 3,864	$ 13,984	$ 5,454

Fiscal 2017

During the third quarter of fiscal 2017, we completed a reorganization of the Chili's restaurant operations team and certain departments at the corporate headquarters to better align our staffing with the current management strategy and resource needs. This employee separation action resulted in severance charges and accelerated stock-based compensation expenses of $5.9 million. Substantially all of the severance amounts were paid by the end of the third quarter of fiscal 2017. Additionally, we recorded restaurant closure charges of $0.8 million primarily related to additional lease and other costs associated with closed restaurants.

During the second quarter of fiscal 2017, we recorded a $2.6 million gain on the sale of property, partially offset by restaurant impairment charges of $1.9 million primarily related to the long-lived assets and reacquired franchise rights of six underperforming Chili's restaurants which will continue to operate. See Note 8 for fair value disclosures.

During the first quarter of fiscal 2017, we recorded restaurant closure charges of $2.5 million primarily related to lease termination charges for restaurants closed during the quarter. Additionally, we incurred $2.7 million of professional fees and severance associated with the information technology restructuring.

Fiscal 2016

During the third quarter of fiscal 2016, we recorded impairment charges of $3.4 million related to two underperforming restaurants identified for closure by management and $1.0 million related to a cost method investment. See Note 8 for fair value disclosures. These charges were partially offset by a $1.1 million gain on the sale of property.

We were a plaintiff in a class action lawsuit against US Foods styled as *In re U.S. Foodservice, Inc. Pricing Litigation*. A settlement agreement was fully executed by all parties in September 2015 and we received approximately $2.0 million during the second quarter of fiscal 2016 in settlement of this litigation. Additionally, we incurred expenses of $1.2 million to reserve for royalties, rents and other outstanding amounts related to a bankrupt franchisee. We also recorded impairment charges of $0.5 million primarily related to a capital lease asset that is subleased to a franchisee and an undeveloped parcel of land that we own for the excess of the carrying amounts over the fair values. See Note 8 for fair value disclosures.

During the first quarter of fiscal 2016, we incurred $2.2 million in severance and other benefits related to organizational changes. Additionally, we recorded a $1.8 million gain on the sale of property.

6. SEGMENT INFORMATION

Our operating segments are Chili's and Maggiano's. The Chili's segment includes the results of our company-owned Chili's restaurants in the U.S. and Canada as well as the results from our domestic and international franchise business. The Maggiano's segment includes the results of our company-owned Maggiano's restaurants.

Company sales are derived principally from the sales of food and beverages. Franchise and other revenues primarily includes royalties, development fees, franchise fees, banquet service charge income, gift card breakage and discounts, digital entertainment revenue, Chili's retail food product royalties and delivery fee income. We do not rely on any major customers as a source of sales, and the customers and long-lived assets of our operating segments are predominantly in the U.S. There were no material transactions amongst our operating segments.

Our chief operating decision maker uses operating income as the measure for assessing performance of our segments. Operating income includes revenues and expenses directly attributable to segment-level results of operations. Company restaurant expenses include food and beverage costs, restaurant labor costs and restaurant expenses. The following tables reconcile our segment results to our consolidated results reported in accordance with GAAP (in thousands):

	Thirteen Week Period Ended March 29, 2017			
	Chili's	Maggiano's	Other	Consolidated
Company sales	$ 689,662	$ 100,962	$ 0	$ 790,624
Franchise and other revenues	15,224	4,793	0	20,017
Total revenues	704,886	105,755	0	810,641
Company restaurant expenses (a)	565,327	90,454	126	655,907
Depreciation and amortization	32,386	4,078	2,871	39,335
General and administrative	8,771	1,624	25,536	35,931
Other gains and charges	4,233	0	2,367	6,600
Total operating costs and expenses	610,717	96,156	30,900	737,773
Operating income (loss)	$ 94,169	$ 9,599	$ (30,900)	$ 72,868

	Thirteen Week Period Ended March 23, 2016			
	Chili's	Maggiano's	Other	Consolidated
Company sales	$ 703,545	$ 101,600	$ 0	$ 805,145
Franchise and other revenues	15,100	4,394	0	19,494
Total revenues	718,645	105,994	0	824,639
Company restaurant expenses (a)	574,189	90,957	133	665,279
Depreciation and amortization	32,461	3,889	2,700	39,050
General and administrative	7,780	1,312	21,078	30,170
Other gains and charges	(462)	3,064	1,262	3,864
Total operating costs and expenses	613,968	99,222	25,173	738,363
Operating income (loss)	$ 104,677	$ 6,772	$ (25,173)	$ 86,276

	Thirty-Nine Week Period Ended March 29, 2017			
	Chili's	Maggiano's	Other	Consolidated
Company sales	$ 1,970,390	$ 306,353	$ 0	$ 2,276,743
Franchise and other revenues	47,417	16,016	0	63,433
Total revenues	2,017,807	322,369	0	2,340,176
Company restaurant expenses (a)	1,658,067	272,137	578	1,930,782
Depreciation and amortization	97,630	12,019	7,877	117,526
General and administrative	28,115	4,836	69,063	102,014
Other gains and charges	9,102	746	4,136	13,984
Total operating costs and expenses	1,792,914	289,738	81,654	2,164,306
Operating income (loss)	$ 224,893	$ 32,631	$ (81,654)	$ 175,870
Segment assets	$ 1,170,685	$ 163,059	$ 69,334	$ 1,403,078
Equity method investment	9,641	0	0	$ 9,641
Payments for property and equipment	60,770	10,673	8,287	$ 79,730

	Thirty-Nine Week Period Ended March 23, 2016			
	Chili's	Maggiano's	Other	Consolidated
Company sales	$ 2,007,600	$ 303,698	$ 0	$ 2,311,298
Franchise and other revenues	48,245	16,265	0	64,510
Total revenues	2,055,845	319,963	0	2,375,808
Company restaurant expenses (a)	1,668,524	271,617	(454)	1,939,687
Depreciation and amortization	98,507	11,196	7,632	117,335
General and administrative	26,494	4,638	64,058	95,190
Other gains and charges	(1,570)	3,230	3,794	5,454
Total operating costs and expenses	1,791,955	290,681	75,030	2,157,666
Operating income (loss)	$ 263,890	$ 29,282	$ (75,030)	$ 218,142
Segment assets	$ 1,224,316	$ 161,324	$ 100,075	$ 1,485,715
Equity method investment	10,360	0	0	10,360
Payments for property and equipment	52,687	13,584	9,819	76,090

(a) Company restaurant expenses includes cost of sales, restaurant labor and restaurant expenses, including advertising

Reconciliation of operating income to income before provision for income taxes:

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016	March 29, 2017	March 23, 2016
Operating income	$ 72,868	$ 86,276	$ 175,870	$ 218,142
Less interest expense	(13,658)	(8,403)	(36,108)	(24,077)
Plus other, net	402	277	1,084	1,110
Income before provision for income taxes	$ 59,612	$ 78,150	$ 140,846	$ 195,175

7. ACCRUED AND OTHER LIABILITIES

Other accrued liabilities consist of the following (in thousands):

	March 29, 2017	June 29, 2016
Sales tax	$ 22,622	$ 26,280
Insurance	22,232	19,976
Property tax	13,792	15,762
Dividends	16,630	17,760
Other	59,011	41,546
	$ 134,287	$ 121,324

Other liabilities consist of the following (in thousands):

	March 29, 2017	June 29, 2016
Straight-line rent	$ 56,608	$ 56,896
Insurance	39,087	38,433
Landlord contributions	26,513	24,681
Unfavorable leases	5,550	6,521
Unrecognized tax benefits	4,180	5,811
Other	6,969	7,081
	$ 138,907	$ 139,423

8. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. In determining fair value, the accounting standards establish a three level hierarchy for inputs used in measuring fair value, as follows:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3 – inputs are unobservable and reflect our own assumptions.

(a) Non-Financial Assets Measured on a Non-Recurring Basis

We review the carrying amounts of property and equipment, reacquired franchise rights and transferable liquor licenses semi-annually or when events or circumstances indicate that the fair value may not exceed the carrying amount. We record an impairment charge for the excess of the carrying amount over the fair value.

We determine the fair value of property and equipment and reacquired franchise rights based on discounted projected future cash flows of the restaurants over their remaining service life using a risk adjusted discount rate that is commensurate with the inherent risk in our current business model. Based on our semi-annual review, during fiscal 2017, long-lived assets and reacquired franchise rights with carrying values of $1.3 million and $0.8 million, respectively, primarily related to six underperforming restaurants, were determined to have a total fair value of $0.2 million resulting in an impairment charge of $1.9 million. During fiscal 2016, long-lived assets with a carrying value of $106,000, primarily related to underperforming restaurants previously impaired, were determined to have no fair value resulting in an impairment charge of $106,000. During the third quarter of fiscal 2016, two restaurants were identified for closure by management with a combined carrying value of $3.4 million. We determined these restaurants had no fair value resulting in an impairment charge of $3.4 million.

We determine the fair value of transferable liquor licenses based on prices in the open market for licenses in the same or similar jurisdictions. Based on our semi-annual review, during the second quarter of fiscal 2017 and fiscal 2016, we determined there was no impairment.

We review the carrying amounts of goodwill annually or when events or circumstances indicate that the carrying amount may not be recoverable. If the carrying amount is not recoverable, we record an impairment charge for the excess of the carrying amount over the implied fair value of the goodwill. We determined that there was no impairment of goodwill during our annual tests in the second quarter of fiscal 2017 and fiscal 2016 as the fair value of our reporting units was substantially in excess of their respective carrying values. No indicators of impairment were identified through the end of the third quarter of fiscal 2017.

During fiscal 2016, we recorded an impairment charge of $187,000 related to a parcel of undeveloped land that we own. The land had a carrying value of $937,000 and was written down to the fair value of $750,000. The fair value was based on the sales price of comparable properties. Additionally, we recorded an impairment charge of $231,000 related to a capital lease asset that is subleased to a franchisee. The capital lease asset had a carrying value of $338,000 and was written down to the fair value of $107,000. The fair value of the capital lease asset is based on discounted projected future cash flows from the sublease. During the third quarter of fiscal 2016, we recorded an impairment charge of $1.0 million related to a cost method investment which we determined to have no fair value.

All impairment charges were included in other gains and charges in the consolidated statements of comprehensive income for the periods presented.

(b) Other Financial Instruments

Our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The fair values of cash and cash equivalents, accounts receivable and accounts payable approximate their carrying amounts because of the short maturity of these items. The carrying amount of debt outstanding related to the amended revolving credit facility approximates fair value as the interest rate on this instrument approximates current market rates (Level 2). The fair values of the 2.60% notes, 3.88% notes and 5.00% notes are based on quoted market prices for similar instruments and are considered Level 2 fair value measurements.

The carrying amounts, which are net of unamortized debt issuance costs, and fair values of the 2.60% notes, 3.88% notes and 5.00% notes are as follows (in thousands):

	March 29, 2017		June 29, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
2.60% Notes	$ 249,351	$ 250,315	$ 248,918	$ 252,445
3.88% Notes	$ 297,823	$ 284,340	$ 297,556	$ 302,655
5.00% Notes	$ 344,208	$ 345,699	$ 0	$ 0

9. SHAREHOLDERS' DEFICIT

In August 2016, our Board of Directors authorized a $150.0 million increase to our existing share repurchase program resulting in total authorizations of $4.3 billion. In September 2016, we entered into a $300.0 million accelerated share repurchase agreement ("ASR Agreement") with Bank of America, N.A. ("BofA"). The ASR Agreement settled in January 2017. Pursuant to the terms of the ASR Agreement, we paid BofA $300.0 million in cash and received 5.9 million shares of our common stock. The accelerated share repurchase transaction qualified for equity accounting treatment. Repurchased common stock is reflected as an increase in treasury stock within shareholders' deficit. We also repurchased approximately 1.0 million additional shares of common stock for a total of 6.9 million shares repurchased during the first three quarters of fiscal 2017 for $350.8 million. The repurchased shares included shares purchased as part of our share repurchase program and shares repurchased to satisfy team member tax withholding obligations on the vesting of restricted shares. As of March 29, 2017, approximately $135.8 million was available under our share repurchase authorizations. Our stock repurchase plan has been and will be used to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. We evaluate potential share repurchases under our plan based on several factors, including our cash position, share price, operational liquidity, proceeds from divestitures, borrowings, and planned investment and financing needs.

During the first three quarters of fiscal 2017, we granted approximately 492,000 stock options with a weighted average exercise price per share of $54.20 and a weighted average fair value per share of $9.62, and approximately 248,000 restricted share awards with a weighted average fair value per share of $53.61. Additionally, during the first three quarters of fiscal 2017, approximately 176,000 stock options were exercised resulting in cash proceeds of approximately $4.5 million. We received an excess tax benefit from stock-based compensation of approximately $1.5 million, net of a $0.5 million tax deficiency, during the first three quarters of fiscal 2017 primarily as a result of the vesting and distribution of restricted stock grants and performance shares and stock option exercises. The excess tax benefit from stock-based compensation represents the additional income tax benefit received resulting from the increase in the fair value of awards from the time of grant to the exercise date.

During the first three quarters of fiscal 2017, we paid dividends of $54.1 million to common stock shareholders, compared to $56.2 million in the prior year. Additionally, our Board of Directors approved a 6.25% increase in the quarterly dividend from $0.32 to $0.34 per share effective with the dividend declared in August 2016. We also declared a quarterly dividend of $16.6 million in February 2017 which was paid subsequent to the end of the quarter on March 30, 2017. The dividend accrual was included in other accrued liabilities on our consolidated balance sheet as of March 29, 2017.

10. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for income taxes and interest in the first three quarters of fiscal 2017 and 2016 are as follows (in thousands):

	March 29, 2017	March 23, 2016
Income taxes, net of refunds	$ 63,381	$ 28,877
Interest, net of amounts capitalized	18,595	16,842

Non-cash investing and financing activities for the first three quarters of fiscal 2017 and 2016 are as follows (in thousands):

	March 29, 2017	March 23, 2016
Retirement of fully depreciated assets	$ 17,964	$ 16,109
Dividends declared but not paid	17,276	18,334
Accrued capital expenditures	4,599	7,803
Capital lease additions	1,147	0

11. CONTINGENCIES

In connection with the sale of restaurants to franchisees and brand divestitures, we have, in certain cases, guaranteed lease payments. As of March 29, 2017 and June 29, 2016, we have outstanding lease guarantees or are secondarily liable for $71.3 million and $72.9 million, respectively. These amounts represent the maximum potential liability of future payments under the guarantees. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from fiscal 2017 through fiscal 2027. In the event of default, the indemnity and default clauses in our assignment agreements govern our ability to pursue and recover damages incurred.

During the third quarter of fiscal 2017, one of our divested brands ceased rental payments related to one of its properties that is subleased from Brinker. As a result of this action we recorded a lease liability of approximately $0.4 million. We will continue to assess the financial viability of this brand based on available information to evaluate the possibility that additional losses may occur. We have not been informed of any other lease defaults. No other liabilities have been recorded as of March 29, 2017.

We provide letters of credit to various insurers to collateralize obligations for outstanding claims. As of March 29, 2017, we had $26.9 million in undrawn standby letters of credit outstanding. All standby letters of credit are renewable annually.

Evaluating contingencies related to litigation is a complex process involving subjective judgment on the potential outcome of future events, and the ultimate resolution of litigated claims may differ from our current analysis. Accordingly, we review the adequacy of accruals and disclosures pertaining to litigated matters each quarter in consultation with legal counsel, and we assess the probability and range of possible losses associated with contingencies for potential accrual in the consolidated financial statements.

We are engaged in various legal proceedings and have certain unresolved claims pending. Reserves have been established based on our best estimates of our potential liability in certain of these matters. Based upon consultation with legal counsel, management is of the opinion that there are no matters pending or threatened which are expected to have a material adverse effect, individually or in the aggregate, on our consolidated financial condition or results of operations.

12. SUBSEQUENT EVENTS

On March 30, 2017, an additional $40.0 million was drawn from the revolving credit facility.

13. EFFECT OF NEW ACCOUNTING STANDARDS

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. This update eliminates Step 2 of the goodwill impairment analysis. Companies will no longer be required to perform a hypothetical purchase price allocation to measure goodwill impairment. Instead, they will measure impairment as the difference between the carrying amount and the fair value of the reporting unit. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2019, which will require us to adopt these provisions in the first quarter of fiscal 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed with measurement dates after January 1, 2017. The update will be applied on a prospective basis. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments (Topic 230). This update provides clarification regarding how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2017, which will require us to adopt these provisions in the first quarter of fiscal 2019. Early adoption is permitted for financial statements that have not been previously issued. The update will be applied on a retrospective basis. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements or debt covenants.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting (Topic 718). This update was issued as part of the FASB’s simplification initiative and affects all entities that issue share-based payment awards to their employees. The amendments in this update cover such areas as the recognition of excess tax benefits and deficiencies, the classification of those excess tax benefits on the statement of cash flows, an accounting policy election for forfeitures, the amount an employer can withhold to cover income taxes and still qualify for equity classification and the classification of those taxes paid on the statement of cash flows. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2016, which will require us to adopt these provisions in the first quarter of fiscal 2018. Adoption of the new guidance will require recognition of excess tax benefits and tax deficiencies in the consolidated statements of comprehensive income on a prospective basis, with a cumulative effect adjustment to retained earnings for any prior year excess tax benefits or tax deficiencies not previously recorded. In addition, this guidance will require reclassification of excess tax benefits from cash flows from financing activities to cash flows from operating activities on the consolidated statements of cash flows. We expect to apply this change on a retrospective basis. The adoption of the provisions related to excess tax benefits and tax deficiencies could have a material impact on our consolidated financial statements depending on the changes in fair value of our share-based payment awards. We expect that adoption of the remaining provisions in the update noted above will not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This update requires a lessee to recognize on the balance sheet a liability to make lease payments and a corresponding right-of-use asset for virtually all leases, other than leases with a term of 12 months or less. The update also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2018, which will require us to adopt these provisions in the first quarter of fiscal 2020. Early adoption is permitted for financial statements that have not been previously issued. This update will be applied on a modified retrospective basis. We anticipate implementing the standard by taking advantage of the practical expedient option. The discounted minimum remaining rental payments will be the starting point for determining the right-of-use asset and lease liability. We had operating leases with remaining rental payments of approximately $639 million at the end of fiscal 2016. We expect that adoption of the new guidance will have a material impact on our consolidated balance sheets due to recognition of the right-of-use asset and lease liability related to our current operating leases. The process of evaluating the full impact of the new guidance on our consolidated financial statements and disclosures is ongoing, but we anticipate the initial evaluation of the impact will be completed in fiscal 2018.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The FASB has subsequently amended this update by issuing additional ASU's that provide clarification and further guidance around areas identified as potential implementation issues. These updates provide a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. These updates also require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. In August 2015, the FASB issued ASU 2015-14 delaying the effective date of adoption. These updates are now effective for annual and interim periods for fiscal years beginning after December 15, 2017, which will require us to adopt these provisions in the first quarter of fiscal 2019. Early application in fiscal 2018 is permitted. These updates permit the use of either the retrospective or cumulative effect transition method. We do not believe these updates will impact our recognition of revenue from sales generated at company-owned restaurants or our recognition of royalty fees from franchisees. We are continuing to evaluate the impact the adoption of these updates will have on the recognition of revenue related to our gift card and loyalty programs and our franchise agreements, as well as which adoption method will be used. The process of evaluating the full impact of the new guidance on our consolidated financial statements and disclosures is ongoing, but we anticipate the initial evaluation of the impact will be completed in fiscal 2018.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets forth selected operating data as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the accompanying consolidated statements of comprehensive income:

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016	March 29, 2017	March 23, 2016
Revenues:				
Company sales	97.5 %	97.6%	97.3%	97.3%
Franchise and other revenues	2.5 %	2.4%	2.7%	2.7%
Total revenues	100.0 %	100.0%	100.0%	100.0%
Operating costs and expenses:				
Company restaurants (excluding depreciation and amortization)				
Cost of sales [1]	25.5 %	26.7%	25.8%	26.7%
Restaurant labor [1]	33.1 %	32.6%	33.4%	32.7%
Restaurant expenses [1]	24.4 %	23.3%	25.6%	24.5%
Company restaurant expenses [1]	83.0 %	82.6%	84.8%	83.9%
Depreciation and amortization	4.9 %	4.7%	5.0%	4.9%
General and administrative	4.4 %	3.7%	4.4%	4.0%
Other gains and charges	0.8 %	0.5%	0.6%	0.2%
Total operating costs and expenses	91.0 %	89.5%	92.5%	90.8%
Operating income	9.0 %	10.5%	7.5%	9.2%
Interest expense	1.7 %	1.0%	1.5%	1.0%
Other, net	(0.1)%	0.0%	0.0%	0.0%
Income before provision for income taxes	7.4 %	9.5%	6.0%	8.2%
Provision for income taxes	2.2 %	2.5%	1.7%	2.4%
Net income	5.2 %	7.0%	4.3%	5.8%

[1] As a percentage of company sales.

The following table details the number of restaurant openings during the respective third quarter and year-to-date periods, total restaurants open at the end of the third quarter, and total projected openings in fiscal 2017:

	Third Quarter Openings		Year-to-Date Openings		Total Open at End Of Third Quarter		Projected Openings
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017
Company-owned restaurants:							
Chili's domestic	1	0	4	8	934	933	6-7
Chili's international	0	0	1	0	14	13	1
Maggiano's	0	0	2	2	52	51	2
Total company-owned	1	0	7	10	1,000	997	9-10
Franchise restaurants:							
Chili's domestic	3	4	5	7	316	325	5-8
Chili's international	4	7	16	24	344	325	31-33
Total franchise	7	11	21	31	660	650	36-41
Total restaurants:							
Chili's domestic	4	4	9	15	1,250	1,258	11-15
Chili's international	4	7	17	24	358	338	32-34
Maggiano's	0	0	2	2	52	51	2
Grand total	8	11	28	41	1,660	1,647	45-51

At March 29, 2017, we owned the land and buildings for 190 of the 1,000 company-owned restaurants. The net book value of the land totaled $143.2 million and the buildings totaled $99.9 million associated with these restaurants.

GENERAL

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand Brinker International, Inc., our operations, and our current operating environment. For an understanding of the significant factors that influenced our performance during the quarters ended March 29, 2017 and March 23, 2016, the MD&A should be read in conjunction with the consolidated financial statements and related notes included in this quarterly report.

OVERVIEW

We are principally engaged in the ownership, operation, development, and franchising of the Chili's Grill & Bar ("Chili's") and Maggiano's Little Italy ("Maggiano's") restaurant brands. At March 29, 2017, we owned, operated, or franchised 1,660 restaurants.

We are committed to strategies and initiatives that are centered on long-term sales and profit growth, enhancing the guest experience and team member engagement. These strategies are intended to differentiate our brands from the competition, reduce the costs associated with managing our restaurants and establish a strong presence for our brands in key markets around the world.

Growing sales and traffic continues to be a challenge this year with increasing competition and heavy discounting in the casual dining industry. Lower oil prices have continued to negatively impact sales in our markets with oil dependent economies. We also believe that casual dining traffic was negatively impacted by lower retail traffic in general, including during the December holiday season. U.S. economic growth has been steady in recent years, but wage growth has been slow comparative to the post-recession economic recovery. This wage pressure and increased costs for healthcare has challenged both casual dining restaurant operators and consumers as discretionary income available for restaurant visits has been limited. More consumers are opting to eat at home as the decline in grocery costs relative to casual dining prices allows consumers to save money. Consumers are also taking advantage of discounted fast food options which has placed additional pressure on the casual dining sector. Overall, the industry has been softer than we anticipated this year. In response to these economic factors and industry pressures, we have developed both short and long-term strategies that we believe are appropriate for all operating conditions and will provide a solid foundation for future earnings growth. During the quarter, we completed a reorganization of the Chili's restaurant operations team and certain departments at the corporate headquarters to better align staffing with our current strategy. We anticipate that this reorganization will result in pre-tax savings of over $5 million in fiscal 2017 and approximately $12 million on an annualized basis.

We continually evaluate our processes and menu at Chili's to identify opportunities where we can improve our service quality and food. We are making a commitment to simplify our menu and back of house complexity by reducing the number of menu items. We believe this initiative will improve kitchen efficiency and result in meals being delivered hotter and faster to our guests. During the third quarter we upgraded the quality of our chicken crispers to an all-natural chicken and added new flavors such as buffalo blue cheese and honey chipotle chicken and waffles. We also implemented a new "smash" burger cooking procedure across our burger platform that produces a juicier product and cuts the cooking time nearly in half. We believe that guests are responding favorably to the new products. We continue to be pleased with the guest preference results from the smokehouse platform added to the menu last quarter, which features jalapeño cheese sausage, bone-in chicken and our signature baby-back ribs. Our new line of craft beers fully launched last quarter, featuring regional and national favorites and our Presidente margarita on tap.

We remain competitive with our value offerings at both lunch and dinner and are committed to offering consistent, quality products at a compelling every day value. We offered a promotional "3 for Me™" platform in January that allowed guests to combine a salad and mini molten dessert with their choice of fajitas, burgers, smoked chicken or ribs for just $10.00. We will continue to seek opportunities to reinforce value and create interest for the Chili's brand with new and varied offerings to further enhance sales and drive incremental traffic.

The Chili's brand has leveraged technology initiatives to create a digital guest experience that we believe will help us engage our guests more effectively. We have launched a new online ordering system that expands our current capabilities and gives our guests greater control of their to-go experience. Our upgraded Chili's mobile app provides the capability for digital curbside service where guests can order, pay and notify us of their arrival all through the app. We have leveraged our tabletop technology to launch our partnership with Plenti this year, a consumer rewards program comprised of a coalition of major national brands. The My Chili's Rewards and Plenti program will be a significant part of our marketing strategy and we believe it will allow us to drive sales and profits by creating more relevant and customized incentives for our guests.

We believe that improvements at Chili's will have a significant impact on the business; however, our results will also benefit through additional contributions from Maggiano's and our global business. Maggiano's opened two restaurants this year based on our new prototype, which includes a flexible dining area that may be used for banquets or opened up for general seating. This new prototype allows the brand to enter new markets for which the prior model was not suited, but still accommodate smaller banquets. We introduced a new menu at Maggiano's in the third quarter that includes the addition of Saturday and Sunday brunch, and we believe guests are responding favorably to the new menu and brunch offering. Maggiano's is committed to delivering high quality food and a dining experience in line with this brand's heritage. We plan to continue to strengthen the brand's business model with kitchen efficiency and inventory controls that we believe will continue to enhance profitability.

Our global Chili's business continues to grow with locations in 30 countries and two territories outside of the United States. Our international franchisees opened four new restaurants this quarter with plans to open 31-33 new restaurants this year.

REVENUES

Total revenues for the third quarter of fiscal 2017 decreased to $810.6 million, a 1.7% decrease from the $824.6 million generated for the same quarter of fiscal 2016 driven by a 1.8% decrease in company sales. Total revenues for the thirty-nine week period ended March 29, 2017 were $2,340.2 million, a 1.5% decrease from the $2,375.8 million generated for the same period in fiscal 2016 driven by a 1.5% decrease in company sales. The decrease in company sales for the third quarter and year-to-date periods was driven by a decline in comparable restaurant sales, partially offset by a slight increase in restaurant capacity (see table below).

	Thirteen Week Period Ended March 29, 2017				
	Comparable Sales (1)	Price Increase	Mix Shift (2)	Traffic	Capacity
Company-owned	(2.2)%	2.8%	1.1%	(6.1)%	0.3%
Chili's	(2.3)%	2.9%	1.0%	(6.2)%	0.2%
Maggiano's	(1.6)%	2.4%	1.4%	(5.4)%	2.0%
Chili's Franchise (3)	(2.5)%				
U.S.	0.3 %				
International	(7.1)%				
Chili's Domestic (4)	(1.7)%				
System-wide (5)	(2.3)%				

	Thirteen Week Period Ended March 23, 2016				
	Comparable Sales (1)	Price Increase	Mix Shift (2)	Traffic	Capacity
Company-owned	(3.6)%	1.2%	(0.5)%	(4.3)%	12.3%
Chili's	(4.1)%	1.1%	(0.3)%	(4.9)%	12.8%
Maggiano's	0.2 %	1.5%	(2.4)%	1.1 %	4.1%
Chili's Franchise (3)	(1.7)%				
U.S.	(2.2)%				
International	(0.7)%				
Chili's Domestic (4)	(3.6)%				
System-wide (5)	(3.1)%				

	Thirty-Nine Week Period Ended March 29, 2017				
	Comparable Sales (1)	Price Increase	Mix Shift (2)	Traffic	Capacity
Company-owned	(2.2)%	2.1%	1.0 %	(5.3)%	0.5%
Chili's	(2.3)%	2.0%	1.3 %	(5.6)%	0.3%
Maggiano's	(1.0)%	2.4%	(0.2)%	(3.2)%	3.0%
Chili's Franchise (3)	(2.2)%				
U.S.	(1.4)%				
International	(3.5)%				
Chili's Domestic (4)	(2.1)%				
System-wide (5)	(2.2)%				

	Thirty-Nine Week Period Ended March 23, 2016				
	Comparable Sales (1)	Price Increase	Mix Shift (2)	Traffic	Capacity
Company-owned	(2.7)%	1.1%	(0.5)%	(3.3)%	12.3%
Chili's	(2.9)%	1.0%	(0.4)%	(3.5)%	12.8%
Maggiano's	(1.1)%	2.1%	(1.4)%	(1.8)%	3.4%
Chili's Franchise (3)	0.4 %				
U.S.	(0.6)%				
International	2.2 %				
Chili's Domestic (4)	(1.7)%				
System-wide (5)	(1.8)%				

(1) Comparable restaurant sales includes all restaurants that have been in operation for more than 18 months.
(2) Mix shift is calculated as the year-over-year percentage change in company sales resulting from the change in menu items ordered by guests.
(3) Revenues generated by franchisees are not included in revenues on the consolidated statements of comprehensive income; however, we generate royalty revenue and advertising fees based on franchise sales, where applicable. We believe including franchise comparable restaurant sales provides investors information regarding brand performance that is relevant to current operations and may impact future restaurant development.
(4) Chili's domestic comparable restaurant sales percentages are derived from sales generated by company-owned and franchise operated Chili's restaurants in the United States.
(5) System-wide comparable restaurant sales are derived from sales generated by company-owned Chili's and Maggiano's restaurants in addition to the sales generated at franchise operated Chili's restaurants.

Chili's company sales decreased 2.0% to $689.6 million in the third quarter of fiscal 2017 from $703.5 million in the third quarter of fiscal 2016. For the year-to-date period, Chili's company sales decreased 1.9% to $1,970.4 million in fiscal 2017 from $2,007.6 million in fiscal 2016. The decreases were primarily due to a decline in comparable restaurant sales, partially offset by a slight increase in restaurant capacity. Chili's comparable restaurant sales decreased 2.3% for the third quarter and year-to-date periods of fiscal 2017, respectively, compared to the prior year periods. Company-owned restaurant capacity for Chili's increased 0.2% and 0.3% for the third quarter and year-to-date periods of fiscal 2017, respectively (as measured by sales weeks) compared to the prior year periods due to two net restaurant openings since the third quarter of fiscal 2016.

Maggiano's company sales decreased 0.6% to $101.0 million in the third quarter of fiscal 2017 from $101.6 million in the third quarter of fiscal 2016. The decrease was primarily driven by a decline in comparable restaurant sales, partially offset by an increase in restaurant capacity. Maggiano's comparable restaurant sales decreased 1.6% for the third quarter of fiscal 2017 compared to the prior year period. Restaurant capacity for Maggiano's increased 2.0% for the third quarter of fiscal 2017 (as measured by sales weeks) compared to the prior year period due to one net restaurant opening since the third quarter of fiscal 2016. For the year-to-date period, Maggiano's company sales increased 0.9% to $306.3 million in fiscal 2017 from $303.7 million in fiscal 2016. The increase was primarily driven by increased restaurant capacity, partially offset by a decline in comparable restaurant sales. Maggiano's capacity increased 3.0% for the year-to-date period of fiscal 2017 (as measured by sales weeks) compared to the prior year period due to one net restaurant opening since the third quarter of fiscal 2016. Comparable restaurant sales decreased 1.0% for the year-to-date period of fiscal 2017 compared to the prior year periods.

Franchise and other revenues increased 2.6% to $20.0 million in the third quarter of fiscal 2017 compared to $19.5 million in the third quarter of fiscal 2016 primarily driven by an increase in gift card related revenues, partially offset by a decrease in international franchise royalty revenues. For the year-to-date period, franchise and other revenues decreased 1.7% to $63.4 million in fiscal 2017 from $64.5 million in fiscal 2016 primarily driven by a decrease in royalty revenues due to a decline in domestic and international franchise comparable restaurant sales, partially offset by an increase in digital entertainment revenue. Our franchisees generated approximately $336 million and $990 million in sales for the third quarter and year-to-date periods of fiscal 2017, respectively.

COSTS AND EXPENSES

Cost of sales, as a percent of company sales, decreased to 25.5% for the third quarter and to 25.8% for the year-to-date period of fiscal 2017 from 26.7% for the respective prior year periods. Cost of sales, as a percent of company sales, was positively impacted by increased menu pricing and favorable commodity pricing primarily related to beef and poultry, partially offset by unfavorable menu item mix.

Restaurant labor, as a percent of company sales, increased to 33.1% for the third quarter and 33.4% for the year-to-date period of fiscal 2017 from 32.6% and 32.7% for the respective prior year periods primarily due to increased wage rates and sales deleverage.

Restaurant expenses, as a percent of company sales, increased to 24.4% for the third quarter and 25.6% for the year-to-date period of fiscal 2017 from 23.3% and 24.5% for the respective prior year periods primarily due to sales deleverage, higher advertising and marketing related expenses and increased workers' compensation insurance expenses.

Depreciation and amortization expense increased $0.3 million and $0.2 million for the third quarter and year-to-date periods compared to the respective prior year periods due to depreciation on asset replacements and new restaurant openings, partially offset by an increase in fully depreciated assets and restaurant closures.

General and administrative expense increased approximately $5.8 million for the third quarter and $6.8 million for the year-to-date period of fiscal 2017 compared to the respective prior year periods primarily due to higher performance-based compensation, consulting fees and stock-based compensation.

During the third quarter of fiscal 2017, other gains and charges were $6.6 million. We incurred $5.9 million in severance and other benefits related to organizational changes to better align our staffing with the current management strategy and resource needs. Additionally, we recorded restaurant closure charges of $0.8 million primarily related to additional lease and other costs associated with closed restaurants. During the first six months of fiscal 2017, other gains and charges were $7.4 million. We recorded $2.7 million of professional fees and severance associated with the information technology restructuring and restaurant closure charges of $2.5 million primarily related to lease termination charges for restaurants closed during the first quarter. Furthermore, restaurant impairment charges of $1.9 million were recorded related to the long-lived assets and reacquired franchise rights of six underperforming Chili's restaurants which will continue to operate. These charges are partially offset by a $2.6 million gain on the sale of property.

In the third quarter of fiscal 2016, other gains and charges were $3.9 million. We recorded impairment charges of $3.4 million related to two underperforming restaurants identified for closure by management and $1.0 million related to a cost method investment. These charges were partially offset by a $1.1 million gain on the sale of property. During the first six months of fiscal 2016, other gains and charges were $1.6 million. We incurred $2.4 million in severance and other benefits related to organizational changes and $1.2 million to reserve for royalties, rents and other outstanding amounts related to a bankrupt franchisee. Additionally, we recorded $0.7 million of transaction costs related to the acquisition of Pepper Dining and impairment charges of $0.5 million primarily related to a capital lease asset that is subleased to a franchisee and an undeveloped parcel of land that we own for the excess of the carrying amounts over the fair values. We were a plaintiff in a class action lawsuit against US Foods styled as *In re U.S. Foodservice, Inc. Pricing Litigation*. A settlement agreement was fully executed by all parties in September 2015 and we received approximately $2.0 million during the second quarter of fiscal 2016 in settlement of this litigation. Furthermore, we recorded a $1.8 million gain on the sale of several properties.

Interest expense increased approximately $5.3 million for the third quarter and $12.0 million for the year-to-date period of fiscal 2017 compared to the respective prior year periods primarily due to higher average borrowing balances.

SEGMENT RESULTS

Chili's operating income, as a percent of total revenues, was 13.4% for the third quarter and 11.1% for the year-to-date period of fiscal 2017 compared to 14.6% and 12.8% for the respective prior year periods. The decreases were primarily driven by sales deleverage, higher restaurant labor wage rates and higher advertising and marketing related expenses, partially offset by increased menu pricing and favorable commodity pricing. The decrease in Chili's operating income was also due to costs incurred for severance and other benefits related to organizational changes and restaurant closure charges.

Maggiano's operating income, as a percent of total revenues, was 9.1% for the third quarter and 10.1% for the year-to-date period of fiscal 2017 compared to 6.4% and 9.2% for the respective prior year periods of fiscal 2016. The increases were primarily due to favorable commodity pricing and increased menu pricing, partially offset by higher restaurant labor wage rates, workers' compensation insurance, advertising expenses and unfavorable menu item mix. The increase in Maggiano's operating income was also due to an impairment charge in fiscal 2016 for an underperforming restaurant.

INCOME TAXES

The effective income tax rate increased to 28.9% for the third quarter of fiscal 2017 compared to 26.4% in the prior year period due to the prior year benefit associated with the resolution of certain tax positions, partially offset by lower profits. The effective income tax rate decreased to 28.8% for the year-to-date period of fiscal 2017 compared to 29.1% in the prior year comparable period primarily due to lower profits and the impacts of tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Cash Flows from Operating Activities

During the first nine months of fiscal 2017, net cash provided by operating activities was $243.6 million compared to $299.6 million in the prior year. Cash flow from operations decreased due to the timing of tax payments and decreased earnings in the current year, partially offset by an increase due to the timing of payments related to payroll and performance-based compensation liabilities in addition to the prior year impact of the acquisition of Pepper Dining. Fiscal 2016 cash from operations was negatively impacted by the settlement of liabilities assumed as part of the acquisition.

Cash Flows from Investing Activities

	Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016
Net cash used in investing activities (in thousands):		
Payments for property and equipment	$ (79,730)	$ (76,090)
Proceeds from sale of assets	3,077	4,256
Payment for business acquisition, net of cash acquired	0	(105,577)
	$ (76,653)	$ (177,411)

Capital expenditures increased to approximately $79.7 million for the first nine months of fiscal 2017 compared to $76.1 million for the prior year primarily due to the purchase of new beer taps for the new line of craft beers at Chili's, partially offset by a decrease in Chili's new restaurant construction.

On June 25, 2015, we completed the acquisition of Pepper Dining, a franchisee of 103 Chili's Grill & Bar restaurants, for $105.6 million.

Cash Flows from Financing Activities

	Thirty-Nine Week Periods Ended	
	March 29, 2017	March 23, 2016
Net cash used in financing activities (in thousands):		
Proceeds from issuance of long-term debt	$ 350,000	$ 0
Purchases of treasury stock	(350,768)	(266,157)
Payments on revolving credit facility	(328,000)	(50,000)
Borrowings on revolving credit facility	200,000	256,500
Payments of dividends	(54,087)	(56,192)
Payments for debt issuance costs	(10,216)	0
Proceeds from issuances of treasury stock	4,505	4,725
Payments on long-term debt	(2,847)	(2,547)
Excess tax benefits from stock-based compensation	2,041	5,365
	$ (189,372)	$ (108,306)

Net cash used in financing activities for the first nine months of fiscal 2017 increased to $189.4 million from $108.3 million in the prior year primarily due to net payment activity on the revolver, increases in spending on share repurchases and payment of debt issuance costs, partially offset by proceeds from the issuance of long-term debt.

In September 2016, we entered into a $300.0 million accelerated share repurchase agreement ("ASR Agreement") with Bank of America, N.A. (“BofA”). The ASR Agreement settled in January 2017. Pursuant to the terms of the ASR Agreement, we paid BofA $300.0 million in cash and received 5.9 million shares of our common stock. We also repurchased approximately 1.0 million additional shares of common stock for a total of 6.9 million shares during the first three quarters of fiscal 2017 for $350.8 million. The repurchased shares included shares purchased as part of our share repurchase program and shares repurchased to satisfy team member tax withholding obligations on the vesting of restricted shares.

On September 23, 2016, we completed the private offering of $350 million of our 5.0% senior notes due October 2024. We received proceeds of $350.0 million prior to debt issuance costs of $6.2 million and utilized the proceeds to fund a $300 million accelerated share repurchase agreement and to repay $50.0 million on the amended $1 billion revolving credit facility. The notes require semi-annual interest payments beginning on April 1, 2017.

On September 13, 2016, we amended the revolving credit agreement to increase the borrowing capacity from $750 million to $1 billion. We capitalized debt issuance costs of $4.0 million associated with the amendment of the revolving credit facility which is included in other assets in the consolidated balance sheet as of March 29, 2017. During the three quarters of fiscal 2017, net payments of $128.0 million were made on the revolving credit facility.

Under the amended $1 billion revolving credit facility, the maturity date for $890.0 million of the facility was extended from March 12, 2020 to September 12, 2021 and the remaining $110.0 million remains due on March 12, 2020. The amended revolving credit facility bears interest of LIBOR plus an applicable margin, which is a function of our credit rating and debt to cash flow ratio, but is subject to a maximum of LIBOR plus 2.00%. Based on our current credit rating, we are paying interest at a rate of LIBOR plus 1.38% for a total of 2.36%. One month LIBOR at March 29, 2017 was approximately 0.98%. As of March 29, 2017, $597.7 million of credit is available under the revolving credit facility. As of March 29, 2017, we were in compliance with all financial debt covenants.

As of March 29, 2017, our credit rating by Fitch Ratings ("Fitch") and Standard and Poor’s (“S&P”) was BB+ and our Corporate Family Rating by Moody's was Ba1, all with a stable outlook. In August 2016, Fitch downgraded Brinker from BBB- to BB+ with a stable outlook and in September confirmed the rating. In September 2016, S&P downgraded Brinker's corporate credit rating from BBB- to BB+ with a stable outlook and Moody's downgraded Brinker's Corporate Family Rating from Baa3 to Ba1 with a stable outlook. Our goal is to maintain strong free cash flow to support leverage that we believe is appropriate to allow ongoing investment in the business and return of capital to shareholders.

We paid dividends of $54.1 million to common stock shareholders in the first three quarters of fiscal 2017 compared to $56.2 million in dividends paid in the same period of fiscal 2016. Additionally, our Board of Directors approved a 6.25% increase in the quarterly dividend from $0.32 to $0.34 per share effective with the dividend declared in August 2016. We also declared a quarterly dividend of $16.6 million in February 2017 which was paid subsequent to the end of the quarter on March 30, 2017. We will continue to target a 40 percent dividend payout ratio to provide additional return to shareholders through dividend payments.

In August 2016, our Board of Directors authorized a $150.0 million increase to our existing share repurchase program resulting in total authorizations of $4.3 billion. As of March 29, 2017, approximately $135.8 million was available under our share repurchase authorizations. Our stock repurchase plan has been and will be used to return capital to shareholders and to minimize the dilutive impact of stock options and other share-based awards. Repurchased common stock is reflected as an increase in treasury stock within shareholders' deficit.

During the first nine months of fiscal 2017, approximately 176,000 stock options were exercised resulting in cash proceeds of $4.5 million. We received an excess tax benefit from stock-based compensation of approximately $1.5 million, net of a $0.5 million tax deficiency, during the first nine months of fiscal 2017, primarily as a result of the normally scheduled vesting and distribution of restricted stock grants and performance shares and stock option exercises. The excess tax benefit from stock-based compensation represents the additional income tax benefit received resulting from the increase in the fair value of awards from the time of grant to the exercise date.

Cash Flow Outlook

We believe that our various sources of capital, including future cash flow from operating activities and availability under our existing credit facility are adequate to finance operations and the repayment of current debt obligations for the foreseeable future. We are not aware of any other event or trend that would potentially affect our liquidity. In the event such a trend develops, we believe that there are sufficient funds available under our credit facility and from our internal cash generating capabilities to adequately manage our ongoing business. We periodically evaluate ways to monetize the value of our owned real estate and should alternatives become available that are more cost effective than our financing options currently available, we will consider execution of those alternatives.

OFF-BALANCE SHEET ARRANGEMENTS

We have obligations for guarantees on certain lease agreements and letters of credit as disclosed in Note 11 - Contingencies, in our Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q. Other than these items, we did not have any off-balance sheet arrangements.

RECENT ACCOUNTING PRONOUNCEMENTS

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. This update eliminates Step 2 of the goodwill impairment analysis. Companies will no longer be required to perform a hypothetical purchase price allocation to measure goodwill impairment. Instead, they will measure impairment as the difference between the carrying amount and the fair value of the reporting unit. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2019, which will require us to adopt these provisions in the first quarter of fiscal 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed with measurement dates after January 1, 2017. The update will be applied on a prospective basis. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments (Topic 230). This update provides clarification regarding how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2017, which will require us to adopt these provisions in the first quarter of fiscal 2019. Early adoption is permitted for financial statements that have not been previously issued. The update will be applied on a retrospective basis. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements or debt covenants.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting (Topic 718). This update was issued as part of the FASB's simplification initiative and affects all entities that issue share-based payment awards to their employees. The amendments in this update cover such areas as the recognition of excess tax benefits and deficiencies, the classification of those excess tax benefits on the statement of cash flows, an accounting policy election for forfeitures, the amount an employer can withhold to cover income taxes and still qualify for equity classification and the classification of those taxes paid on the statement of cash flows. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2016, which will require us to adopt these provisions in the first quarter of fiscal 2018. Adoption of the new guidance will require recognition of excess tax benefits and tax deficiencies in the consolidated statements of comprehensive income on a prospective basis, with a cumulative effect adjustment to retained earnings for any prior year excess tax benefits or tax deficiencies not previously recorded. In addition, this guidance will require reclassification of excess tax benefits from cash flows from financing activities to cash flows from operating activities on the consolidated statements of cash flows. We expect to apply this change on a retrospective basis. The adoption of the provisions related to excess tax benefits and tax deficiencies could have a material impact on our consolidated financial statements depending on the changes in fair value of our share-based payment awards. We expect that adoption of the remaining provisions in the update noted above will not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This update requires a lessee to recognize on the balance sheet a liability to make lease payments and a corresponding right-of-use asset for virtually all leases, other than leases with a term of 12 months or less. The update also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases. This update is effective for annual and interim periods for fiscal years beginning after December 15, 2018, which will require us to adopt these provisions in the first quarter of fiscal 2020. Early adoption is permitted for financial statements that have not been previously issued. This update will be applied on a modified retrospective basis. We anticipate implementing the standard by taking advantage of the practical expedient option. The discounted minimum remaining rental payments will be the starting point for determining the right-of-use asset and lease liability. We had operating leases with remaining rental payments of approximately $639 million at the end of fiscal 2016. We expect that adoption of the new guidance will have a material impact on our consolidated balance sheets due to recognition of the right-of-use asset and lease liability related to our current operating leases. The process of evaluating the full impact of the new guidance on our consolidated financial statements and disclosures is ongoing, but we anticipate the initial evaluation of the impact will be completed in fiscal 2018.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The FASB has subsequently amended this update by issuing additional ASU's that provide clarification and further guidance around areas identified as potential implementation issues. These updates provide a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. These updates also require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. In August 2015, the FASB issued ASU 2015-14 delaying the effective date of adoption. These updates are now effective for annual and interim periods for fiscal years beginning after December 15, 2017, which will require us to adopt these provisions in the first quarter of fiscal 2019. Early application in fiscal 2018 is permitted. These updates permit the use of either the retrospective or cumulative effect transition method. We do not believe these updates will impact our recognition of revenue from sales generated at company-owned restaurants or our recognition of royalty fees from franchisees. We are continuing to evaluate the impact the adoption of these updates will have on the recognition of revenue related to our gift card and loyalty programs and our franchise agreements, as well as which adoption method will be used. The process of evaluating the full impact of the new guidance on our consolidated financial statements and disclosures is ongoing, but we anticipate the initial evaluation of the impact will be completed in fiscal 2018.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our quantitative and qualitative market risks set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended June 29, 2016.

Item 4. CONTROLS AND PROCEDURES

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), as of the end of the period covered by this report, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective.

There were no changes in our internal control over financial reporting during our third quarter ended March 29, 2017, that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

We wish to caution you that our business and operations are subject to a number of risks and uncertainties, and investing in our securities involves a degree of risk. We have identified certain factors in Part I, Item IA "Risk Factors" in our Annual Report on Form 10-K for the year ended June 29, 2016 and below in Part II, Item 1A "Risk Factors" in this report on Form 10-Q that could cause actual results to differ materially from our historical results and from those projected in forward-looking statements contained in this report, in our other filings with the SEC, in our news releases, written or electronic communications, and verbal statements by our representatives. In any such event, the trading price of our securities could decline, and you could lose all or part of your investment. We further caution that it is not possible to identify all such factors, and you should not consider the identified factors as a complete list of all risks and uncertainties.

You should be aware that forward-looking statements involve risks and uncertainties. These risks and uncertainties may cause our or our industry's actual results, performance or achievements to be materially different from any future results, performances or achievements contained in or implied by these forward-looking statements. Forward-looking statements are generally accompanied by words like "believes," "anticipates," "estimates," "predicts," "expects," and other similar expressions that convey uncertainty about future events or outcomes. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The risks related to our business include:

- The effect of competition on our operations and financial results.
- Changes in consumer preferences may decrease demand for food at our restaurants.
- Food safety incidents at our restaurants or in our industry or supply chain may adversely affect customer perception of our brand or industry and result in declines in sales and profits.
- Global and domestic economic conditions may negatively impact consumer discretionary spending and could have a materially negative affect on our financial performance.
- Disruptions in the global financial markets may affect our business plan by adversely impacting the availability and cost of credit.
- A decrease in our credit ratings may increase our cost of credit.
- The large number of company-owned restaurants concentrated in Texas, Florida and California makes us susceptible to changes in economic and other trends in those regions.
- The effect of governmental regulation on our ability to maintain our existing and future operations and to open new restaurants.
- Increased costs and/or reduced revenues from shortages or interruptions in the availability and delivery of food and other supplies.
- The risk that inflation may increase our operating expenses.
- Our ability to consummate successful strategic transactions that are important to our future growth and profitability.
- Our inability to meet our business strategy plan and the impact on our profitability in the future.

- Loss of key management personnel could hurt our business and limit our ability to operate and grow successfully.
- The impact of slow economic growth on our landlords or other tenants in retail centers in which we or our franchisees are located, which in turn could negatively affect our financial results.
- The success of our franchisees to our future growth.
- The general decrease in sales volumes during winter months.
- Unfavorable publicity relating to one or more of our company-owned or franchised restaurants in a particular brand that may taint public perception of the brand.
- Failure to recognize, respond to and effectively manage the accelerated impact of social media could adversely impact our business.
- Litigation could have a material adverse impact on our business and our financial performance.
- Dependence on information technology and any material failure in the operation or security of that technology or our ability to execute a comprehensive business continuity plan could impair our ability to efficiently operate our business.
- Failure to protect the integrity and security of individually identifiable data of our guests and teammates and confidential and proprietary information of the company could expose us to litigation and damage our reputation.
- Failure to protect our service marks and intellectual property could harm our business.
- Outsourcing of certain business processes to third-party vendors that subject us to risk, including disruptions in business and increased costs.
- Declines in the market price of our common stock or changes in other circumstances that may indicate an impairment of goodwill possibly adversely affecting our financial position and results of operations.
- Changes to estimates related to our property and equipment or operating results that are lower than our current estimates at certain restaurant locations, possibly causing us to incur impairment charges on certain long-lived assets.
- Identification of a material weakness in internal control over financial reporting may adversely affect our stock price.
- Failure to achieve our target for growth in total return to shareholders may adversely affect our stock price.
- Other risk factors that could cause our actual results to differ materially from those indicated in the forward-looking statements by affecting, among many things, pricing, consumer spending, consumer confidence, and operating costs, include, without limitation, changes in financial and credit markets (including rising interest rates); increases in costs of food commodities; increases in fuel costs and availability for our team members, customers and suppliers; increases in utility and energy costs on regional or national levels; increases in health care costs; health epidemics or pandemics or the prospects of these events; changes in consumer behaviors; changes in demographic trends; labor shortages and availability of employees; union organization; strikes; terrorist acts; energy shortages and rolling blackouts; and weather (including major hurricanes and regional winter storms) and other acts of God.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Information regarding legal proceedings is incorporated by reference from Note 11 to our consolidated financial statements set forth in Part I of this report.

Item 1A. RISK FACTORS

There have been no material changes in the risk factors set forth in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended June 29, 2016.

The above risks and other risks described in this report and our other filings with the SEC could have a material impact on our business, financial condition or results of operations. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business, financial condition or results of operations. Therefore, the risks identified are not intended to be a complete discussion of all potential risks or uncertainties.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Shares repurchased during the third quarter of fiscal 2017 are as follows (in thousands, except share and per share amounts):

	Total Number of Shares Purchased (a)(b)	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Program (b)	Approximate Dollar Value that May Yet be Purchased Under the Program (b)
December 29, 2016 through February 1, 2017	852,114	$ 50.86	845,513	$ 135,800
February 2, 2017 through March 1, 2017	9,661	$ 46.51	—	$ 135,800
March 2, 2017 through March 29, 2017	—	$ —	—	$ 135,800
	861,775	$ 50.81	845,513	

(a) These amounts include shares purchased as part of our publicly announced programs and shares owned and tendered by team members to satisfy tax withholding obligations on the vesting of restricted share awards, which are not deducted from shares available to be purchased under publicly announced programs. Unless otherwise indicated, shares owned and tendered by team members to satisfy tax withholding obligations were purchased at the average of the high and low prices of the Company’s shares on the date of vesting. During the third quarter of fiscal 2017, 16,262 shares were tendered by team members at an average price of $47.61.

(b) In September 2016, we entered into a $300 million accelerated share repurchase agreement ("ASR Agreement") with Bank of America, N.A. (“BofA”). Pursuant to the terms of the ASR Agreement, we paid BofA $300 million in cash, which immediately reduced the remaining amount available under our share repurchase program, and received an initial delivery of approximately 4.6 million shares of common stock. Final settlement of the ASR Agreement occurred in January 2017, resulting in a total of 5.9 million shares received. The final average price paid per share for shares received pursuant to the ASR Agreement was $50.87.

Item 5. OTHER INFORMATION

On May 3, 2017, the Compensation Committee of the Board of Directors of the Company (the "Committee") approved a Severance and Change in Control Agreement for the Company's Chief Executive Officer ("CEO"), an Executive Severance Benefits Plan and Summary Plan Description and a form Change in Control Severance Agreement for eligible executive employees of the Company other than the CEO.

The Severance and Change in Control Agreement for the CEO of the Company provides for severance payments to the CEO as described in this paragraph. In the event of a termination without Cause (as defined in the agreement), the CEO will be entitled to receive a payment equal to the sum of: (i) twenty-four months of the CEO's then current base salary, and (ii) an amount equal to the CEO's target bonus for the year of termination under the applicable Company profit sharing plan, both payable within sixty days of the CEO's termination. In the event that within two years following a Change in Control (as defined in the agreement) the CEO is terminated without Cause or resigns for Good Reason (as defined in the agreement), the CEO will be entitled to receive a payment equal to the sum of: (i) thirty-six months of the CEO's then current base salary, and (ii) an amount equal to the CEO's target bonus for the year of termination under the applicable Company profit sharing plan, both payable within sixty days of the CEO's termination. In the event of any termination or resignation described in this paragraph, the treatment of the CEO's outstanding equity awards upon termination or resignation shall be determined in accordance with the applicable equity plan documents. The payments set forth in this paragraph are conditioned on the CEO abiding by certain restrictive covenants and executing a separation agreement and release in a form satisfactory to the Company. The foregoing is only a summary and it is qualified in its entirety by the specific terms of the Severance and Change in Control Agreement attached as Exhibit 10.1 to this Form 10-Q and incorporated herein by reference.

The Executive Severance Benefits Plan and Summary Plan Description and the form Change in Control Severance Agreement provide certain benefits to named executive officers (each, an "NEO") and other executive officers of the Company ("Executives") if they (i) are at the level of Senior Vice President or higher and are part of the senior leadership team of the Company (other than the CEO), (ii) have entered into a change in control severance agreement with the Company and (iii) are designated by the Committee to participate in the plan. In the event of a termination without Cause (as defined in the plan), the NEO or Executive will be entitled to receive a payment equal to the sum of: (i) eighteen months of the NEO's then current base salary or twelve months of the Executive's then current base salary, respectively, payable within sixty days of the NEO or Executive's termination, and (ii) an amount equal to the annual bonus for the year of termination that the NEO or Executive would have been eligible to earn under the applicable Company profit sharing plan based on the actual Company performance if the NEO or Executive had remained employed, payable in a lump sum in the year following termination, but in no event later than March 15th of such year. In the event that within two years following a Change in Control (as defined in the agreement) the NEO or Executive is terminated without Cause or resigns for Good Reason (as defined in the agreement), the NEO or Executive will be entitled to receive a payment equal to the sum of: (i) twenty-four months of the NEO's then current base salary or twelve months of the Executive's then current base salary, respectively, and (ii) an amount equal to the NEO or Executive's target bonus for the year of termination under the applicable Company profit sharing plan, both payable within sixty days of the NEO or Executive's termination. In the event of any termination or resignation described in this paragraph, the treatment of the NEO or Executive's outstanding equity awards upon termination or resignation shall be determined in accordance with the applicable equity plan documents. The payments set forth in this paragraph are conditioned on the NEO or Executive abiding by certain restrictive covenants and executing a separation agreement and release in a form satisfactory to the Company. The foregoing is only a summary and it is qualified in its entirety by the specific terms of the Executive Severance Benefits Plan and Summary Plan Description and form Change in Control Severance Agreement attached as Exhibit 10.2 and Exhibit 10.3 to this Form 10-Q, respectively, and each incorporated herein by reference. A form of Change in Control Severance Agreement for Executives (other than NEOs) that incorporates the foregoing terms for such Executives was approved by the Committee but is not attached as an Exhibit to this 10-Q.

On May 3, 2017, the Committee also approved a form of Retention Stock Award for the granting of restricted stock units to named executive officers and other executives of the Company for the purpose of retaining their employment with the Company. The Retention Stock Award is attached as Exhibit 10.4 to this Form 10-Q.

Item 6. EXHIBITS

10.1	Severance and Change in Control Agreement
10.2	Executive Severance Benefits Plan and Summary Plan Description
10.3	Change in Control Severance Agreement
10.4	Retention Stock Award
31(a)	Certification by Wyman T. Roberts, President and Chief Executive Officer of the Registrant, pursuant to 17 CFR 240.13a – 14(a) or 17 CFR 240.15d – 14(a).
31(b)	Certification by Joe Taylor, Interim Chief Financial Officer, Treasurer and Vice President of Investor Relations of the Registrant, pursuant to 17 CFR 240.13a – 14(a) or 17 CFR 240.15d – 14(a).
32(a)	Certification by Wyman T. Roberts, President and Chief Executive Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(b)	Certification by Joe Taylor, Interim Chief Financial Officer, Treasurer and Vice President of Investor Relations of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, we have duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

BRINKER INTERNATIONAL, INC.

Date: May 5, 2017

By: /s/ Wyman T. Roberts

Wyman T. Roberts,
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 5, 2017

By: /s/ Joe Taylor

Joe Taylor
Interim Chief Financial Officer, Treasurer and
Vice President of Investor Relations

(Principal Financial Officer)

Exhibit 10.1

CEO AGREEMENT

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

Brinker International, Inc. (the "Company"), and __________________________ ("Executive") (collectively, the "Parties") agree to enter into this SEVERANCE AND CHANGE IN CONTROL AGREEMENT ("Agreement") dated as of ________________201__ ("Effective Date") as follows:

1. TERM OF AGREEMENT.

The Agreement will commence as of the Effective Date and will terminate upon the date that all of the obligations of the Parties with respect to this Agreement have been satisfied.

2. AT WILL EMPLOYMENT.

The Company and Executive acknowledge that Executive's employment is and will continue to be at-will. The Company may terminate the employment relationship at any time as described in Section 3.

3. TERMINATION OF EMPLOYMENT.

Executive's employment may be terminated under any of the circumstances set forth in this Section 3. Upon termination, Executive (or his beneficiary or estate, as the case may be) shall be entitled to receive the compensation and benefits described in Section 4 below, and, if applicable, Section 5 or 6 below.

(a) **Death**. Executive's employment shall terminate upon Executive's death.

(b) **Total Disability**. The Company may terminate Executive's employment upon his becoming "Totally Disabled." For purposes of this Agreement, the term "Totally Disabled" shall mean the Executive is eligible to receive benefits under the long-term disability plan then sponsored by the Company, with no reasonable prospect of returning to normal full-time service. A determination of "Totally Disabled" shall be made by the Company in its sole discretion.

(c) **Termination by the Company for Cause**. The Company may terminate Executive's employment for Cause at any time after providing written notice to Executive. For purposes of this Agreement, the term "Cause" shall mean:

(i) An act of fraud, misappropriation or embezzlement by Executive in connection with the Company or a Related Company as determined by the affirmative vote of at least a majority of the Board of Directors of the Company ("Board") or executive committee thereof;

(ii) Gross mismanagement or gross neglect of the Executive's duties to the Company or a Related Company and its policies, procedures or guidelines as determined by the affirmative vote of at least a majority of the Board or executive committee thereof; or

(iii) Conviction of Executive by a court of competent jurisdiction of a felony.

For purposes of this Agreement, the term "Related Company" means any company during any period in which it is a "parent company" (as that term is defined in Section 424(e) of the Internal Revenue Code (the "Code")) with respect to the Company, or a "subsidiary corporation" (as that term is defined in Section 424(f) of the Code) with respect to the Company.

(d) **Termination by the Company without Cause**. The Company may terminate Executive's employment without Cause at any time after providing written notice to Executive.

(e) **Termination by Executive without Good Reason.** Executive may terminate his employment under this Agreement without Good Reason after providing not less than thirty (30) days' advance written notice to the Company.

(f) **Termination by Executive for Good Reason.** Executive may terminate his employment under this Agreement for Good Reason. The term "Good Reason" means the satisfaction of all of the following requirements:

(i) One or more of the following facts and circumstances exist without Executive's consent: (A) a reduction in Executive's then current base salary other than a general reduction in base salary that affects all similarly situated executives in substantially the same proportions; (B) a reduction in Executive's target annual bonus opportunity; (C) a relocation of the principal location at which Executive is required to provide services by more than fifty (50) miles; (D) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform the obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform, except where such assumption occurs by operations of law; (E) a material, adverse change in Executive's title, reporting relationship, authority, duties or responsibilities; or (F) a failure of any successor to the Company to nominate Executive for election by shareholders to the successor Company's board of directors; and

(ii) Executive shall have provided the Company written notice within thirty (30) days of his knowledge or reason to know of the existence of any fact or circumstance constituting Good Reason, the Company shall have failed to cure or eliminate such fact(s) or circumstance(s) within thirty (30) days of its receipt of such notice, and the resulting termination of employment occurs within thirty (30) days following expiration of such cure period.

4. COMPENSATION FOLLOWING TERMINATION OF EMPLOYMENT.

Upon termination of Executive's employment under this Agreement for any reason, Executive (or his designated beneficiary or estate, as the case may be) shall be entitled to receive the following compensation:

(a) **Earned but Unpaid Compensation, Expense Reimbursement**. The Company shall pay Executive any accrued but unpaid base salary for services rendered to the date of termination and any accrued but unpaid expenses required to be reimbursed under this Agreement.

(b) **Other Compensation and Benefits**. Except as may be provided under this Agreement,

(i) any benefits to which Executive may be entitled pursuant to the Company's plans, policies and arrangements shall be determined and paid in accordance with the terms of such plans, policies and arrangements, and

(ii) Executive shall have no right to receive any other compensation, or to participate in any other plan, arrangement or benefit, with respect to future periods after such termination or resignation.

If the requirements of Section 5 or 6 are satisfied, the Company shall also pay Executive the amounts described in Section 5 or 6, as applicable. For the avoidance of doubt, in no event shall Executive be paid amounts under both Sections 5 and 6.

5. ADDITIONAL COMPENSATION PAYABLE FOLLOWING TERMINATION WITHOUT CAUSE PRIOR TO A CHANGE IN CONTROL OR MORE THAN TWO YEARS FOLLOWING A CHANGE IN CONTROL.

(a) **Requirements for Additional Compensation**. In addition to the compensation set forth in Section 4 above, Executive will receive the additional compensation set forth in subsection (b) below if the following requirements are met:

(i) Executive's employment is terminated by the Company pursuant to Section 3(d) above (Termination by the Company without Cause) prior to a Change in Control (as defined in Section 7) or more than two (2) years following a Change in Control;

(ii) Executive strictly abides by the restrictive covenants set forth in Section 10 below; and

(iii) Executive executes (and does not revoke) a separation agreement and release in a form satisfactory to the Company on or after his employment termination date, but no later than the date required by the Company in accordance with applicable law.

(b) **Additional Compensation**. The Company shall provide Executive with the following compensation and benefits:

(i) An amount equal to twenty-four (24) months of Executive's then current base salary PLUS an amount equal to Executive's target bonus for the year of termination under the applicable Brinker International, Inc. Profit Sharing Plan ("Annual Bonus Plan") in a lump sum within sixty (60) days after the date of Executive's termination; plus

(ii) Subject to (x) Executive's timely election of continuation coverage under COBRA, and (y) Executive's continued copayment of premiums at the same level and cost to Executive as if Executive were an employee of the Company, continued payment by the Company of his health insurance coverage during the eighteen (18) month period following the date of termination to the same extent that the Company paid for such coverage immediately prior to the date of termination, subject to the eligibility requirements and other terms and conditions of such insurance coverage.

The treatment of Executive's outstanding equity awards, if any, upon termination shall be determined in accordance with the applicable equity plan documents.

6. ADDITIONAL COMPENSATION PAYABLE FOLLOWING TERMINATION WITHOUT CAUSE OR FOR GOOD REASON WITHIN TWO YEARS FOLLOWING A CHANGE IN CONTROL.

(a) **Requirements for Additional Compensation**. In addition to the compensation set forth in Section 4 above, Executive will receive the additional compensation set forth in subsection (b) below, if the following requirements are met:

(i) Executive's employment is terminated by the Company pursuant to Section 3(d) above (Termination by the Company without Cause) or by Executive pursuant to Section 3(f) (termination by Executive for Good Reason) within two (2) years following a Change in Control;

(ii) Executive strictly abides by the restrictive covenants set forth in Section 10 below; and

(iii) Executive executes (and does not revoke) a separation agreement and release in a form satisfactory to the Company on or after his employment termination date, but no later than the date required by the Company in accordance with applicable law.

(b) **Additional Compensation**. The Company shall provide Executive with the following compensation and benefits:

(i) An amount equal to thirty-six (36) months of Executive's then current base salary PLUS an amount equal to Executive's target bonus for the year of termination under the Annual Bonus Plan in a lump sum within sixty (60) days after the date of Executive's termination; plus

(ii) Subject to (x) Executive's timely election of continuation coverage under COBRA, and (y) Executive's continued copayment of premiums at the same level and cost to Executive as if Executive were an employee of the Company, continued payment by the Company of his health insurance coverage during the eighteen (18) month period following the date of termination to the same extent that the Company paid for such coverage immediately prior to the date of termination, subject to the eligibility requirements and other terms and conditions of such insurance coverage.

The treatment of Executive's outstanding equity awards, if any, upon termination shall be determined in accordance with the applicable equity plan documents.

7. CHANGE IN CONTROL.

(a) For purposes of this Agreement, "Change in Control" shall mean the definition of "Change in Control" in the Company's then current fiscal year Profit Sharing Plan, or if none or if there is no such plan:

(i) a sale, transfer or other conveyance of all or substantially all of the assets of the Company on a consolidated basis; or

(ii) the acquisition of beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934 ("Exchange Act")) by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company, directly or indirectly, of securities representing 50% or more of the total number of votes that may be cast for the election of directors of the Company; or

(iii) the failure at any annual or special meetings of the Company's shareholders held during the three-year period following a "solicitation in opposition" as defined in Rule 14a-6 promulgated under the Exchange Act, of a majority of the persons nominated by the Company in the proxy material mailed to shareholders by the management of the Company to win election to seats on the Board (such majority calculated based upon the total number of persons nominated by the Company failing to win election to seats on the Board divided by the total number of Board members of the Board as of the beginning of such three-year period), excluding only those who die, retire voluntarily, are disabled or are otherwise disqualified in the interim between their nomination and the date of the meeting.

8. EXCLUSIVE REMEDY.

In the event of a termination of Executive's employment, the provisions of Section 4 and 5(b) or 6(b), as applicable, are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive otherwise may be entitled, whether at law, tort or contract, in equity, or under this Agreement (including, without limitation, under the Company's then current severance plan for executive officers of the Company). Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 4 and 5(b) or 6(b), as applicable, of this Agreement.

9. LIMITATION ON PAYMENTS.

(a) In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this Section 9, would be subject to the excise tax imposed by Section 4999 of the Code, then any post-termination severance benefits payable under this Agreement or otherwise will be either:

(i) delivered in full, or

(ii) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(b) If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) reduction of cash payments; (ii) cancellation of accelerated vesting of equity awards (by cutting back performance-based awards first and then time-based awards, based on reverse order of vesting dates (rather than grant dates)), if applicable; and (iii) reduction of employee benefits.

(c) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9 will be made in writing by the Company's independent public accountants or by such other person or entity to which the Parties mutually agree (the "Firm"), whose determination will be conclusive and binding upon Executive and the Company. For purposes of making the calculations required by this Section 9, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 9.

10. RESTRICTIVE COVENANTS.

(a) Confidential Information/Competitive Business.

(i) **Confidential Information and Trade Secrets.** Executive agrees that during the course of employment with the Company, Executive has and will come into contact with and have access to various forms of Confidential Information and Trade Secrets, which are the property of the Company. This information relates both to the Company, its customers, suppliers, vendors, contractors, consultants, and employees. For purposes of this Agreement, "Confidential Information and Trade Secrets" shall include, but shall not be limited to:

(A) business plans and strategy, marketing and expansion plans, pricing information, sales information, technological information, food and beverage processes, recipes and the like, product information, specifications, inventions, research, policies, processes, creative projects, methods and intangible rights, computer software, source code, marketing techniques and arrangements, information about the Company's active and prospective customers, suppliers, vendors, contractors, consultants, and other business relationships, or any non-public operational, business or financial information relating to the Company or any of its parents, subsidiaries, or affiliates; and

(B) the identity of the Company's employees, their salaries, bonuses, incentive compensation, benefits, qualifications, and abilities,

all of which information Executive acknowledges and agrees is not generally known or available to the general public, but has been developed, compiled or acquired by the Company at its great effort and expense. Confidential Information and Trade Secrets can be in any form – oral, written or machine readable, including electronic files.

(ii) **Secrecy of Confidential Information and Trade Secrets Essential.** Executive acknowledges and agrees that the Company is engaged in a highly competitive business and that its competitive position depends upon its ability to maintain the confidentiality of the Confidential Information and Trade Secrets which were developed, compiled and acquired by the Company over a considerable period of time and at its great effort and expense. Executive further acknowledges and agrees that any disclosure, divulging, revelation or use of any of the Confidential Information and Trade Secrets, other than in connection with the Company's business or as specifically authorized by the Company, will be highly detrimental to the Company, and that serious loss of business and pecuniary damage may result therefrom.

(b) **Non-Disclosure of Confidential Information.** Executive agrees that, except as specifically required in the performance of his duties on behalf of the Company, Executive will not directly or indirectly use, disclose or disseminate to any other person, organization or entity, any of the Company's Confidential Information and Trade Secrets, either during the period of Executive's employment or at any time thereafter. Executive further agrees to maintain the Company's Confidential Information and Trade Secrets in strict confidence and to use all commercially reasonable efforts to not allow any unauthorized access to, or disclosure of, the Company's Confidential Information and Trade Secrets. Executive agrees not to save or store Confidential Information or Trade Secrets outside the Company's password protected computer systems such as on a personal USB thumb drive, backup drive, home computer, personal phone, email account or cloud storage.

(c) **Return of Material.** Executive agrees that, upon the termination of his employment for any reason, and immediately upon request of the Company at any time, he will promptly return (and shall not delete, destroy or modify) all property, including any originals and all copies of any documents, whether stored on computers or in hard copy, obtained from the Company, or any of its current, former or prospective customers, suppliers, vendors, employees, contractors, and consultants, whether or not Executive believes it qualifies as Confidential Information and Trade Secrets. Such property shall include everything obtained during and as a result of Executive's employment with the Company, other than documents related to Executive's compensation and benefits, such as pay stubs and benefit statements. In addition, Executive shall also return any phone, facsimile, printer, scanner, computer, electronic data storage device, or other items or equipment provided by the Company to Executive to perform his employment responsibilities during his employment with the Company. If Executive has saved or stored Confidential Information and Trade Secrets outside the Company's password protected computer systems such as on a personal USB thumb drive, backup drive, home computer, personal phone, email account or cloud storage, Executive agrees to tender the device or location to the Company for removal of the Confidential Information and Trade Secrets. Executive further agrees that he shall not access or attempt to access the Company's computer systems after the termination of Executive's employment with the Company. Executive also agrees that he does not have a right of privacy to any communications sent through the Company's electronic communications systems (including, without limitation, emails, phone calls and voicemail) and that the Company may monitor, retain, and review all such communications in accordance with applicable law.

(d) **No Competitive Activity.** Executive acknowledges and agrees that the Company is engaged in a highly competitive business and that by virtue of Executive's position and responsibilities with the Company and Executive's access to the Confidential Information and Trade Secrets, engaging in any business which is directly competitive with the Company will cause the Company great and irreparable harm. Therefore, Executive covenants and agrees that at all times

(i) during his period of employment with the Company, and

(ii) in the event his employment is terminated involuntarily by the Company (whether such termination is for Cause or without Cause, or otherwise), or he terminates his employment for Good Reason within two (2) years following a Change in Control, during the period beginning on the date of termination of his employment and ending twelve (12) months following his date of termination,

Executive shall not, directly or indirectly, engage in, assist, or have any active interest or involvement, whether as an employee, agent, consultant, advisor, officer, director, stockholder (excluding holding of less than 1% of the stock of a public company), partner, proprietor or any type of principal whatsoever, in any Competitive Business within the Restricted Territory. For purposes of this Agreement, "Competitive Business" means any of the following restaurants:

1	Ale House Restaurant	29	Landry's Seafood
2	Applebee's	30	Legal Sea Foods
3	Beef O'Brady's	31	Longhorn Steakhouse
4	Bennigan's Tavern	32	McCormick & Schmick's
5	BJ's Restaurant and Brewhouse	33	McDonald's
6	Bonefish Grill	34	Miller's Ale House Restaurant
7	BRAVO! Cucina Italiana	35	Morton's of Chicago

8	Brio Tuscan Grille	36	O'Charleys
9	Buca di Beppo	37	Olive Garden
10	Buffalo Wild Wings	38	On The Border
11	California Pizza Kitchen	39	Outback Steakhouse
12	Carino's Italian Grill	40	Palm Restaurant
13	Carraba's Italian Grill	41	Panera
14	Champps Americana	42	Pappadeaux Seafood Kitchen
15	Cheddar's Casual Café	43	PF Chang's China Bistro
16	Cheesecake Factory	44	Pizza Hut
17	Chipotle Mexican Grill	45	Red Robin
18	Chuy's	46	Romano's Macaroni Grill
19	Cracker Barrel	47	Ruby Tuesday
20	Dave & Busters	48	Ruth's Chris Steak House
21	Fogo De Chao	49	Seasons 52
22	Fuddruckers	50	Taco Bell
23	Hooters	51	Texas Roadhouse
24	Houlihans	52	TGI Fridays
25	Houston's/Hillstone	53	Uno Chicago Grill
26	Il Fornaio Restaurant	54	Wendy's
27	J Alexanders	55	Yard House
28	KFC		

For purposes of this Agreement, the "Restricted Territory" means the United States of America.

(e) **Non-Solicitation of Employees.** Executive acknowledges and agrees that solely as a result of employment with the Company, Executive has and will come into contact with and acquire Confidential Information and Trade Secrets regarding some, most, or all of the Company's employees. Therefore, Executive covenants and agrees that at all times

(i) during his period of employment with the Company, and

(ii) during the period beginning on the date of termination of his employment (whether such termination is voluntary or involuntary, with Good Reason or without Good Reason, for Cause or without Cause, or otherwise) and ending twenty-four (24) months following his date of termination,

Executive shall not, either on Executive's own account or on behalf of any person, firm, or business entity, recruit, solicit, interfere with, or endeavor to cause any employee of the Company with whom Executive came into contact or about whom Executive obtained Confidential Information and Trade Secrets, to leave his or her employment with the Company, or to work in a capacity that is competitive with the Company, or to work in a capacity that is similar to the capacity in which the employee was employed by the Company.

(f) **Non-Disparagement.** Executive covenants and agrees that during the course of his employment by the Company and at any time thereafter, Executive shall not, directly or indirectly, in public or private, deprecate, impugn, disparage, or make any remarks that would tend to or be construed to tend to defame the Company, its products or services, or any of its officers, directors, employees, or agents; nor shall Executive assist any other person, firm or company in so doing.

(g) **Defend Trade Secrets Act of 2016.** Under the federal Defend Trade Secrets Act of 2016, Executive understands that he shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to an attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further understands that the Company will not retaliate against him in any way for a disclosure made in accordance with the law.

(h) **Equity Award.** As additional consideration for the restrictive covenants set forth in this Section 10, and to incentivize Executive to achieve the highest level of individual performance and to benefit from the long-term growth and profitability of the Company, the Company agrees that it will grant Executive an additional award of ____________________ when it makes the next annual equity grant to Executive, which is scheduled to be made in August 2017.

11. ENFORCEMENT OF COVENANTS.

(a) **Termination of Employment and Forfeiture of Compensation.** Executive agrees that in the event that the Company determines that he has breached any of the covenants set forth in Section 10 above during his employment, the Company shall have the right to terminate his employment for Cause. In addition, Executive agrees that if the Company determines that he has breached any of the covenants set forth in Section 10 at any time, the Company shall have the right to discontinue any or all remaining benefits payable pursuant to Section 5 or 6 above, as applicable. Such termination of employment or discontinuance of benefits shall be in addition to and shall not limit any and all other rights and remedies that the Company may have against Executive and the separation agreement and release set forth in Section 5(a)(iii) or 6(a)(iii), as applicable, shall remain in full force and effect.

(b) **Right to Injunction.** Executive acknowledges and agrees that compliance with the covenants set forth in this Agreement is necessary to protect the business and goodwill of the Company and any breach of the covenants set forth in Section 10 above will cause irreparable damage to the Company with respect to which the Company's remedy at law for damages will be inadequate. Therefore, in the event of breach or anticipatory breach of the covenants set forth in Section 10 by Executive, Executive and the Company agree that the Company shall be entitled to the following particular forms of relief, in addition to any remedies otherwise available to it at law or equity: (i) injunctions, both preliminary and permanent, enjoining or restraining such breach or anticipatory breach and Executive hereby consents to the issuance thereof forthwith and without bond by any court of competent jurisdiction; and (ii) recovery of all reasonable sums expended and costs, including reasonable attorney's fees, incurred by the Company to enforce the covenants set forth in Section 10.

(c) **Severability of Covenants.** If in any judicial proceeding, a court shall hold that any covenant set forth in Section 10 is not permitted by applicable law, then Executive and the Company agree that such covenant shall be reformed to the maximum time, geographic, or scope limitations permitted by such law. Further, in the event a court shall hold that any of the covenants set forth in Section 10 are unenforceable and cannot be reformed, then such unenforceable covenant or covenants shall be deemed eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining covenants to be enforced in such proceeding. Executive and the Company further agree that the covenants in Section 10 shall each be construed as a separate agreement independent of any other provisions of this Agreement, and the existence of any claim or cause of action by Executive against the Company whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of the covenants set forth in Section 10. In the event Executive fails to comply with any of the covenants as written, challenges the enforceability of any of the covenants, or if any of the covenants are found to be unenforceable and not susceptible to reformation, the Company shall have the right to discontinue any or all remaining benefits payable pursuant to Section 5 or 6 above, as applicable.

12. WITHHOLDING OF TAXES.

The Company shall withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes.

13. NO CLAIM AGAINST ASSETS.

Nothing in this Agreement shall be construed as giving Executive any claim against any specific assets of the Company or as imposing any trustee relationship upon the Company in respect of Executive. The Company shall not be required to establish a special or separate fund or to segregate any of its assets in order to provide for the satisfaction of its obligations under this Agreement. Executive's rights under this Agreement shall be limited to those of an unsecured general creditor of the Company and its affiliates.

14. SUCCESSORS AND ASSIGNMENT.

(a) Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, representatives, successors and assigns. The rights and benefits of Executive under this Agreement are personal to him and no such right or benefit shall be subject to voluntary or involuntary alienation, assignment or transfer.

(b) Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise), or to all or substantially all of the Company's business and/or assets, will assume the obligations under this Agreement and will agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession.

15. ENTIRE AGREEMENT; AMENDMENT.

This Agreement shall supersede any and all existing oral or written agreements, representations, or warranties between Executive and the Company or any of its subsidiaries or affiliated entities relating to the terms of Executive's employment. It may not be amended except by a written agreement signed by both Parties.

16. GOVERNING LAW; STATUTORY AND COMMON LAW DUTIES.

This Agreement shall be governed by the laws of the State of Texas without reference to its principles of conflict of law. This Agreement is intended to supplement, and not supersede, any remedies or claims that may be available to the Company under applicable common and/or statutory law, including, without limitation, any common law and/or statutory claims relating to the misappropriation of trade secrets and/or unfair business practices.

17. ARBITRATION.

(a) **Matters Subject to Arbitration.** Brinker and Executive agree to arbitrate all disputes (except for those listed in the next section) involving legal or equitable rights which Brinker may have against Executive or Executive may have against Brinker, its affiliates, subsidiaries, divisions, predecessors, successors, assigns and their current and former employees, officers, directors, and agents, arising out of or in any manner related to the Agreement and the employment relationship between Brinker and Executive. This includes, for example, disputes about the terms and conditions of employment, wages and pay, leaves of absence, reasonable accommodation, or termination of employment. Such claims include, but are not limited to, those under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Family and Medical Leave Act, the Americans with Disabilities Act of 1990, Sections 1981 through 1988 of Title 42 of the United States Code, any state or local anti-discrimination, harassment, or wage laws (such as the Texas Commission on Human Rights Act), or any other federal, state, or local law, ordinance or regulation, or those based on any public policy, contract, tort, equitable theory, or common law or any claim for costs, fees, or other expenses or relief, including attorneys' fees. Matters covered by this Section 17(a) are subject to arbitration, not a court or jury trial.

(b) **Matters Not Subject to Arbitration.** The following matters are not subject to arbitration: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon current (successor or future) stock option plans, or employee pension and/or welfare benefit plans, if those plans already contain some form of arbitration or other procedure for the resolution of disputes under the plan; (iv) claims which by federal law are not subject to mandatory arbitration, such as those statutory claims which the Dodd-Frank Wall Street Reform Act provides may not be subject to mandatory pre-dispute arbitration, but only to the extent federal law prohibits enforcement of the class, collective or representative action waiver (discussed in Section 17(c) below) with respect to these types of claims; and (v) claims included in any lawsuit or administrative proceeding to which Executive is a party and which are pending against Brinker prior to the date Executive signs the Agreement. Also, nothing in Section 17 of the Agreement limits Executive's ability to file a charge with a federal, state or local administrative agency (such as the National Labor Relations Board or the Equal Employment Opportunity Commission) and nothing in Section 17 of the Agreement limits a federal, state or local government agency from its pursuit of a claim in court or the remedies it may seek from a court.

(c) **Class, Collective, or Representative Action Waiver.** Executive and Brinker agree that all disputes covered by Section 17(a) of the Agreement must be pursued on an individual basis only and, to the maximum extent permitted by law, Executive and Brinker waive the right to commence, be a party to, participate in, receive money or any other relief from, or amend any existing lawsuit to include, any representative, collective or class proceeding or claims or to bring jointly any claim covered by Section 17(a) of the Agreement. Executive and Brinker agree that neither Executive nor Brinker may bring a claim covered by Section 17(a) of the Agreement on behalf of other individuals or entities and an arbitrator may not: (a) combine more than one individual's claim or claims into a single case; (b) order, require, participate in or facilitate production of class-wide contact information or notification to others of potential claims; or (c) arbitrate any form of a class, collective, or representative proceeding. Nothing in this Agreement limits Executive's right to challenge the waiver of class, collective or representative actions in Section 17(a) of the Agreement.

(d) **Authority to Resolve Disputes.** A court (and not any arbitrator) has the exclusive authority to resolve disputes about the interpretation, applicability, enforceability or formation of the class, collective, or representative action waiver provision in Section 17(c) of the Agreement, including but not limited to, any claim that the class, collective, or representative action waiver is void or voidable. That said, the arbitrator, and not any court, shall have exclusive authority to resolve disputes about the interpretation, applicability, enforceability or formation of any other provision of Section 17 of the Agreement including, but not limited to, any claim that any other part of Section 17 of the Agreement is void or voidable. If any provision, or any portion of any provision, of Section 17 of the Agreement is found to be unenforceable (by a court or arbitrator, as applicable), the court or arbitrator (as applicable) shall interpret or modify the provision, the portion of the provision, or Section 17 of the Agreement to the extent necessary for it to be enforceable. If a provision or portion of a provision is deemed unlawful or unenforceable, that provision or portion shall be severed, and, to the extent permitted by applicable law, Section 17 of the Agreement automatically and immediately shall be amended, modified and/or altered to be enforceable. If any portion of the class, collective, or representative action waiver is deemed unenforceable as to any particular claim, then such claim that is determined to be not subject to waiver shall proceed in court (subject to then applicable case law, defenses, and court orders concerning class certification and other matters) and not arbitration.

(e) **Arbitration Rules.** The arbitration shall be arbitrated by a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA"). A copy of the current AAA Employment Arbitration Rules is available for Executive to review at www.adr.org. Executive may obtain a hard copy of the AAA Employment Arbitration Rules at www.adr.org or from Executive's PeopleWorks Partner. Executive also may contact AAA to request a copy of these rules at 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043, Toll Free No. 877-495-4185. For claims against Brinker, notice must be sent to the AAA and also to Brinker: General Counsel, Brinker International, 6820 LBJ Freeway, Dallas, TX 75240. Brinker will send notices of claims to the AAA and also to the last known address of Executive.

(f) **Miscellaneous**.

(i) Arbitrations shall take place in or near the city where Executive works or last worked for Brinker.

(ii) Each party is entitled to representation by an attorney of its choice throughout the arbitration at its own expense.

(iii) Brinker will pay the arbitration filing fees, and the fees of the arbitrator, even if the arbitration is initiated by Executive, and Brinker will also reimburse Executive for any administrative filing fees the AAA requires Executive to pay. Except for the fees for the arbitrator and the administration of the arbitration, both of which shall be paid by Brinker, each party shall otherwise bear its own costs and fees associated with the arbitration, unless provided by Section 17 of the Agreement, the AAA Employment Arbitration Rules, applicable law, operation of law, or awarded by the arbitrator in the final, written decision.

(iv) The Federal Rules of Civil Procedure (except for Rule 23) and Federal Rules of Evidence, which are the rules that would apply if the matter proceeded in a federal court, shall apply throughout the arbitration, unless modified by the mutual agreement of the Parties. If there is a conflict between Section 17 of the Agreement and those rules, Section 17 of the Agreement prevails.

(v) The law of the state in which Executive works or most recently worked for Brinker (without regard for its conflict of law principles) will govern the substance of the claim.

(vi) Section 17 of the Agreement shall not limit any party's right to obtain any provisional or equitable remedy, including, without limitation, temporary restraining orders and injunctive relief from any court of competent jurisdiction, as may be necessary in the sole judgment of such party to protect its rights.

(vii) The arbitrator may award individual relief only. The arbitrator's decision shall be final and binding on the parties, their heirs, executors, administrators, successors and assigns, and may be entered and enforced in any court of competent jurisdiction. The arbitrator shall have the power to award the same damages (subject to applicable statutory or other limitations) or legal or equitable relief that would have been available in a court of competent jurisdiction including, but not limited to, any remedy or relief that the arbitrator deems just and equitable and which is authorized by applicable law, including but not limited to, attorneys' fees available under applicable law.

(viii) All orders of the arbitrator (except evidentiary rulings at the arbitration) will be in writing and subject to review pursuant to the Federal Arbitration Act ("FAA"). Executive and Brinker agree that the FAA shall govern Section 17 of the Agreement.

To the extent Section 17 of the Agreement conflicts with the Employment Arbitration Rules of the AAA, the express provisions of Section 17 of the Agreement shall prevail.

18. SECTION 409A

(a) Although the Company does not guarantee the tax treatment of any payments under the Agreement, the intent of the Parties is that the payments and benefits under this Agreement be exempt from, or comply with, Section 409A of the Code and all Treasury Regulations and guidance promulgated thereunder ("Code Section 409A") and to the maximum extent permitted the Agreement shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(b) Notwithstanding any other provision of this Agreement to the contrary, to the extent that any reimbursement of expenses constitutes "deferred compensation" under Code Section 409A, such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

(c) For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the right to receive payments in the form of installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(d) Notwithstanding any other provision of this Agreement to the contrary, if at the time of Executive's separation from service (as defined in Code Section 409A), Executive is a "Specified Employee", then the Company will defer the payment or commencement of any "nonqualified deferred compensation" subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six (6) months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the six (6) month period or such shorter period, if applicable). Executive will be a "Specified Employee" for purposes of this Agreement if, on the date of Executive's separation from service, Executive is an individual who is, under the method of determination adopted by the Company designated as, or within the category of employees deemed to be, a "Specified Employee" within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i). The Company shall determine in its sole discretion all matters relating to who is a "Specified Employee" and the application of and effects of the change in such determination.

(e) Notwithstanding anything in this Agreement or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "nonqualified deferred compensation" within the meaning of Code Section 409A upon or following a termination of the Executive's employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" and the date of such separation from service shall be the date of termination for purposes of any such payment or benefits.

19. NOTICES.

Any notice, consent, request or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by nationally recognized overnight courier services, by registered or certified mail, return receipt requested, by facsimile or by hand delivery, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Company:

[insert address]
Attention: ___________________

To Executive:

[insert address]

20. MISCELLANEOUS.

(a) **Waiver**. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(b) **Separability**. If any term or provision of this Agreement above is declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such term or provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

(c) **Headings**. Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

(d) **Rules of Construction**. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

(e) **Counterparts**. This Agreement may be executed via electronic signature and in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts will together constitute but one Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the day and year set forth below.

BRINKER INTERNATIONAL, INC.	**EXECUTIVE**
By: ______________________	______________________
Name: ______________________	Date: ______________________
Title: ______________________	Address: ______________________
Date: ______________________	______________________

Exhibit 10.2

BRINKER INTERNATIONAL, INC.
EXECUTIVE SEVERANCE BENEFITS PLAN
AND
SUMMARY PLAN DESCRIPTION

Effective May 3, 2017

PURPOSE OF THE PLAN

The purpose of the Brinker International, Inc. Executive Severance Benefits Plan ("Plan") is to provide severance pay benefits to eligible executive employees whose employment with Brinker International, Inc. (the "Company") is terminated involuntarily under the conditions described below.

Except as otherwise provided by the Company in writing, this Plan (i) is the sole arrangement of the Company regarding severance-type benefits to eligible executives and (ii) replaces and supersedes all prior plans, programs, understandings and arrangements providing severance-type benefits to eligible executives.

This document contains the official text of the Plan and also serves as the summary plan description for the Plan.

ELIGIBLE EXECUTIVES

The benefits under this Plan are limited to executive employees who: (i) are at the level of Senior Vice President or higher and are part of the Senior Leadership Team (other than the Chief Executive Officer of the Company), (ii) have entered into a change in control severance agreement with the Company **and** (iii) are designated by the Compensation Committee of the Board of Directors of the Company (the "Committee") to participate in the Plan.

Notwithstanding the foregoing, in no event will the following employees be eligible to participate in the Plan: (i) any employee who is eligible to participate in another plan or arrangement maintained by the Company or any of its affiliates which provides severance-type benefits (other than a change in control severance agreement) unless such other plan or arrangement provides that the employee will be eligible to receive benefits under this Plan and/or (ii) any employee who is covered by an employment contract unless the contract provides that the employee will be eligible to receive benefits under this Plan. In no event will the Chief Executive Officer of the Company be eligible to participate in this Plan.

INVOLUNTARY TERMINATION OF EMPLOYMENT

- **Involuntary Termination**

  An executive will be eligible for severance benefits under this Plan only if the Company, in its sole discretion, determines that the executive's employment is being terminated involuntarily by the Company without Cause.

  For purposes of the Plan, "Cause" means:

- ■ An act of fraud, misappropriation or embezzlement by the executive in connection with the Company or a Related Company as determined by the affirmative vote of at least a majority of the Board of Directors of the Company (“Board”) or executive committee thereof;

- ■ Gross mismanagement or gross neglect of the executive’s duties to the Company or a Related Company and its policies, procedures or guidelines as determined by the affirmative vote of at least a majority of the Board or executive committee thereof; or

- ■ Conviction of the executive by a court of competent jurisdiction of a felony.

For purposes of the Plan, the term “Related Company” means any company during any period in which it is a “parent company” (as that term is defined in Section 424(e) of the Internal Revenue Code) with respect to the Company, or a “subsidiary corporation” (as that term is defined in Section 424(f) of the Internal Revenue Code) with respect to the Company.

¢ **Termination of Employment Not Eligible for Severance Benefits**

Unless the Company provides otherwise in writing, an executive will not be eligible for severance benefits if the Company, in its sole discretion, determines that the executive’s employment is terminated for any of the following reasons:

- Resignation or other voluntary termination of employment.
- Failure to return to work upon the expiration of an authorized leave of absence.
- Death or disability.
- Termination for Cause, as determined by the Company in its sole discretion.
- Termination for gross misconduct or violation of company policy.

In addition, notwithstanding any provision of the Plan to the contrary, an executive will not be eligible to receive severance benefits under this Plan if the executive’s employment terminates or is terminated within two (2) years following a Change in Control and the executive is eligible to be paid severance benefits under a Change in Control severance agreement.

For purposes of this Plan, a “Change in Control” means a “Change in Control” as defined in the Company’s then current fiscal year Profit Sharing Plan, or if none or if there is no such plan:

- ◦ a sale, transfer or other conveyance of all or substantially all of the assets of the Company on a consolidated basis; or

- ◦ the acquisition of beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934 (“ Exchange Act”)) by any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company, directly or indirectly, of securities representing 50% or more of the total number of votes that may be cast for the election of directors of the Company; or

- ◦ the failure at any annual or special meetings of the Company’s shareholders held during the three-year period following a “solicitation in opposition” as defined in Rule 14a-6 promulgated under the Exchange Act, of a majority of the persons nominated by the Company in the proxy material mailed to shareholders by the management of the Company to win election to seats on the Board (such majority calculated based upon the total number of persons Board divided by the total number of Board members of the Board as of the beginning of such three-year period), excluding only those who die, retire voluntarily, are disabled or are otherwise disqualified in the interim between their nomination and the date of the meeting.

¢ **Other Employment Offer**

Unless the Company provides otherwise in writing, an executive will not be eligible to receive benefits under this Plan if the Company, in its sole discretion, determines that any of the following events has occurred:

- The executive has been offered, but refused to accept, another suitable position with the Company or any of its subsidiaries or affiliates.
- The executive's employment has been terminated in connection with a sale or transfer, merger, establishment of a joint venture, or other corporate transaction (unless such sale or transfer, merger, joint venture or corporate transaction constitutes a Change in Control), and such executive has been offered employment by the successor employer.
- The executive's employment is terminated in connection with the "outsourcing" of operational functions and he/she has been offered employment by the outsourcing vendor.

CONDITIONS FOR PAYMENT OF SEVERANCE BENEFITS

An executive who is involuntarily terminated will not receive severance benefits under this Plan unless the Company determines that the executive has satisfied all of the following conditions:

¢ **Work Until Last Day Designated**

The executive must continue to be actively at work through the last day of work designated by the Company, unless the executive is absent due to vacation, temporary layoff, or an approved absence from work (including leave under the Family and Medical Leave Act).

¢ **Execution and Non-Revocation of Release**

The executive

- must execute a separation agreement and general release in the form, and within the time period, prescribed by the Company, and
- must not revoke the separation agreement and general release before it becomes effective.

¢ **Return of Company Property and Settlement of Expenses**

On or before the executive's last day of employment, the executive must return all company property in his or her possession or control and must settle satisfactorily all expenses owed to the Company and any of its subsidiaries or affiliates.

SEVERANCE BENEFITS

¢ **Severance Pay and Benefits**

The severance pay and benefits provided under the Plan are described in Appendix A. An eligible executive's benefits under the Plan are determined based on his or her position with the Company as of the executive's termination of employment.

RIGHT TO TERMINATE BENEFITS

Notwithstanding anything in this Plan to the contrary, in the event that the Company in its discretion determines that

- an executive is reemployed by the Company or any of its subsidiaries, affiliates, or successors before the completion of the scheduled payment of severance pay, OR
- the Company determines that an executive has breached any of the terms and conditions set forth in any agreement entered into by the executive as a condition to receiving benefits under this Plan, including, but not limited to, the separation agreement and general release,

then the Company shall have the right to terminate the benefits payable under this Plan at any time.

ADMINISTRATION OF THE PLAN

The Committee shall serve as the Plan Administrator. The Plan Administrator shall have sole authority and discretion to administer and construe the terms of this Plan, subject to applicable requirements of law. Without limiting the generality of the foregoing, the Plan Administrator shall have complete discretionary authority to carry out the following powers and duties:

- To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;
- To interpret the Plan, its interpretation thereof to be final and conclusive on all persons claiming benefits under the Plan;
- To decide all questions, including without limitation, issues of fact, concerning the Plan, including the eligibility of any person to participate in, and receive benefits under, the Plan; and
- To appoint such agents, counsel, accountants, consultants and other persons as may be required to assist in administering the Plan.

CLAIMS PROCEDURE

The Plan Administrator reviews and authorizes payment of severance benefits for those executives who qualify under the provisions of the Plan. No claim forms need be submitted. Questions regarding payment of the severance benefits should be directed to the Plan Administrator.

If an executive feels he or she is not receiving severance benefits which are due, the executive should file a written claim for the benefits with Plan Administrator. A decision on whether to grant or deny the claim will be made within 90 days following receipt of the claim. If more than 90 days is required to render a decision, the executive will be notified in writing of the reasons for delay. In any event, however, a decision to grant or deny a claim will be made by not later than 180 days following the initial receipt of the claim.

If the claim is denied in whole or in part, the executive will receive a written explanation of the specific reasons for the denial, including a reference to the Plan provisions on which the denial is based.

If the executive wishes to appeal this denial, the executive may write within 60 days after receipt of the notification of denial. The claim will then be reviewed by the Board, and the executive will receive written notice of the final decision within 60 days after the request for review. If more than 60 days is required to render a decision, the executive will be notified in writing of the reasons for delay before the end of the initial 60 day period. In any event, however, the executive will receive a written notice of the final decision within 120 days after the request for review.

GENERAL RULES

¢ **Right to Withhold Taxes**

The Company shall withhold such amounts from payments under this Plan as it determines necessary to fulfill any federal, state, or local wage or compensation withholding requirements.

¢ **No Right to Continued Employment**

Neither the Plan nor any action taken with respect to it shall confer upon any person the right to continue in the employ of the Company or any of its subsidiaries or affiliates.

¢ **Benefits Non-Assignable**

Benefits under the Plan may not be anticipated, assigned or alienated.

¢ **Unfunded Plan**

The Company will make all payments under the Plan, and pay all expenses of the Plan, from its general assets. Nothing contained in this Plan shall give any eligible executive any right, title or interest in any property of the Company or any of its affiliates nor shall it create any trust relationship.

¢ **Severability**

The provisions of the Plan are severable. If any provision of the Plan is deemed legally or factually invalid or unenforceable to any extent or in any application, then the remainder of the provisions of the Plan, except to such extent or in such application, shall not be affected, and each and every provision of the Plan shall be valid and enforceable to the fullest extent and in the broadest application permitted by law.

¢ **Section Headings**

Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this Plan.

¢ **Section 409A**

- Although the Company does not guarantee the tax treatment of any payments or benefits under the Plan, the intent of the Company is that the payments and benefits under this Plan be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder ("Code Section 409A") and to the maximum extent permitted the Plan shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on an executive by Code Section 409A or damages for failing to comply with Code Section 409A.

- Notwithstanding the foregoing or any other provision of this Plan to the contrary, if at the time of an executive's separation from service (as defined in Code Section 409A), the executive is a "Specified Employee", then the Company will defer the payment or commencement of any nonqualified deferred compensation subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to the executive) until the date that is six (6) months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the six (6) month period or such shorter period, if applicable). An executive will be a "Specified Employee" for purposes of this Plan if, on the date of the executive's separation from service, the executive is an individual who is, under the method of determination adopted by the Company designated as, or within the category of employees deemed to be, a "Specified Employee" within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i). The Company shall determine in its sole discretion all matters relating to who is a "Specified Employee" and the application of and effects of the change in such determination.
- Notwithstanding anything in this Plan or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits that constitute "non-qualified deferred compensation" within the meaning of Code Section 409A upon or following a termination of the executive's employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service" and the date of such separation from service shall be the date of termination for purposes of any such payment or benefits.

PLAN AMENDMENT AND TERMINATION

The Company has the power to amend, modify or terminate this Plan with respect to any executive at any time prior to such executive's termination of employment by a writing executed by the Board.

Eligible executives do not have any vested right to severance pay or other benefits under this Plan.

GOVERNING LAWS AND TIME LIMIT FOR BEGINNING LEGAL ACTIONS

The provisions of the Plan shall be construed, administered and enforced according to applicable federal law and, where appropriate, the laws of the State of Texas without reference to its conflict of laws rules and without regard to any rule of any jurisdiction that would result in the application of the law of another jurisdiction.

The parties expressly consent that any action or proceeding relating to this Plan or any release or other agreement entered into with respect to this Plan will only be brought in the federal or state courts, as appropriate, located in the State of Texas and that any such action or proceeding be heard without jury, and the parties expressly waive the right to bring any such action in any other jurisdiction and have such action heard before a jury.

No action relating to this Plan or any release or other agreement entered into with respect to this Plan may be brought later than the first anniversary of earlier of termination of employment or other event giving rise to the claim.

STATEMENT OF ERISA RIGHTS

As a participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

¢ **Receive Information About Your Plan and Benefits**

Examine, without charge, at the Plan Administrator's office and at other specified locations all documents governing the plan and a copy of the latest annual report (Form 5500 Series) required to be filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if any required, and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

¢ **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

¢ **Enforce Your Rights**

If your claim for a severance benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

¢ **Assistance with Your Questions**

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

ADDITIONAL INFORMATION

Plan Sponsor:	Brinker International, Inc. 6820 LBJ Freeway Dallas, Texas 75240 972-980-9917
Employer Identification Number (EIN):	75-1914582
Plan Name:	Brinker International, Inc. Executive Severance Benefits Plan
Type of Plan:	Welfare benefit plan - severance pay
Plan Year:	Calendar year
Plan Number:	[***514***]
Plan Administrator:	Compensation Committee of the Board of Directors of Brinker International, Inc. 6820 LBJ Freeway Dallas, Texas 75240 972-980-9917 Attention: ___________________________
Agent for Service of Legal Process:	Plan Administrator

Exhibit 10.2

Appendix A

Named Executive Officers

- **Severance Pay for Named Executive Officers of the Company**
  - **Amount of Severance Pay and Benefits**

    The severance pay and benefits are as follows:

    - An amount equal to eighteen (18) months of executive's then current base salary, payable in a lump sum within sixty (60) days after the date of executive's termination; plus
    - An amount equal to the annual bonus for the year of termination under the applicable Brinker International, Inc. Profit Sharing Plan ("Annual Bonus Plan") that the executive would have been eligible to earn based on actual Company performance if the executive had remained employed, payable in a lump sum in the Company's fiscal year following the performance year in which the termination occurred, but in no event later than two and one half months following the end of such performance year; plus
    - Subject to (x) executive's timely election of continuation coverage under COBRA, and (y) executive's continued copayment of premiums at the same level and cost to executive as if executive were an active employee of the Company, continued payment by the Company of executive's health insurance coverage during the eighteen (18) month period following the date of termination to the same extent that the Company paid for such coverage immediately prior to the date of termination, subject to the eligibility requirements and other terms and conditions of such insurance coverage.

    The treatment of an executive's outstanding equity awards, if any, upon termination will be determined in accordance with the applicable equity plan documents.
  - **Reduction of Severance Pay and Benefits**

    Unless the Company, in its sole discretion, provides otherwise in writing, the amount of severance pay payable to an eligible executive as determined above shall be reduced as follows:

    - Severance pay will be reduced by any outstanding debt owed by the executive to the Company or any of its affiliates, where permitted by law.
- **Other Severance Benefits**

  The Company, in its sole discretion, and on a case-by-case basis, may pay other benefits to an executive who receives severance pay under this Plan upon termination of employment, including, but not limited to, additional severance pay, continued group health coverage, and outplacement services.

Exhibit 10.2

Brinker International, Inc. Executives
other than Named Executive Officers

¢ **Severance Pay**

u **Amount of Severance Pay and Benefits for Brinker International, Inc. Leadership Team Members**

The severance pay and benefits are as follows:

- ■ An amount equal to twelve (12) months of executive's then current base salary, payable in a lump sum within sixty (60) days after the date of executive's termination; plus
- ■ An amount equal to the annual bonus for the year of termination under the applicable Brinker International, Inc. Profit Sharing Plan ("Annual Bonus Plan") that the executive would have been eligible to earn based on actual Company performance if the executive had remained employed, payable in a lump sum in the Company's fiscal year following the performance year in which the termination occurred, but in no event later than two and one half months following the end of such performance year; plus
- ■ Subject to (x) executive's timely election of continuation coverage under COBRA, and (y) executive's continued copayment of premiums at the same level and cost to executive as if executive were an active employee of the Company, continued payment by the Company of executive's health insurance coverage during the twelve (12) month period following the date of termination to the same extent that the Company paid for such coverage immediately prior to the date of termination, subject to the eligibility requirements and other terms and conditions of such insurance coverage.

The treatment of an executive's outstanding equity awards, if any, upon termination will be determined in accordance with the applicable equity plan documents.

u **Reduction of Severance Pay and Benefits**

Unless the Company, in its sole discretion, provides otherwise in writing, the amount of severance pay payable to an eligible executive as determined above shall be reduced as follows:

- Severance pay will be reduced by any outstanding debt owed by the executive to the Company or any of its affiliates, where permitted by law.

¢ **Other Severance Benefits**

The Company, in its sole discretion, and on a case-by-case basis, may pay other benefits to an executive who receives severance pay under this Plan upon termination of employment, including, but not limited to, additional severance pay, continued group health coverage, and outplacement services.

Exhibit 10.3

NEO AGREEMENT

CHANGE IN CONTROL SEVERANCE AGREEMENT

Brinker International Inc. (the "Company"), and _________________________ ("Executive") (collectively, the "Parties") agree to enter into this CHANGE IN CONTROL SEVERANCE AGREEMENT ("Agreement") dated as of ________________201__ ("Effective Date") as follows:

1. TERM OF AGREEMENT.

The Agreement will commence as of the Effective Date and will terminate upon the date that all of the obligations of the Parties with respect to this Agreement have been satisfied.

2. AT WILL EMPLOYMENT.

The Company and Executive acknowledge that Executive's employment is and will continue to be at-will. The Company may terminate the employment relationship at any time as described in Section 3.

3. TERMINATION OF EMPLOYMENT.

Executive's employment may be terminated under any of the circumstances set forth in this Section 3. Upon termination, Executive (or his beneficiary or estate, as the case may be) shall be entitled to receive the compensation and benefits described in Section 4 below, and, if applicable, Section 5 or 6 below.

(a) **Death**. Executive's employment shall terminate upon Executive's death.

(b) **Total Disability**. The Company may terminate Executive's employment upon [***his/her***] becoming "Totally Disabled." For purposes of this Agreement, the term "Totally Disabled" shall mean the Executive is eligible to receive benefits under the long-term disability plan then sponsored by the Company, with no reasonable prospect of returning to normal full-time service. A determination of "Totally Disabled" shall be made by the Company in its sole discretion.

(c) **Termination by the Company for Cause**. The Company may terminate Executive's employment for Cause at any time after providing written notice to Executive. For purposes of this Agreement, the term "Cause" shall mean:

(i) An act of fraud, misappropriation or embezzlement by Executive in connection with the Company or a Related Company as determined by the affirmative vote of at least a majority of the Board of Directors of the Company ("Board") or executive committee thereof;

(ii) Gross mismanagement or gross neglect of the Executive's duties to the Company or a Related Company and its policies, procedures or guidelines as determined by the affirmative vote of at least a majority of the Board or executive committee thereof; or

(iii) Conviction of Executive by a court of competent jurisdiction of a felony.

For purposes of this Agreement, the term "Related Company" means any company during any period in which it is a "parent company" (as that term is defined in Section 424(e) of the Internal Revenue Code (the "Code")) with respect to the Company, or a "subsidiary corporation" (as that term is defined in Section 424(f) of the Code) with respect to the Company.

(d) **Termination by the Company without Cause**. The Company may terminate Executive's employment without Cause at any time after providing written notice to Executive.

(e) **Termination by Executive without Good Reason.** Executive may terminate **his/her** employment under this Agreement without Good Reason after providing not less than thirty (30) days' advance written notice to the Company.

(f) **Termination by Executive for Good Reason.** Executive may terminate **his/her** employment under this Agreement for Good Reason. The term "Good Reason" means the satisfaction of all of the following requirements:

(i) One or more of the following facts and circumstances exist without Executive's consent: (A) a reduction in Executive's then current base salary other than a general reduction in base salary that affects all similarly situated executives in substantially the same proportions; (B) a reduction in Executive's target annual bonus opportunity; (C) a relocation of the principal location at which Executive is required to provide services by more than fifty (50) miles; (D) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform the obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform, except where such assumption occurs by operations of law; or (E) a material, adverse change in Executive's title, reporting relationship, authority, duties or responsibilities; and

(ii) Executive shall have provided the Company written notice within thirty (30) days of **his/her** knowledge or reason to know of the existence of any fact or circumstance constituting Good Reason, the Company shall have failed to cure or eliminate such fact(s) or circumstance(s) within thirty (30) days of its receipt of such notice, and the resulting termination of employment occurs within thirty (30) days following expiration of such cure period.

4. COMPENSATION FOLLOWING TERMINATION OF EMPLOYMENT.

Upon termination of Executive's employment under this Agreement for any reason, Executive (or **his/her** designated beneficiary or estate, as the case may be) shall be entitled to receive the following compensation:

(a) **Earned but Unpaid Compensation, Expense Reimbursement**. The Company shall pay Executive any accrued but unpaid base salary for services rendered to the date of termination and any accrued but unpaid expenses required to be reimbursed under this Agreement.

(b) **Other Compensation and Benefits**. Except as may be provided under this Agreement,

(i) any benefits to which Executive may be entitled pursuant to the Company's plans, policies and arrangements shall be determined and paid in accordance with the terms of such plans, policies and arrangements, and

(ii) Executive shall have no right to receive any other compensation, or to participate in any other plan, arrangement or benefit, with respect to future periods after such termination or resignation.

If the requirements of Section 5 or 6 are satisfied, the Company shall also pay Executive the amounts described in Section 5 or 6, as applicable. For the avoidance of doubt, in no event shall Executive be paid amounts under both Sections 5 and 6.

5. ADDITIONAL COMPENSATION PAYABLE FOLLOWING TERMINATION WITHOUT CAUSE PRIOR TO A CHANGE IN CONTROL OR MORE THAN TWO YEARS FOLLOWING A CHANGE IN CONTROL.

In addition to the compensation set forth in Section 4 above, if Executive's employment is terminated by the Company pursuant to Section 3(d) above (Termination by the Company without Cause) prior to a Change in Control or more than two (2) years following a Change in Control, Executive will be eligible to receive severance pursuant to the Company's then current severance plan for executive officers of the Company, if any, subject to the terms and conditions of such plan.

6. ADDITIONAL COMPENSATION PAYABLE FOLLOWING TERMINATION WITHOUT CAUSE OR FOR GOOD REASON WITHIN TWO YEARS FOLLOWING A CHANGE IN CONTROL.

(a) **Requirements for Additional Compensation**. In addition to the compensation set forth in Section 4 above, and in lieu of any severance benefits under the Company's then current severance plan for executive officers of the Company, Executive will receive the additional compensation set forth in subsection (b) below, if the following requirements are met:

(i) Executive's employment is terminated by the Company pursuant to Section 3(d) above (Termination by the Company without Cause) or by Executive pursuant to Section 3(f) (termination by Executive for Good Reason) within two (2) years following a Change in Control;

(ii) Executive strictly abides by the restrictive covenants set forth in Section 10 below; and

(iii) Executive executes (and does not revoke) a separation agreement and release in a form satisfactory to the Company on or after his employment termination date, but no later than the date required by the Company in accordance with applicable law.

(b) **Additional Compensation**. The Company shall provide Executive with the following compensation and benefits:

(i) An amount equal to twenty-four (24) months of Executive's then current base salary PLUS an amount equal to Executive's target bonus for the year of termination under the applicable Brinker International, Inc. Profit Sharing Plan in a lump sum within sixty (60) days after the date of Executive's termination; plus

(ii) Subject to (x) Executive's timely election of continuation coverage under COBRA, and (y) Executive's continued copayment of premiums at the same level and cost to Executive as if Executive were an employee of the Company, continued payment by the Company of his health insurance coverage during the eighteen (18) month period following the date of termination to the same extent that the Company paid for such coverage immediately prior to the date of termination, subject to the eligibility requirements and other terms and conditions of such insurance coverage.

The treatment of Executive's outstanding equity awards, if any, upon termination shall be determined in accordance with the applicable equity plan documents.

7. CHANGE IN CONTROL.

(a) For purposes of this Agreement, "Change in Control" shall mean the definition of "Change in Control" in the Company's then current fiscal year Profit Sharing Plan, or if none or if there is no such plan:

(i) a sale, transfer or other conveyance of all or substantially all of the assets of the Company on a consolidated basis; or

(ii) the acquisition of beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934 ("Exchange Act")) by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company, directly or indirectly, of securities representing 50% or more of the total number of votes that may be cast for the election of directors of the Company; or

(iii) the failure at any annual or special meetings of the Company's shareholders held during the three-year period following a "solicitation in opposition" as defined in Rule 14a-6 promulgated under the Exchange Act, of a majority of the persons nominated by the Company in the proxy material mailed to shareholders by the management of the Company to win election to seats on the Board (such majority calculated based upon the total number of persons nominated by the Company failing to win election to seats on the Board divided by the total number of Board members of the Board as of the beginning of such three-year period), excluding only those who die, retire voluntarily, are disabled or are otherwise disqualified in the interim between their nomination and the date of the meeting.

8. EXCLUSIVE REMEDY.

In the event of a termination of Executive's employment, the provisions of Section 4 and 5 or 6(b), as applicable, are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive otherwise may be entitled, whether at law, tort or contract, in equity, or under this Agreement. Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 4 and 5 or 6(b), as applicable, of this Agreement.

9. LIMITATION ON PAYMENTS.

(a) In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this Section 9, would be subject to the excise tax imposed by Section 4999 of the Code, then any post-termination severance benefits payable under this Agreement or otherwise will be either:

(i) delivered in full, or

(ii) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(b) If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) reduction of cash payments; (ii) cancellation of accelerated vesting of equity awards (by cutting back performance-based awards first and then time-based awards, based on reverse order of vesting dates (rather than grant dates)), if applicable; and (iii) reduction of employee benefits.

(c) Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9 will be made in writing by the Company's independent public accountants or by such other person or entity to which the Parties mutually agree (the "Firm"), whose determination will be conclusive and binding upon Executive and the Company. For purposes of making the calculations required by this Section 9, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 9.

10. RESTRICTIVE COVENANTS.

(a) Confidential Information/Competitive Business.

(i) **Confidential Information and Trade Secrets.** Executive agrees that during the course of employment with the Company, Executive has and will come into contact with and have access to various forms of Confidential Information and Trade Secrets, which are the property of the Company. This information relates both to the Company, its customers, suppliers, vendors, contractors, consultants, and employees. For purposes of this Agreement, "Confidential Information and Trade Secrets" shall include, but shall not be limited to:

(A) business plans and strategy, marketing and expansion plans, pricing information, sales information, technological information, food and beverage processes, recipes and the like, product information, specifications, inventions, research, policies, processes, creative projects, methods and intangible rights, computer software, source code, marketing techniques and arrangements, information about the Company's active and prospective customers, suppliers, vendors, contractors, consultants, and other business relationships, or any non-public operational, business or financial information relating to the Company or any of its parents, subsidiaries, or affiliates; and

(B) the identity of the Company's employees, their salaries, bonuses, incentive compensation, benefits, qualifications, and abilities,

all of which information Executive acknowledges and agrees is not generally known or available to the general public, but has been developed, compiled or acquired by the Company at its great effort and expense. Confidential Information and Trade Secrets can be in any form – oral, written or machine readable, including electronic files.

(ii) **Secrecy of Confidential Information and Trade Secrets Essential.** Executive acknowledges and agrees that the Company is engaged in a highly competitive business and that its competitive position depends upon its ability to maintain the confidentiality of the Confidential Information and Trade Secrets which were developed, compiled and acquired by the Company over a considerable period of time and at its great effort and expense. Executive further acknowledges and agrees that any disclosure, divulging, revelation or use of any of the Confidential Information and Trade Secrets, other than in connection with the Company's business or as specifically authorized by the Company, will be highly detrimental to the Company, and that serious loss of business and pecuniary damage may result therefrom.

(b) **Non-Disclosure of Confidential Information.** Executive agrees that, except as specifically required in the performance of [***his/her***] duties on behalf of the Company, Executive will not directly or indirectly use, disclose or disseminate to any other person, organization or entity, any of the Company's Confidential Information and Trade Secrets, either during the period of Executive's employment or at any time thereafter. Executive further agrees to maintain the Company's Confidential Information and Trade Secrets in strict confidence and to use all commercially reasonable efforts to not allow any unauthorized access to, or disclosure of, the Company's Confidential Information and Trade Secrets. Executive agrees not to save or store Confidential Information or Trade Secrets outside the Company's password protected computer systems such as on a personal USB thumb drive, backup drive, home computer, personal phone, email account or cloud storage.

(c) **Return of Material.** Executive agrees that, upon the termination of [***his/her***] employment for any reason, and immediately upon request of the Company at any time, [***he/she***] will promptly return (and shall not delete, destroy or modify) all property, including any originals and all copies of any documents, whether stored on computers or in hard copy, obtained from the Company, or any of its current, former or prospective customers, suppliers, vendors, employees, contractors, and consultants, whether or not Executive believes it qualifies as Confidential Information and Trade Secrets. Such property shall include everything obtained during and as a result of Executive's employment with the Company, other than documents related to Executive's compensation and benefits, such as pay stubs and benefit statements. In addition, Executive shall also return any phone, facsimile, printer, scanner, computer, electronic data storage device, or other items or equipment provided by the Company to Executive to perform [***his/her***] employment responsibilities during [***his/her***] employment with the Company. If Executive has saved or stored Confidential Information and Trade Secrets outside the Company's password protected computer systems such as on a personal USB thumb drive, backup drive, home computer, personal phone, email account or cloud storage, Executive agrees to tender the device or location to the Company for removal of the Confidential Information and Trade Secrets. Executive further agrees that [***he/she***] shall not access or attempt to access the Company's computer systems after the termination of Executive's employment with the Company. Executive also agrees that [***he/she***] does not have a right of privacy to any communications sent through the Company's electronic communications systems (including, without limitation, emails, phone calls and voicemail) and that the Company may monitor, retain, and review all such communications in accordance with applicable law.

(d) **No Competitive Activity.** Executive acknowledges and agrees that the Company is engaged in a highly competitive business and that by virtue of Executive's position and responsibilities with the Company and Executive's access to the Confidential Information and Trade Secrets, engaging in any business which is directly competitive with the Company will cause the Company great and irreparable harm. Therefore, Executive covenants and agrees that at all times

(i) during [***his/her***] period of employment with the Company, and

(ii) in the event [***his/her***] employment is terminated involuntarily by the Company (whether such termination is for Cause or without Cause, or otherwise), or Executive terminates [***his/her***] employment for Good Reason within two (2) years following a Change in Control, during the period beginning on the date of termination of [***his/her***] employment and ending twelve (12) months following [***his/her***] date of termination,

Executive shall not, directly or indirectly, engage in, assist, or have any active interest or involvement, whether as an employee, agent, consultant, advisor, officer, director, stockholder (excluding holding of less than 1% of the stock of a public company), partner, proprietor or any type of principal whatsoever, in any Competitive Business within the Restricted Territory. For purposes of this Agreement, "Competitive Business" means any of the following restaurants:

1 Ale House Restaurant
2 Applebee's
3 Beef O'Brady's
4 Bennigan's Tavern
5 BJ's Restaurant and Brewhouse
6 Bonefish Grill
7 BRAVO! Cucina Italiana
8 Brio Tuscan Grille
9 Buca di Beppo
10 Buffalo Wild Wings
11 California Pizza Kitchen
12 Carino's Italian Grill
13 Carraba's Italian Grill
14 Champps Americana
15 Cheddar's Casual Café
16 Cheesecake Factory
17 Chipotle Mexican Grill
18 Chuy's
19 Cracker Barrel
20 Dave & Busters
21 Fogo De Chao
22 Fuddruckers
23 Hooters
24 Houlihans
25 Houston's/Hillstone
26 Il Fornaio Restaurant
27 J Alexanders
28 KFC
29 Landry's Seafood
30 Legal Sea Foods
31 Longhorn Steakhouse
32 McCormick & Schmick's
33 McDonald's
34 Miller's Ale House Restaurant
35 Morton's of Chicago
36 O'Charleys
37 Olive Garden
38 On The Border
39 Outback Steakhouse
40 Palm Restaurant
41 Panera
42 Pappadeaux Seafood Kitchen
43 PF Chang's China Bistro
44 Pizza Hut
45 Red Robin
46 Romano's Macaroni Grill
47 Ruby Tuesday
48 Ruth's Chris Steak House
49 Seasons 52
50 Taco Bell
51 Texas Roadhouse
52 TGI Fridays
53 Uno Chicago Grill
54 Wendy's
55 Yard House

For purposes of this Agreement, the "Restricted Territory" means the United States of America.

(e) **Non-Solicitation of Employees.** Executive acknowledges and agrees that solely as a result of employment with the Company, Executive has and will come into contact with and acquire Confidential Information and Trade Secrets regarding some, most, or all of the Company's employees. Therefore, Executive covenants and agrees that at all times

(i) during [***his/her***] period of employment with the Company, and

(ii) during the period beginning on the date of termination of [***his/her***] employment (whether such termination is voluntary or involuntary, with Good Reason or without Good Reason, for Cause or without Cause, or otherwise) and ending twenty-four (24) months following [***his/her***] date of termination,

Executive shall not, either on Executive's own account or on behalf of any person, firm, or business entity, recruit, solicit, interfere with, or endeavor to cause any employee of the Company with whom Executive came into contact or about whom Executive obtained Confidential Information and Trade Secrets, to leave his or her employment with the Company, or to work in a capacity that is competitive with the Company, or to work in a capacity that is similar to the capacity in which the employee was employed by the Company.

(f) **Non-Disparagement.** Executive covenants and agrees that during the course of [***his/her***] employment by the Company and at any time thereafter, Executive shall not, directly or indirectly, in public or private, deprecate, impugn, disparage, or make any remarks that would tend to or be construed to tend to defame the Company, its products or services, or any of its officers, directors, employees, or agents; nor shall Executive assist any other person, firm or company in so doing.

(g) **Defend Trade Secrets Act of 2016.** Under the federal Defend Trade Secrets Act of 2016, Executive understands that [***he/she***] shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to an attorney in relation to a lawsuit for retaliation against Executive for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive further understands that the Company will not retaliate against [***him/her***] in any way for a disclosure made in accordance with the law.

(h) **Equity Award.** As additional consideration for the restrictive covenants set forth in this Section 10, and to incentivize Executive to achieve the highest level of individual performance and to benefit from the long-term growth and profitability of the Company, the Company agrees that it will grant Executive an additional award of __________________ when it makes the next annual equity grant to Executive, which is scheduled to be made in August 20__.

11. ENFORCEMENT OF COVENANTS.

(a) **Termination of Employment and Forfeiture of Compensation.** Executive agrees that in the event that the Company determines that [**he/she**] has breached any of the covenants set forth in Section 10 above during [***his/her***] employment, the Company shall have the right to terminate [***his/her***] employment for Cause. In addition, Executive agrees that if the Company determines that [**he/she**] has breached any of the covenants set forth in Section 10 at any time, the Company shall have the right to discontinue any or all remaining benefits payable pursuant to Section 5 or 6 above, as applicable. Such termination of employment or discontinuance of benefits shall be in addition to and shall not limit any and all other rights and remedies that the Company may have against Executive and the separation agreement and release set forth in Section 6(a)(iii) shall remain in full force and effect.

(b) **Right to Injunction.** Executive acknowledges and agrees that compliance with the covenants set forth in this Agreement is necessary to protect the business and goodwill of the Company and any breach of the covenants set forth in Section 10 above will cause irreparable damage to the Company with respect to which the Company's remedy at law for damages will be inadequate. Therefore, in the event of breach or anticipatory breach of the covenants set forth in Section 10 by Executive, Executive and the Company agree that the Company shall be entitled to the following particular forms of relief, in addition to any remedies otherwise available to it at law or equity: (i) injunctions, both preliminary and permanent, enjoining or restraining such breach or anticipatory breach and Executive hereby consents to the issuance thereof forthwith and without bond by any court of competent jurisdiction; and (ii) recovery of all reasonable sums expended and costs, including reasonable attorney's fees, incurred by the Company to enforce the covenants set forth in Section 10.

(c) **Severability of Covenants.** If in any judicial proceeding, a court shall hold that any covenant set forth in Section 10 is not permitted by applicable law, then Executive and the Company agree that such covenant shall be reformed to the maximum time, geographic, or scope limitations permitted by such law. Further, in the event a court shall hold that any of the covenants set forth in Section 10 are unenforceable and cannot be reformed, then such unenforceable covenant or covenants shall be deemed eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining covenants to be enforced in such proceeding. Executive and the Company further agree that the covenants in Section 10 shall each be construed as a separate agreement independent of any other provisions of this Agreement, and the existence of any claim or cause of action by Executive against the Company whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of the covenants set forth in Section 10. In the event Executive fails to comply with any of the covenants as written, challenges the enforceability of any of the covenants, or if any of the covenants are found to be unenforceable and not susceptible to reformation, the Company shall have the right to discontinue any or all remaining benefits payable pursuant to Section 5 or 6 above, as applicable.

12. WITHHOLDING OF TAXES.

The Company shall withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes.

13. NO CLAIM AGAINST ASSETS.

Nothing in this Agreement shall be construed as giving Executive any claim against any specific assets of the Company or as imposing any trustee relationship upon the Company in respect of Executive. The Company shall not be required to establish a special or separate fund or to segregate any of its assets in order to provide for the satisfaction of its obligations under this Agreement. Executive's rights under this Agreement shall be limited to those of an unsecured general creditor of the Company and its affiliates.

14. SUCCESSORS AND ASSIGNMENT.

(a) Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, representatives, successors and assigns. The rights and benefits of Executive under this Agreement are personal to him and no such right or benefit shall be subject to voluntary or involuntary alienation, assignment or transfer.

(b) Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise), or to all or substantially all of the Company's business and/or assets, will assume the obligations under this Agreement and will agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession.

15. ENTIRE AGREEMENT; AMENDMENT.

This Agreement shall supersede any and all existing oral or written agreements, representations, or warranties between Executive and the Company or any of its subsidiaries or affiliated entities relating to the terms of Executive's employment. It may not be amended except by a written agreement signed by both Parties.

16. GOVERNING LAW; STATUTORY AND COMMON LAW DUTIES.

This Agreement shall be governed by the laws of the State of Texas without reference to its principles of conflict of law. This Agreement is intended to supplement, and not supersede, any remedies or claims that may be available to the Company under applicable common and/or statutory law, including, without limitation, any common law and/or statutory claims relating to the misappropriation of trade secrets and/or unfair business practices.

17. ARBITRATION.

(a) **Matters Subject to Arbitration.** Brinker and Executive agree to arbitrate all disputes (except for those listed in the next section) involving legal or equitable rights which Brinker may have against Executive or Executive may have against Brinker, its affiliates, subsidiaries, divisions, predecessors, successors, assigns and their current and former employees, officers, directors, and agents, arising out of or in any manner related to the Agreement and the employment relationship between Brinker and Executive. This includes, for example, disputes about the terms and conditions of employment, wages and pay, leaves of absence, reasonable accommodation, or termination of employment. Such claims include, but are not limited to, those under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Family and Medical Leave Act, the Americans with Disabilities Act of 1990, Sections 1981 through 1988 of Title 42 of the United States Code, any state or local anti-discrimination, harassment, or wage laws (such as the Texas Commission on Human Rights Act), or any other federal, state, or local law, ordinance or regulation, or those based on any public policy, contract, tort, equitable theory, or common law or any claim for costs, fees, or other expenses or relief, including attorneys' fees. Matters covered by this Section 17(a) are subject to arbitration, not a court or jury trial.

(b) **Matters Not Subject to Arbitration.** The following matters are not subject to arbitration: (i) claims for workers' compensation benefits; (ii) claims for unemployment compensation benefits; (iii) claims based upon current (successor or future) stock option plans, or employee pension and/or welfare benefit plans, if those plans already contain some form of arbitration or other procedure for the resolution of disputes under the plan; (iv) claims which by federal law are not subject to mandatory arbitration, such as those statutory claims which the Dodd-Frank Wall Street Reform Act provides may not be subject to mandatory pre-dispute arbitration, but only to the extent federal law prohibits enforcement of the class, collective or representative action waiver (discussed in Section 17(c) below) with respect to these types of claims; and (v) claims included in any lawsuit or administrative proceeding to which Executive is a party and which are pending against Brinker prior to the date Executive signs the Agreement. Also, nothing in Section 17 of the Agreement limits Executive's ability to file a charge with a federal, state or local administrative agency (such as the National Labor Relations Board or the Equal Employment Opportunity Commission) and nothing in Section 17 of the Agreement limits a federal, state or local government agency from its pursuit of a claim in court or the remedies it may seek from a court.

(c) **Class, Collective, or Representative Action Waiver.** Executive and Brinker agree that all disputes covered by Section 17(a) of the Agreement must be pursued on an individual basis only and, to the maximum extent permitted by law, Executive and Brinker waive the right to commence, be a party to, participate in, receive money or any other relief from, or amend any existing lawsuit to include, any representative, collective or class proceeding or claims or to bring jointly any claim covered by Section 17(a) of the Agreement. Executive and Brinker agree that neither Executive nor Brinker may bring a claim covered by Section 17(a) of the Agreement on behalf of other individuals or entities and an arbitrator may not: (a) combine more than one individual's claim or claims into a single case; (b) order, require, participate in or facilitate production of class-wide contact information or notification to others of potential claims; or (c) arbitrate any form of a class, collective, or representative proceeding. Nothing in this Agreement limits Executive's right to challenge the waiver of class, collective or representative actions in Section 17(a) of the Agreement.

(d) **Authority to Resolve Disputes.** A court (and not any arbitrator) has the exclusive authority to resolve disputes about the interpretation, applicability, enforceability or formation of the class, collective, or representative action waiver provision in Section 17(c) of the Agreement, including but not limited to, any claim that the class, collective, or representative action waiver is void or voidable. That said, the arbitrator, and not any court, shall have exclusive authority to resolve disputes about the interpretation, applicability, enforceability or formation of any other provision of Section 17 of the Agreement including, but not limited to, any claim that any other part of Section 17 of the Agreement is void or voidable. If any provision, or any portion of any provision, of Section 17 of the Agreement is found to be unenforceable (by a court or arbitrator, as applicable), the court or arbitrator (as applicable) shall interpret or modify the provision, the portion of the provision, or Section 17 of the Agreement to the extent necessary for it to be enforceable. If a provision or portion of a provision is deemed unlawful or unenforceable, that provision or portion shall be severed, and, to the extent permitted by applicable law, Section 17 of the Agreement automatically and immediately shall be amended, modified and/or altered to be enforceable. If any portion of the class, collective, or representative action waiver is deemed unenforceable as to any particular claim, then such claim that is determined to be not subject to waiver shall proceed in court (subject to then applicable case law, defenses, and court orders concerning class certification and other matters) and not arbitration.

(e) **Arbitration Rules.** The arbitration shall be arbitrated by a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA"). A copy of the current AAA Employment Arbitration Rules is available for Executive to review at www.adr.org. Executive may obtain a hard copy of the AAA Employment Arbitration Rules at www.adr.org or from Executive's PeopleWorks Partner. Executive also may contact AAA to request a copy of these rules at 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043, Toll Free No. 877-495-4185. For claims against Brinker, notice must be sent to the AAA and also to Brinker: General Counsel, Brinker International, 6820 LBJ Freeway, Dallas, TX 75240. Brinker will send notices of claims to the AAA and also to the last known address of Executive.

(f) **Miscellaneous**.

(i) Arbitrations shall take place in or near the city where Executive works or last worked for Brinker.

(ii) Each party is entitled to representation by an attorney of its choice throughout the arbitration at its own expense.

(iii) Brinker will pay the arbitration filing fees, and the fees of the arbitrator, even if the arbitration is initiated by Executive, and Brinker will also reimburse Executive for any administrative filing fees the AAA requires Executive to pay. Except for the fees for the arbitrator and the administration of the arbitration, both of which shall be paid by Brinker, each party shall otherwise bear its own costs and fees associated with the arbitration, unless provided by Section 17 of the Agreement, the AAA Employment Arbitration Rules, applicable law, operation of law, or awarded by the arbitrator in the final, written decision.

(iv) The Federal Rules of Civil Procedure (except for Rule 23) and Federal Rules of Evidence, which are the rules that would apply if the matter proceeded in a federal court, shall apply throughout the arbitration, unless modified by the mutual agreement of the Parties. If there is a conflict between Section 17 of the Agreement and those rules, Section 17 of the Agreement prevails.

(v) The law of the state in which Executive works or most recently worked for Brinker (without regard for its conflict of law principles) will govern the substance of the claim.

(vi) Section 17 of the Agreement shall not limit any party's right to obtain any provisional or equitable remedy, including, without limitation, temporary restraining orders and injunctive relief from any court of competent jurisdiction, as may be necessary in the sole judgment of such party to protect its rights.

(vii) The arbitrator may award individual relief only. The arbitrator's decision shall be final and binding on the parties, their heirs, executors, administrators, successors and assigns, and may be entered and enforced in any court of competent jurisdiction. The arbitrator shall have the power to award the same damages (subject to applicable statutory or other limitations) or legal or equitable relief that would have been available in a court of competent jurisdiction including, but not limited to, any remedy or relief that the arbitrator deems just and equitable and which is authorized by applicable law, including but not limited to, attorneys' fees available under applicable law.

(viii) All orders of the arbitrator (except evidentiary rulings at the arbitration) will be in writing and subject to review pursuant to the Federal Arbitration Act ("FAA"). Executive and Brinker agree that the FAA shall govern Section 17 of the Agreement.

To the extent Section 17 of the Agreement conflicts with the Employment Arbitration Rules of the AAA, the express provisions of Section 17 of the Agreement shall prevail.

18. SECTION 409A

(a) Although the Company does not guarantee the tax treatment of any payments under the Agreement, the intent of the Parties is that the payments and benefits under this Agreement be exempt from, or comply with, Section 409A of the Code and all Treasury Regulations and guidance promulgated thereunder ("Code Section 409A") and to the maximum extent permitted the Agreement shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or its affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

(b) Notwithstanding any other provision of this Agreement to the contrary, to the extent that any reimbursement of expenses constitutes "deferred compensation" under Code Section 409A, such reimbursement shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

(c) For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the right to receive payments in the form of installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(d) Notwithstanding any other provision of this Agreement to the contrary, if at the time of Executive's separation from service (as defined in Code Section 409A), Executive is a "Specified Employee", then the Company will defer the payment or commencement of any "nonqualified deferred compensation" subject to Code Section 409A payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six (6) months following separation from service or, if earlier, the earliest other date as is permitted under Code Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the six (6) month period or such shorter period, if applicable). Executive will be a "Specified Employee" for purposes of this Agreement if, on the date of Executive's separation from service, Executive is an individual who is, under the method of determination adopted by the Company designated as, or within the category of employees deemed to be, a "Specified Employee" within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i). The Company shall determine in its sole discretion all matters relating to who is a "Specified Employee" and the application of and effects of the change in such determination.

(e) Notwithstanding anything in this Agreement or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "nonqualified deferred compensation" within the meaning of Code Section 409A upon or following a termination of the Executive's employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" and the date of such separation from service shall be the date of termination for purposes of any such payment or benefits.

19. NOTICES.

Any notice, consent, request or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by nationally recognized overnight courier services, by registered or certified mail, return receipt requested, by facsimile or by hand delivery, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Company:

[insert address]
Attention: ___________________

To Executive:

[insert address]

20. MISCELLANEOUS.

(a) **Waiver**. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(b) **Separability**. If any term or provision of this Agreement above is declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such term or provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

(c) **Headings**. Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

(d) **Rules of Construction**. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

(e) **Counterparts**. This Agreement may be executed via electronic signature and in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts will together constitute but one Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the day and year set forth below.

BRINKER INTERNATIONAL, INC.	**EXECUTIVE**
By: ______________________	______________________
Name: ______________________	Date: ______________________
Title: ______________________	Address: ______________________
Date: ______________________	______________________

BRINKER INTERNATIONAL, INC.
DESCRIPTION OF RESTRICTED STOCK UNIT AWARD

Retention Stock Award

Brinker International, Inc. (the "Company"), acting pursuant to Section 3 of the Brinker International, Inc. Stock Option and Incentive Plan (the "Plan"), hereby awards to you (the "Participant") a grant of Restricted Stock Units, as specified in your award letter (the "Award"). For purposes of this Description, a Restricted Stock Unit means the right to receive a share of Stock, subject to the satisfaction of the terms and conditions set forth below. The Award is in all respects subject to the provisions of the Plan, the terms of which are incorporated herein by reference.

1. Definitions. For purposes of this Description, the terms listed below are defined as follows:

    a. Cause. The term "Cause" means one or more of the following:

        i. An act of fraud, misappropriation or embezzlement by the Participant in connection with the Company or a Related Company as determined by the affirmative vote of at least a majority of the Board or executive committee thereof;

        ii. Gross mismanagement or gross neglect of the Participant's duties to the Company or a Related Company as determined by the affirmative vote of at least a majority of the Board or executive committee thereof; or

        iii. Conviction of the Participant by a court of competent jurisdiction of a felony.

    b. Change in Control. The term "Change in Control" means:

        i. a sale, transfer or other conveyance of all or substantially all of the assets of the Company on a consolidated basis; or

        ii. the acquisition of beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company, directly or indirectly, of securities representing 50% or more of the total number of votes that may be cast for the election of directors of the Company; or

        iii. the failure at any annual or special meetings of the Company's shareholders held during the three-year period following a "solicitation in opposition" as defined in Rule 14a-6 promulgated under the Exchange Act, of a majority of the persons nominated by the Company in the proxy material mailed to shareholders by the management of the Company to win election to seats on the Board (such majority calculated based upon the total number of persons nominated by the Company failing to win election to seats on the Board divided by the total number of Board members of the Board as of the beginning of such three-year period), excluding only those who die, retire voluntarily, are disabled or are otherwise disqualified in the interim between their nomination and the date of the meeting.

c. Good Reason. The term "Good Reason" means the satisfaction of all of the following requirements:

i. One or more of the following facts and circumstances exist: (A) a reduction in base salary other than a general reduction in base salary that affects all similarly situated executives in substantially the same proportions; (B) a reduction in target annual bonus opportunity; (C) a relocation of the principal location at which Participant is required to provide services by more than fifty (50) miles; (D) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform the obligations under the Plan in the same manner and to the same extent that the Company would be required to perform, except where such assumption occurs by operations of law; or (E) a material, adverse change in title, reporting relationship, authority, duties or responsibilities; and

ii. the Participant shall have provided the Company written notice within thirty (30) days of his or her knowledge or reason to know of the existence of any fact or circumstance constituting Good Reason, the Company shall have failed to cure or eliminate such fact(s) or circumstance(s) within thirty (30) days of its receipt of such notice, and the resulting termination of employment must occur within thirty (30) days following expiration of such cure period.

d. Separation from Service. The term "Separation from Service" means the Participant incurs a "separation from service" (within the meaning of Section 409A of the Code) with the Company.

e. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in this Description will have the meaning set forth in the Plan.

2. Term of Restricted Stock Units. The "Restricted Period" is the period beginning on the **Award Date** and ending on **three years from the Award Date**. The Participant will have no voting rights with respect to the Restricted Stock Units or any shares of Stock underlying the Restricted Stock Units during the Restricted Period.

3. Vesting.

a. General Rule. The Restricted Stock Units will become fully vested on the earlier to occur of (i) the last day of the Restricted Period, provided the Participant has not incurred a Separation from Service prior to such date, (ii) the date following a Change in Control the surviving corporation determines it will not assume or replace any outstanding or unvested Awards, or (iii) the date of the Participant's Separation from Service without Cause or for Good Reason, in either case within twenty-four (24) months following a Change in Control.

b. Change in Control. Notwithstanding the provisions of Section 3a, upon a Change in Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless otherwise provided in an Award, all outstanding Awards that are not vested or paid at the time of the Change in Control shall be assumed by, or replaced with, Awards that have comparable terms by the surviving corporation (or parent or subsidiary of the surviving corporation). After a Change in

Control, references to the "Company" as they relate to employment matters shall include the successor employer.

c. Treatment of Outstanding Awards Not Assumed or Replaced. In the event of a Change in Control, if all outstanding Awards are not assumed by, or replaced with Awards that have comparable terms by, the surviving corporation (or a parent or subsidiary of the surviving corporation), then a pro-rata number of Restricted Stock Units subject thereto will become immediately vested based on the number of months that the Participant was employed by the Company or a Related Company during the Restricted Period.

d. Termination of Employment Following Change in Control. If the Participant's employment is terminated by the Company without Cause or if the Participant terminates employment for Good Reason, in either case, upon or within twenty-four (24) months following a Change in Control, the Participant's outstanding Award shall become fully vested upon the occurrence of a Change in Control prior to the Participant's termination of employment.

4. Forfeiture. Except as otherwise provided in Section 3, if the Participant incurs a Separation from Service prior to the end of the Restricted Period , the Participant will immediately forfeit the Restricted Stock Units as of the date of the Participant's Separation from Service, and the Participant will not be entitled to any payment with respect to such Restricted Stock Units.

5. Payment. Each vested Restricted Stock Unit will entitle the Participant to receive one share of Stock. Subject to Section 6, shares of Stock with respect to Restricted Stock Units that become vested pursuant to Section 3a(i) will be issued to the Participant in payment of the Award during the 60-day period immediately following the conclusion of the Restricted Period, and shares of Stock with respect to Restricted Stock Units that become vested due to a Change in Control pursuant to Section 3a(ii) will be issued to the Participant in payment of the Award during the 60-day period immediately following the date of the Change in Control. At no other time prior to the end of the Restricted Period will any Stock be issued for Restricted Stock Units pursuant to the Award. The Company will issue a like number of shares of its Stock to the Participant, and the Participant will own such shares of Stock free of all restrictions described herein. The Participant will not have the right to designate the taxable year of payment.

6. Section 409A Payment Rules. Notwithstanding Section 5 or any other provisions of this Description to the contrary, if the Company makes a good faith determination that a payment of the Award (a) constitutes a deferral of compensation for purposes of Section 409A of the Code, (b) is made to the Participant by reason of his or her Separation from Service and (c) at the time such payment would otherwise be made the Participant is a "specified employee" (within the meaning of Section 409A of the Code, using the identification methodology selected by the Company from time to time), the payment will be delayed until the first day of the seventh month following the date of the Participant's Separation from Service. Furthermore, if the Restricted Stock Units are no longer subject to a substantial risk of forfeiture prior to a Change in Control, and the Change in Control does not constitute a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company (within the meaning of Section 409A of the Code), shares of Stock paid in settlement of the Restricted Stock Units will be paid at the applicable time described in Sections 3 and 5, determined without regard to the occurrence of the Change in Control.

7. Dividends. The Participant will not be entitled to receive any cash dividends or dividend equivalents with respect to the Restricted Stock Units during the Restricted Period. However,

at the same time that shares of Stock are issued under Section 5, the Participant (or the Participant's beneficiary) will also receive a lump sum cash payment equal to the amount of cash dividends that are paid or declared by the Company during the Restricted Period (but prior to the date of payment of the Award pursuant to Section 5) on the number of shares of Stock issued to the Participant (or the Participant's beneficiary).

8. Capital Adjustments and Reorganizations. The number of Restricted Stock Units covered by the Award will be subject to equitable adjustment, as determined by the Committee, to reflect any stock dividend, stock split, share combination, separation, reorganization, liquidation or the like, of or by the Company. In the event of any such transaction or event, the Committee, in its discretion, may provide in substitution for the Award such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection with such substitution the surrender of the Award so replaced.

9. Clawback Provisions. If the Participant is an officer of the Company ("Officer"), and the Board (or an appropriate committee thereof) has determined that any fraud, negligence, or intentional misconduct by the Participant was a significant contributing factor to the Company having to restate all or a portion of its financial statement(s), the Board or committee will take, in its discretion, such action as it deems necessary to remedy the misconduct and prevent its recurrence. In determining what remedies to pursue, the Board or committee will take into account all relevant factors, including whether the restatement was the result of fraud, negligence, or intentional misconduct. The Board or committee will, to the extent permitted by applicable law, in all appropriate cases, among other rights to require reimbursement of, or any gains realized from, any bonus or incentive compensation paid or awarded to the Officer, cause the cancellation of restricted or deferred stock awards, if and to the extent that (a) the amount of incentive compensation was calculated based upon the achievement of certain financial results that were subsequently reduced due to a restatement, (b) the Officer engaged in any fraud or misconduct that caused or contributed to the need for the restatement, and (c) the amount of the incentive compensation that would have been awarded to the Officer had the financial results been properly reported would have been lower than the amount actually awarded. In addition, the Board may dismiss the Officer, authorize legal action, or take such other action to enforce the Officer's obligations to the Company as it may deem appropriate in view of all the facts surrounding the particular case. The Company will not seek to recover awards as detailed above that became vested more than three years prior to the date the applicable restatement is disclosed.

10. Taxes, Transaction Costs and Withholding. The Participant will be solely responsible for the payment of all taxes and transaction costs relating to the granting, vesting and payment of the Award. It will be a condition to the obligation of the Company to issue or transfer shares of Stock that the Participant pay to the Company, upon its demand, such amount as may be requested by the Company for the purpose of satisfying its liability to withhold federal, state or local income or other taxes incurred in connection with the Award. If the amount requested is not paid, the Company may refuse to issue or transfer shares of Stock to the Participant (or to the Participant's beneficiary).

11. Administration. The authority to interpret and administer the terms and conditions of this Award will be vested in the Committee, and the Committee will have all powers with respect thereto as it has with respect to the Plan. Any interpretation of the Description by the Committee and any decision made by it with respect to the Description is final and binding.

12. Relation to Plan. Notwithstanding anything in this Description to the contrary, the terms of this Description will be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company. Any amendment to the Plan will be deemed to be an amendment to this Description to the extent that the amendment is applicable hereto.

13. No Employment Contract. Nothing contained in this Description will (a) confer upon the Participant any right to be employed by or remain employed by the Company or any Related Company, or (b) limit or affect in any manner the right of the Company or any Related Company to terminate the employment or adjust the compensation of the Participant.

14. Amendment and Termination. Subject to any restrictions set forth in the Plan, the Committee may (a) amend, suspend, or terminate the Plan at any time, and (b) substitute any Awards (as defined in the Plan) due currently or in the future under the Plan, including, but not limited to, any Awards (as defined in the Plan) that have accrued to the benefit of Participants but have not yet been paid.

15. Governing Law. The interpretation, performance, and enforcement of this Description will be governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof and all parties, including their successors and assigns, consent to the jurisdiction of the state and federal courts of Texas.

EXHIBIT 31(a)

CERTIFICATIONS

I, Wyman T. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Brinker International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   B. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally acceptable accounting principles;
   C. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   D. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   B. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2017

By: /s/ Wyman T. Roberts

Wyman T. Roberts,
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31(b)

CERTIFICATIONS

I, Joe Taylor certify that:

1. I have reviewed this quarterly report on Form 10-Q of Brinker International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    A. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    B. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally acceptable accounting principles;

    C. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    D. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    A. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    B. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2017

By: /s/ Joe Taylor

Joe Taylor
Interim Chief Financial Officer, Treasurer and
Vice President of Investor Relations
(Principal Financial Officer)

EXHIBIT 32(a)

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Brinker International, Inc. (the “Company”), hereby certifies that the Company’s quarterly report on Form 10-Q for the quarter ended March 29, 2017 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2017

By: /s/ Wyman T. Roberts

Wyman T. Roberts,
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32(b)

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Brinker International, Inc. (the “Company”), hereby certifies that the Company’s quarterly report on Form 10-Q for the quarter ended March 29, 2017 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2017

By: /s/ Joe Taylor

Joe Taylor
Interim Chief Financial Officer, Treasurer and
Vice President of Investor Relations
(Principal Financial Officer)