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 September 27, 2023
Commission File Number 1-10275

BRINKER INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

DE	**75-1914582**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3000 Olympus Blvd Dallas TX	**75019**
(Address of principal executive offices)	**(Zip Code)**

(972) 980-9917
(Registrant's telephone number, including area code)

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, $0.10 par value	**EAT**	**NYSE**

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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. ☐

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of October 27, 2023: 44,203,103 shares

BRINKER INTERNATIONAL, INC.
QUARTERLY REPORT ON FORM 10-Q
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Revenues		
Company sales	$ 1,002.0	$ 946.1
Franchise revenues	10.5	9.4
Total revenues	1,012.5	955.5
Operating costs and expenses		
Food and beverage costs	258.8	289.5
Restaurant labor	348.1	330.6
Restaurant expenses	290.8	268.8
Depreciation and amortization	41.9	41.9
General and administrative	42.4	39.5
Other (gains) and charges	6.3	5.0
Total operating costs and expenses	988.3	975.3
Operating income (loss)	24.2	(19.8)
Interest expenses	17.0	12.3
Other income, net	—	(0.4)
Income (loss) before income taxes	7.2	(31.7)
Provision (benefit) for income taxes	—	(1.5)
Net income (loss)	$ 7.2	$ (30.2)
Basic net income per share	$ 0.16	$ (0.69)
Diluted net income per share	$ 0.16	$ (0.69)
Basic weighted average shares outstanding	44.6	43.9
Diluted weighted average shares outstanding	45.4	43.9
Other comprehensive loss		
Foreign currency translation adjustment	$ (0.2)	$ (1.0)
Comprehensive income (loss)	$ 7.0	$ (31.2)

See accompanying Notes to Consolidated Financial Statements (Unaudited)

BRINKER INTERNATIONAL, INC.
Consolidated Balance Sheets
(In millions, except per share amounts)

	Unaudited September 27, 2023	June 28, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 14.4	$ 15.1
Accounts receivable, net	49.2	60.9
Inventories	32.5	34.5
Restaurant supplies	55.1	55.6
Prepaid expenses	24.2	17.2
Income taxes receivable	1.7	—
Total current assets	177.1	183.3
Property and equipment, at cost		
Land	42.4	42.4
Buildings and leasehold improvements	1,649.8	1,635.7
Furniture and equipment	749.1	765.8
Construction-in-progress	35.5	30.1
	2,476.8	2,474.0
Less accumulated depreciation and amortization	(1,660.9)	(1,665.7)
Net property and equipment	815.9	808.3
Other assets		
Operating lease assets	1,115.9	1,134.9
Goodwill	194.8	195.0
Deferred income taxes, net	95.4	93.4
Intangibles, net	23.0	23.9
Other	52.7	48.2
Total other assets	1,481.8	1,495.4
Total assets	$ 2,474.8	$ 2,487.0
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 141.7	$ 125.7
Gift card liability	64.9	73.0
Accrued payroll	84.2	106.1
Operating lease liabilities	112.9	112.4
Other accrued liabilities	134.9	116.3
Income taxes payable	3.0	2.4
Total current liabilities	541.6	535.9
Long-term debt and finance leases, less current installments	923.9	912.2
Long-term operating lease liabilities, less current portion	1,104.9	1,125.8
Other liabilities	60.7	57.4
Commitments and contingencies (Note 7)		
Shareholders' deficit		
Common stock (250.0 million authorized shares; $0.10 par value; 60.3 million shares issued; and 44.2 million shares outstanding at September 27, 2023 and 44.6 million shares outstanding at June 28, 2023)	6.0	6.0
Additional paid-in capital	683.8	690.0
Accumulated other comprehensive loss	(6.2)	(6.0)
Accumulated deficit	(344.7)	(351.9)
Treasury stock, at cost (16.1 million shares at September 27, 2023, and 15.7 million shares at June 28, 2023)	(495.2)	(482.4)
Total shareholders' deficit	(156.3)	(144.3)
Total liabilities and shareholders' deficit	$ 2,474.8	$ 2,487.0

See accompanying Notes to Consolidated Financial Statements (Unaudited)

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

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Cash flows from operating activities		
Net income (loss)	$ 7.2	$ (30.2)
Adjustments to reconcile Net income (loss) to Net cash provided by operating activities:		
Depreciation and amortization	41.9	41.9
Stock-based compensation	5.7	4.7
Deferred income taxes, net	(2.0)	(4.1)
Non-cash other (gains) and charges	4.3	2.4
Net loss on disposal of assets	1.7	1.5
Other	0.6	0.4
Changes in assets and liabilities:		
Accounts receivable, net	9.7	6.1
Inventories	1.9	(1.1)
Restaurant supplies	(0.1)	0.0
Prepaid expenses	(11.6)	(9.7)
Income taxes	(1.1)	1.4
Operating lease assets, net of liabilities	(1.3)	(0.9)
Accounts payable	12.8	7.1
Gift card liability	(8.1)	(8.9)
Accrued payroll	(22.0)	(5.0)
Other accrued liabilities	17.5	18.7
Other liabilities	2.0	0.3
Net cash provided by operating activities	59.1	24.6
Cash flows from investing activities		
Payments for property and equipment	(46.9)	(46.7)
Proceeds from note receivable	1.3	1.1
Net cash used in investing activities	(45.6)	(45.6)
Cash flows from financing activities		
Borrowings on revolving credit facility	129.0	135.0
Payments on revolving credit facility	(115.0)	(100.0)
Purchases of treasury stock	(24.7)	(2.0)
Payments on long-term debt	(2.8)	(5.8)
Payments for debt issuance costs	(0.7)	—
Payments of dividends	0.0	(0.2)
Net cash (used in) provided by financing activities	(14.2)	27.0
Net change in cash and cash equivalents	(0.7)	6.0
Cash and cash equivalents at beginning of period	15.1	13.5
Cash and cash equivalents at end of period	$ 14.4	$ 19.5
Supplemental disclosure of cash flow information:		
Income taxes paid, net	$ 3.2	$ 1.1
Interest paid, net of amounts capitalized	5.6	3.9
Accrued capital expenditures	15.1	20.3

See accompanying Notes to Consolidated Financial Statements (Unaudited)

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Shareholders' Deficit (Unaudited)
(In millions)

	Thirteen Week Period Ended September 27, 2023					
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Loss	Total
Balances at June 28, 2023	$ 6.0	$ 690.0	$ (351.9)	$ (482.4)	$ (6.0)	$ (144.3)
Net income	—	—	7.2	—	—	7.2
Other comprehensive loss	—	—	—	—	(0.2)	(0.2)
Stock-based compensation	—	5.7	—	—	—	5.7
Purchases of treasury stock	—	(0.2)	—	(24.5)	—	(24.7)
Issuances of treasury stock	—	(11.7)	—	11.7	—	—
Balances at September 27, 2023	$ 6.0	$ 683.8	$ (344.7)	$ (495.2)	$ (6.2)	$ (156.3)

	Thirteen Week Period Ended September 28, 2022					
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Loss	Total
Balances at June 29, 2022	$ 7.0	$ 690.9	$ (148.4)	$ (812.3)	$ (5.3)	$ (268.1)
Net loss	—	—	(30.2)	—	—	(30.2)
Other comprehensive loss	—	—	—	—	(1.0)	(1.0)
Stock-based compensation	—	4.7	—	—	—	4.7
Purchases of treasury stock	—	0.2	—	(2.2)	—	(2.0)
Issuances of treasury stock	—	(7.8)	—	7.8	—	—
Retirement of stock	(1.0)	—	(306.1)	307.1	—	—
Balances at September 28, 2022	$ 6.0	$ 688.0	$ (484.7)	$ (499.6)	$ (6.3)	$ (296.6)

See accompanying Notes to Consolidated Financial Statements (Unaudited)

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

1. BASIS OF PRESENTATION

References to “Brinker,” the “Company,” “we,” “us,” and “our” in this Form 10-Q refer to Brinker International, Inc. and its subsidiaries and any predecessor companies of Brinker International, Inc. Our Consolidated Financial Statements (Unaudited) as of September 27, 2023 and June 28, 2023, and for the thirteen week periods ended September 27, 2023 and September 28, 2022, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”).

The Company is 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. As of September 27, 2023, we owned, operated or franchised 1,651 restaurants, consisting of 1,181 Company-owned restaurants and 470 franchised restaurants, located in the United States, 29 other countries and two United States territories.

Use of Estimates

The preparation of the Consolidated Financial Statements (Unaudited) is in conformity with generally accepted accounting principles in the United States (“GAAP”) and requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements (Unaudited), and the reported amounts of revenues and costs and expenses in the reporting periods. Actual results could differ from those estimates.

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 GAAP, have been omitted pursuant to SEC rules and regulations. The Notes to Consolidated Financial Statements (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements contained in our June 28, 2023 Form 10-K. We believe the disclosures are sufficient for interim financial reporting purposes. All amounts in the Notes to Consolidated Financial Statements (Unaudited) are presented in millions unless otherwise specified.

Foreign Currency Translation

The foreign currency translation adjustment included in the Consolidated Statements of Comprehensive Income (Loss) (Unaudited) represents the unrealized impact of translating the financial statements of our Canadian restaurants from Canadian dollars to United States dollars. This amount is not included in Net income (loss) and would only be realized upon disposition of our Canadian restaurants. The related Accumulated other comprehensive loss is presented in the Consolidated Balance Sheets (Unaudited).

New Accounting Standards Implemented in Fiscal 2024

We reviewed accounting pronouncements that became effective for our fiscal 2024 and determined that either they were not applicable or they did not have a material impact on the Consolidated Financial Statements (Unaudited). We also reviewed recently issued accounting pronouncements to be adopted in future periods and determined that they are not expected to have a material impact on the Consolidated Financial Statements (Unaudited).

2. REVENUE RECOGNITION

Deferred Franchise and Development Fees

Our deferred franchise and development fees consist of the unrecognized fees received from franchisees. Recognition of these fees in subsequent periods is based on satisfaction of the contractual performance obligations of our active contracts with franchisees. We also expect to earn subsequent period royalties and advertising fees related to our franchise contracts; however, due to the variability and uncertainty of these future revenues based upon a sales-based measure, these future revenues are not yet estimable as the performance obligations remain unsatisfied.

Deferred franchise and development fees are classified within Other accrued liabilities for the current portion expected to be recognized within the next 12 months, and Other liabilities for the long-term portion in the Consolidated Balance Sheets (Unaudited).

The following table reflects the changes in deferred franchise and development fees between June 28, 2023 and September 27, 2023:

	Deferred Franchise and Development Fees
Balance as of June 28, 2023	$ 11.1
Amount recognized to Franchise revenues	(0.4)
Balance as of September 27, 2023	$ 10.7

The following table illustrates franchise and development fees expected to be recognized in the future related to performance obligations that were unsatisfied or partially unsatisfied as of September 27, 2023:

Fiscal Year	Franchise and Development Fees Revenue Recognition
Remainder of 2024	$ 0.7
2025	0.9
2026	0.8
2027	0.8
2028	0.7
Thereafter	6.8
	$ 10.7

Deferred Gift Card Revenues

Deferred revenues related to our gift cards include the full value of unredeemed gift card balances less recognized breakage and the unamortized portion of third party fees. The following table reflects the changes in the Gift card liability between June 28, 2023 and September 27, 2023:

	Gift Card Liability
Balance as of June 28, 2023	$ 73.0
Gift card sales	18.1
Gift card redemptions recognized to Company sales	(23.8)
Gift card breakage recognized to Company sales	(3.0)
Other	0.6
Balance as of September 27, 2023	$ 64.9

3. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date under market conditions. Fair value measurements are categorized in three levels based on the types of significant inputs used, as follows:

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Observable inputs other than quoted prices in active markets for identical assets or liabilities
Level 3	Unobservable inputs that cannot be corroborated by observable market data

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 our revolving credit facility approximates fair value as the interest rate on this instrument approximates current market rates (Level 2). The fair values of the 5.000% and 8.250% notes are based on quoted market prices and are considered Level 2 fair value measurements.

The 5.000% notes and 8.250% notes carrying amounts, which are net of unamortized debt issuance costs and discounts, and fair values are as follows:

	September 27, 2023		June 28, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
5.000% notes	$ 349.2	$ 342.0	$ 349.0	$ 343.5
8.250% notes	344.5	342.6	344.3	348.3

Non-Financial Assets

The fair values of transferable liquor licenses are based on prices in the open market for licenses in the same or similar jurisdictions and are categorized as Level 2. The fair values of other non-financial assets are determined based on appraisals, sales prices of comparable assets or estimates of discounted cash flow and are categorized as Level 3.

We review the carrying amounts of non-financial assets, primarily long-lived property and equipment, finance lease assets, operating lease assets, reacquired franchise rights, goodwill and transferable liquor licenses annually or when events or circumstances indicate that the fair value may not substantially exceed the carrying amount. We record an impairment charge for the excess of the carrying amount over the fair value. Any impairment charges are included in Other (gains) and charges in the Consolidated Statements of Comprehensive Income (Loss) (Unaudited). During the thirteen week periods ended September 27, 2023 and September 28, 2022, no indicators of impairment were identified.

Intangibles, net in the Consolidated Balance Sheets (Unaudited) includes both indefinite-lived intangible assets such as transferable liquor licenses and definite-lived intangible assets such as reacquired franchise rights. Accumulated amortization associated with definite-lived intangible assets at September 27, 2023 and June 28, 2023, was $16.0 million and $15.3 million, respectively.

4. ACCRUED LIABILITIES

Other accrued liabilities consist of the following:

	September 27, 2023	June 28, 2023
Property tax	$ 29.4	$ 24.5
Insurance	27.9	29.3
Interest	17.1	6.4
Sales tax	16.6	17.3
Utilities and services	10.7	10.4
Current installments of finance lease obligations	10.2	10.2
Other	23.0	18.2
	$ 134.9	$ 116.3

5. LEASES

We typically lease our restaurant facilities through ground leases (where we lease land only, but construct the building and improvements) or retail leases (where we lease the land/retail space and building). In addition to our restaurant facilities, we also lease our corporate headquarters location and certain equipment.

The components of lease expenses included in the Consolidated Statements of Comprehensive Income (Loss) (Unaudited) were as follows:

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Operating lease cost	$ 45.6	$ 45.1
Variable lease cost	15.6	15.6
Finance lease amortization	3.2	5.2
Finance lease interest	0.9	1.1
Short-term lease cost	0.1	0.1
Sublease income	(0.4)	(0.9)
Total lease costs, net	$ 65.0	$ 66.2

Supplemental cash flow information related to leases:

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Operating lease assets obtained in exchange for operating lease liabilities	$ 9.1	$ 23.6
Finance leases assets obtained in exchange for finance lease liabilities	0.1	0.2

Finance lease assets are recorded in Property and equipment, at cost, and the net balance as of September 27, 2023 and June 28, 2023 was $48.1 million and $51.3 million, respectively.

6. DEBT

Long-term debt consists of the following:

	September 27, 2023	June 28, 2023
Revolving credit facility	$ 175.3	$ 161.3
5.000% notes	350.0	350.0
8.250% notes	350.0	350.0
Finance lease obligations	65.1	67.8
Total long-term debt	940.4	929.1
Less: unamortized debt issuance costs and discounts	(6.3)	(6.7)
Total long-term debt, less unamortized debt issuance costs and discounts	934.1	922.4
Less: current installments of long-term debt and finance leases[1]	(10.2)	(10.2)
Total long-term debt, less current portion	$ 923.9	$ 912.2

(1) Current installments of long-term debt consist of finance leases and are recorded within Other accrued liabilities in the Consolidated Balance Sheets (Unaudited). Refer to Note 4 - Accrued Liabilities for further details.

Revolving Credit Facility

In the thirteen week period ended September 27, 2023, net borrowings of $14.0 million were drawn on our revolving credit facility. As of September 27, 2023, $724.7 million of credit was available under the revolving credit facility.

The $900.0 million revolving credit facility matures on August 18, 2026 and bears interest of SOFR plus an applicable margin of 1.50% to 2.25% and an undrawn commitment fee of 0.25% to 0.35%, both based on a function of our debt-to-cash-flow ratio. As of September 27, 2023, our interest rate was 7.17% consisting of SOFR of 5.32% plus the applicable margin and spread adjustment of 1.85%.

Financial Covenants

Our debt agreements contain various financial covenants that, among other things, require the maintenance of certain leverage ratios. As of September 27, 2023, we were in compliance with our covenants pursuant to the $900.0 million revolving credit facility and under the terms of the indentures governing our 5.000% and 8.250% notes.

7. CONTINGENCIES

Lease Commitments

We have, in certain cases, divested brands or sold restaurants to franchisees and have not been released from lease guarantees for the related restaurants. As of September 27, 2023 and June 28, 2023, we have outstanding lease guarantees or are secondarily liable for an estimated $14.6 million and $16.9 million, respectively. These amounts represent the maximum known potential liability of rent payments under the leases, but outstanding rent payments can exist outside of our knowledge as a result of the landlord and tenant relationship being between two third parties. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from fiscal 2024 through fiscal 2029.

We have received notices of default and have been named a party in lawsuits pertaining to some of these leases in circumstances where the current lessee did not pay its rent obligations. In the event of default under a lease by an owner of a divested brand, the indemnity and default clauses in our agreements with such third parties and applicable laws govern our ability to pursue and recover amounts we may pay on behalf of such parties. In the thirteen week period ended September 27, 2023 we recorded a $0.5 million charge in Other (gains) and charges in the Consolidated Statements of Comprehensive Income.

Letters of Credit

We provide letters of credit to various insurers to collateralize obligations for outstanding claims. As of September 27, 2023, we had $5.8 million in undrawn standby letters of credit outstanding. All standby letters of credit are renewable within the next 12 months.

Cyber Security Litigation

In fiscal 2018, we discovered malware at certain Chili's restaurants that may have resulted in unauthorized access or acquisition of customer payment card data. We settled all claims from payment card companies related to this incident and do not expect material claims from payment card companies in the future. In connection with this event, the Company was also named as a defendant in a putative class action lawsuit in the United States District Court for the Middle District of Florida (the "Litigation") relating to this incident. In the Litigation, plaintiffs assert various claims at the Company's Chili's restaurants involving customer payment card information and seek monetary damages in excess of $5.0 million, injunctive and declaratory relief, and attorney's fees and costs.

On August 15, 2023, we filed a Petition for Panel or En Banc Rehearing seeking further review by the Eleventh Circuit Court of Appeals of the panel's July 11, 2023, decision vacating in part the district court's class certification order. Rehearing was sought to address the panel's upholding of the plaintiffs' damages methodology. The Eleventh Circuit denied our petition on September 15, 2023. We are exploring the option of petitioning the United States Supreme Court for further review. All matters at the district court remain stayed. We believe we have defenses and intend to continue defending the Litigation. As such, as of September 27, 2023, we have concluded that a loss, or range of loss, from this matter is not determinable, therefore, we have not recorded a liability related to the Litigation. We will continue to evaluate this matter based on new information as it becomes available.

Legal Proceedings

Evaluating contingencies related to litigation is a process involving 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. Liabilities 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 the consolidated financial condition or results of operations.

8. INCOME TAXES

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Effective income tax rate	— %	4.7 %

The federal statutory tax rate was 21.0% for the thirteen week periods ended September 27, 2023 and September 28, 2022.

The effective income tax rate in the thirteen week period ended September 27, 2023 decreased compared to the thirteen week period ended September 28, 2022. The decrease is primarily due to a less favorable impact from the FICA tip tax credit against higher Income before income taxes.

9. SHAREHOLDERS’ DEFICIT

Retirement of Common Stock

During the first quarter of fiscal 2023, the Board of Directors approved the retirement of 10.0 million shares of Treasury stock for a weighted average price per share of $30.71. As of September 27, 2023, 16.1 million shares remain in treasury.

Share Repurchases

Our Board of Directors approved a $300.0 million share repurchase program during fiscal 2022. Our share repurchase program is 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.

In the thirteen week period ended September 27, 2023, we repurchased 0.8 million shares of our common stock for $24.7 million, including 0.7 million shares purchased for $21.0 million as part of our share repurchase program and 0.1 million shares purchased from team members to satisfy tax withholding obligations on the vesting of restricted shares. These withheld shares of common stock are not considered common stock repurchases under our authorized common stock repurchase plan. As of September 27, 2023, approximately $183.0 million of share repurchase authorization remains under the current share repurchase program.

Stock-based Compensation

The following table presents the restricted share awards granted and related weighted average fair value per share amounts.

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Restricted share awards		
Restricted share awards granted	0.6	0.5
Weighted average fair value per share	$ 33.12	$ 28.42

10. NET INCOME PER SHARE

Basic net income per share is computed by dividing Net income (loss) by the Basic weighted average shares outstanding for the reporting period. 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 shares outstanding is increased by the dilutive effect of stock options and restricted share awards. 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 are reconciled to Diluted weighted average shares outstanding as follows:

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Basic weighted average shares outstanding	44.6	43.9
Dilutive stock options[1]	0.0	—
Dilutive restricted shares[1]	0.8	—
Total dilutive impact	0.8	—
Diluted weighted average shares outstanding	45.4	43.9
Awards excluded due to anti-dilutive effect	0.8	2.8

(1) Due to the net loss for the thirteen week period ended September 28, 2022, zero incremental shares are included because the effect would be anti-dilutive.

11. OTHER GAINS AND CHARGES

Other (gains) and charges in the Consolidated Statements of Comprehensive Income (Loss) (Unaudited) consist of the following:

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Litigation & claims, net	$ 2.2	$ 0.5
Enterprise system implementation costs	2.0	1.0
Restaurant closure asset write-offs and charges	0.6	1.5
Lease contingencies	0.5	—
Remodel-related asset write-offs	0.2	0.8
Other	0.8	1.2
	$ 6.3	$ 5.0

- *Litigation & claims, net* primarily relates to legal contingencies and claims on alcohol service cases.

- *Enterprise system implementation costs* primarily consists of software subscription fees, certain consulting fees, and contract labor associated with the ongoing enterprise system implementation that are not capitalized.
- *Restaurant closure asset write-offs and charges* includes costs associated with the closure of certain Chili's restaurants in the current year and both Chili's and Maggiano's restaurants in the prior year.
- *Lease contingencies* includes expenses related to certain sublease receivables for divested brands when we have determined it is probable that the current lessee will default on the lease obligation. Refer to Note 7 - Contingencies for additional information about our secondarily liable lease guarantees.
- *Remodel-related asset write-offs* relates to assets that are removed or discarded in connection with Maggiano's and Chili's remodel projects.

12. 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, which are principally located in the United States, within the full-service casual dining segment of the industry. The Chili's segment also has Company-owned restaurants in Canada, and franchised locations in the United States, 29 other countries and two United States territories. The Maggiano's segment includes the results of our Company-owned Maggiano's restaurants in the United States as well as the results from our domestic franchise business. The Corporate segment includes costs related to our restaurant support teams for the Chili's and Maggiano's brands, including operations, finance, franchise, marketing, human resources and culinary innovation. The Corporate segment also includes costs related to the common and shared infrastructure, including accounting, information technology, purchasing, guest relations, legal and restaurant development.

Company sales for each segment include revenues generated by the operation of Company-owned restaurants including food and beverage sales, net of discounts, Maggiano's banquet service charge income, gift card breakage, delivery, digital entertainment revenues, merchandise income and are net of gift card discounts from third-party gift card sales. Franchise revenues for each operating segment include royalties, franchise advertising fees, franchise and development fees and gift card equalization.

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 located in the United States. There were no material transactions amongst our operating segments.

Our chief operating decision maker uses Operating income (loss) as the measure for assessing performance of our segments. Operating income includes revenues and expenses directly attributable to segment-level results of operations. Restaurant expenses during the periods presented primarily includes restaurant rent, repairs and maintenance, delivery fees and to-go supplies, supplies, utilities, advertising, credit card processing fees, and workers' compensation and general liability insurance.

The following tables reconcile our segment results to our consolidated results reported in accordance with GAAP:

	Thirteen Week Period Ended September 27, 2023			
	Chili's	Maggiano's	Corporate	Consolidated
Company sales	$ 897.8	$ 104.2	$ —	$ 1,002.0
Franchise revenues	10.3	0.2	—	10.5
Total revenues	908.1	104.4	—	1,012.5
Food and beverage costs	233.1	25.7	—	258.8
Restaurant labor	311.0	37.1	—	348.1
Restaurant expenses	258.5	32.2	0.1	290.8
Depreciation and amortization	36.2	3.2	2.5	41.9
General and administrative	10.0	2.4	30.0	42.4
Other (gains) and charges	3.7	0.2	2.4	6.3
Total operating costs and expenses	852.5	100.8	35.0	988.3
Operating income (loss)	55.6	3.6	(35.0)	24.2
Interest expenses	0.8	0.1	16.1	17.0
Other income, net	—	—	—	—
Income (loss) before income taxes	$ 54.8	$ 3.5	$ (51.1)	$ 7.2
Segment assets	$ 2,066.7	$ 245.5	$ 162.6	$ 2,474.8
Payments for property and equipment	38.9	5.2	2.8	46.9

	Thirteen Week Period Ended September 28, 2022			
	Chili's	Maggiano's	Corporate	Consolidated
Company sales	$ 840.6	$ 105.5	$ —	$ 946.1
Franchise revenues	9.3	0.1	—	9.4
Total revenues	849.9	105.6	—	955.5
Food and beverage costs	260.9	28.6	—	289.5
Restaurant labor	294.4	36.2	—	330.6
Restaurant expenses	236.9	31.7	0.2	268.8
Depreciation and amortization	36.0	3.2	2.7	41.9
General and administrative	9.5	2.5	27.5	39.5
Other (gains) and charges	3.0	0.5	1.5	5.0
Total operating costs and expenses	840.7	102.7	31.9	975.3
Operating income (loss)	9.2	2.9	(31.9)	(19.8)
Interest expenses	1.0	0.1	11.2	12.3
Other income, net	—	—	(0.4)	(0.4)
Income (loss) before income taxes	$ 8.2	$ 2.8	$ (42.7)	$ (31.7)
Payments for property and equipment	$ 42.7	$ 1.9	$ 2.1	$ 46.7

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help you understand our Company, our operations and our current operating environment. For an understanding of the significant factors that influenced our performance during the thirteen week periods ended September 27, 2023 and September 28, 2022, the MD&A should be read in conjunction with the Consolidated Financial Statements (Unaudited) and related Notes to Consolidated Financial Statements (Unaudited) included in this quarterly report. All amounts within the MD&A are presented in millions unless otherwise specified.

Overview

The Company is 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. As of September 27, 2023, we owned, operated or franchised 1,651 restaurants, consisting of 1,181 Company-owned restaurants and 470 franchised restaurants, located in the United States, 29 other countries and two United States territories. Our restaurant brands, Chili’s and Maggiano’s, are both operating segments and reporting units.

External Impacts to Our Operating Environment

Our operating results were impacted by geopolitical and other macroeconomic events, leading to higher than usual inflation on wages and food and beverage costs during fiscal 2023 and to a lesser extent during the first quarter of fiscal 2024.

Operations Strategy

We are committed to strategies and a Company culture that we believe will grow sales, increase profits, bring back guests and engage team members. Our strategies and culture are intended to strengthen our position in casual dining and grow our core business over time. Our primary brand strategy is to make our guests feel special through great food and quality service so that they return to our restaurants.

Chili’s - Our strategy is to make everyone feel special through a fun atmosphere, delicious food and drinks and our Chili’s hospitality. We are making work at Chili’s easier, more fun and more rewarding for our team members so that they are more engaged and provide a better experience for our guests. One way we have done this is by eliminating tasks that were unnecessary and did not add value to our guests. We have also simplified our menu to focus on core equities we believe can help grow sales—burgers, fajitas, Chicken Crispers®, and margaritas, as well as other classic favorites. Our team members can make our core menu items better and more consistently because we have fewer menu items that need to be perfected.

We have a flexible platform of value offerings at both lunch and dinner that we believe is compelling to our guests. Our “3 for Me” platform, a flexible value bundle provides our guests an unbeatable everyday value, while allowing us to be more flexible in terms of pricing, in light of the inflationary challenges. Additionally, we have continued our Margarita of the Month promotion that features a premium-liquor margarita every month at an every-day value price. Most of our value propositions are available for guests to enjoy in our dining rooms or off-premise.

In dining rooms, we use tabletop devices to engage our guests at the table. These devices provide functionality for guests to pay at the table, order or re-order, engage in digital entertainment, to provide guest feedback and interact with our My Chili’s Rewards program. Our My Chili’s Rewards loyalty program offers free chips and salsa or a non-alcoholic beverage to members based on their visit frequency. We customize offerings for these guests based on their purchase behavior. Our servers use handheld tablets to place orders for our guests, increasing the efficiency of our team members and allowing orders to reach our kitchen quicker for better service to our guests. Third-party delivery orders for our restaurants are sent directly into our point of sale system, creating efficiencies and a system that allows us to better serve our guests. The operating results for our virtual brand, It’s Just Wings®, are included in the results of our Chili’s brand, based on the restaurants that prepared and processed the food orders.

Maggiano's - At Maggiano's, we are focused making our guests feel special. This warm and generous hospitality creates an environment where guests come together to celebrate birthdays, weddings and many more special occasions. While our dining rooms support the majority of our business, we have focused on increasing our carry-out and delivery business in recent years, including through partnerships with delivery service providers that have made our restaurants more accessible to guests and helped create an additional significant revenue channel. Our restaurants also have banquet rooms to host large party events and we have a begun to renovate these banquet rooms in certain restaurants to provide a better experience for this profitable revenue channel, particularly during the holiday season in the second and third quarters of the fiscal year.

Franchise Partnerships - Our franchisees continue to grow our brands around the world, opening 3 restaurants for the thirteen week period ended September 27, 2023. We plan to strategically pursue expansion of Chili's internationally through development agreements with new and existing franchise partners.

Company Development - The following table details the number of restaurant openings during the thirteen week periods ended September 27, 2023 and September 28, 2022, respectively, total full year projected openings in fiscal 2024 and the total restaurants open at each period end:

	Openings During the Thirteen Week Periods Ended		Full Year Projected Openings	Total Open Restaurants at	
	September 27, 2023	September 28, 2022	Fiscal 2024	September 27, 2023	September 28, 2022
Company-owned restaurants					
Chili's domestic	—	—	11	1,126	1,126
Chili's international	—	—	—	5	5
Maggiano's domestic	—	—	—	50	51
Total Company-owned	—	—	11	1,181	1,182
Franchise restaurants					
Chili's domestic	—	1	0-1	100	102
Chili's international	3	2	19-24	368	359
Maggiano's domestic	—	—	—	2	2
Total franchise	3	3	19-25	470	463
Total restaurants					
Chili's domestic	—	1	11-12	1,226	1,228
Chili's international	3	2	19-24	373	364
Maggiano's domestic	—	—	—	52	53
Total	3	3	30-36	1,651	1,645

At September 27, 2023, we own property for 49 of the 1,181 Company-owned restaurants and one closed restaurant and one future restaurant. The net book values associated with these restaurants included land of $42.4 million and buildings of $12.1 million.

Revenues

Thirteen Week Period Ended September 27, 2023 compared to September 28, 2022

Revenues are presented in two separate captions in the Consolidated Statements of Comprehensive Income (Loss) (Unaudited) to provide more clarity around Company-owned restaurant revenues and operating expenses trends:

- Company sales include revenues generated by the operation of Company-owned restaurants including food and beverage sales, net of discounts, Maggiano's banquet service charge income, gift card breakage, delivery, digital entertainment revenues, merchandise income and are net of gift card discounts from third-party gift card sales.

- Franchise revenues include royalties, franchise advertising fees, franchise and development fees and gift card equalization.

The following is a summary of the change in Total revenues:

	Total Revenues		
	Chili's	Maggiano's	Total Revenues
Thirteen Week Period Ended September 28, 2022	$ 849.9	$ 105.6	$ 955.5
Change from:			
Comparable restaurant sales	50.7	2.6	53.3
Restaurant acquisitions	0.6	—	0.6
Restaurant openings	13.1	—	13.1
Gift card discounts	(0.1)	—	(0.1)
Gift card breakage	0.2	—	0.2
Digital entertainment revenues	0.1	—	0.1
Delivery service fee income	(0.3)	—	(0.3)
Restaurant closures	(7.1)	(3.9)	(11.0)
Company sales	57.2	(1.3)	55.9
Franchise revenues[1]	1.0	0.1	1.1
Thirteen Week Period Ended September 27, 2023	$ 908.1	$ 104.4	$ 1,012.5

(1) Franchise revenues increased in the thirteen week period ended September 27, 2023 compared to September 28, 2022 primarily because of higher franchise advertising fees. Our Chili's and Maggiano's franchisees generated sales of approximately $202.8 million and $2.4 million respectively for the thirteen week period ended September 27, 2023 compared to $203.3 million and $2.4 million respectively in sales for the thirteen week period ended September 28, 2022.

The table below presents the percentage change in comparable restaurant sales and restaurant capacity for the thirteen week period ended September 27, 2023 compared to September 28, 2022:

	Percentage Change in the Thirteen Week Period Ended September 27, 2023 versus September 28, 2022				
	Comparable Restaurant Sales[1]	Price Impact	Mix-Shift Impact[2]	Traffic Impact	Restaurant Capacity[3]
Company-owned	5.8 %	8.9 %	2.7 %	(5.8)%	(0.3)%
Chili's	6.1 %	8.8 %	3.1 %	(5.8)%	(0.2)%
Maggiano's	2.6 %	9.5 %	(1.2)%	(5.7)%	(3.8)%
Franchise[4]	4.0 %				
U.S.	5.0 %				
International	3.4 %				
Chili's domestic[5]	6.0 %				
System-wide[6]	5.5 %				

(1) Comparable Restaurant Sales include all restaurants that have been in operation for more than 18 full months. Restaurants temporarily closed 14 days or more are excluded from Comparable Restaurant Sales. Percentage amounts are calculated based on the comparable periods year-over-year.

(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) Restaurant Capacity is measured by sales weeks and is calculated based on comparable periods year-over-year.

(4) Chili's and Maggiano's franchise sales generated by franchisees are not included in Total revenues in the Consolidated Statements of Comprehensive Income (Loss) (Unaudited); however, we generate royalty revenues and advertising fees based on franchisee revenues, where applicable. We believe presenting Franchise Comparable Restaurant Sales provides investors relevant information regarding total brand performance.

(5) 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.

(6) System-wide Comparable Restaurant Sales are derived from sales generated by Chili's and Maggiano's Company-owned and franchise-operated restaurants.

Costs and Expenses

Thirteen Week Period Ended September 27, 2023 compared to September 28, 2022

The following is a summary of the changes in Costs and Expenses:

	Thirteen Week Periods Ended					
	September 27, 2023		September 28, 2022		Favorable (Unfavorable) Variance	
	Dollars	% of Company Sales	Dollars	% of Company Sales	Dollars	% of Company Sales
Food and beverage costs	$ 258.8	25.8 %	$ 289.5	30.7 %	$ 30.7	4.9 %
Restaurant labor	348.1	34.8 %	330.6	34.9 %	(17.5)	0.1 %
Restaurant expenses	290.8	29.0 %	268.8	28.4 %	(22.0)	(0.6)%
Depreciation and amortization	41.9		41.9		—	
General and administrative	42.4		39.5		(2.9)	
Other (gains) and charges	6.3		5.0		(1.3)	
Interest expenses	17.0		12.3		(4.7)	
Other income, net	—		(0.4)		(0.4)	

As a percentage of Company sales:

- *Food and beverage costs* were favorable 4.9%, due to 2.5% from increased menu pricing, 1.4% of favorable menu item mix, and 1.0% of favorable commodity costs driven primarily by lower poultry costs, partially offset by higher beverages costs.

- *Restaurant labor* was favorable 0.1%, due to 1.8% of sales leverage and 0.2% of lower manager training, partially offset by 1.2% of higher hourly labor expenses due to increased staffing levels and wage rates, 0.5% of higher manager salaries, and 0.2% of higher manager bonus.

- *Restaurant expenses* were unfavorable 0.6%, due to 2.0% of higher advertising, 0.5% of higher repairs and maintenance, 0.4% of higher workers' compensation and general liability insurance, and 0.2% of higher other restaurant expenses, partially offset by 1.3% of sales leverage and 1.2% of lower delivery fees and to-go supplies.

Depreciation and amortization remained unchanged as follows:

		Depreciation and Amortization
Thirteen Week Period Ended September 28, 2022	$	41.9
Change from:		
Additions for new and existing restaurant assets		6.5
Corporate assets		0.6
Finance leases		(1.9)
Retirements and fully depreciated restaurant assets		(5.1)
Other		(0.1)
Thirteen Week Period Ended September 27, 2023	$	41.9

General and administrative expenses increased $2.9 million as follows:

		General and Administrative
Thirteen Week Period Ended September 28, 2022	$	39.5
Change from:		
Performance-based compensation		1.3
Stock-based compensation		0.9
Defined contribution plan employer expenses and other benefits		0.3
Other		0.4
Thirteen Week Period Ended September 27, 2023	$	42.4

Other (gains) and charges consisted of the following (for further details, refer to Note 11 - Other Gains and Charges):

	Thirteen Week Periods Ended			
	September 27, 2023		September 28, 2022	
Litigation & claims, net	$	2.2	$	0.5
Enterprise system implementation costs		2.0		1.0
Restaurant closure asset write-offs and charges		0.6		1.5
Lease contingencies		0.5		—
Remodel-related asset write-offs		0.2		0.8
Other		0.8		1.2
	$	6.3	$	5.0

Interest expenses increased $4.7 million due to higher interest rates on the 8.250% notes and revolving credit facility slightly offset by lower long-term debt outstanding.

Income Taxes

	Thirteen Week Periods Ended	
	September 27, 2023	September 28, 2022
Effective income tax rate	— %	4.7 %

The federal statutory tax rate was 21.0% for the thirteen week periods ended September 27, 2023 and September 28, 2022.

The effective income tax rate in the thirteen week period ended September 27, 2023 decreased compared to the thirteen week period ended September 28, 2022. The decrease is primarily due to a less favorable impact from the FICA tip tax credit against higher Income before income taxes.

Segment Results

Chili's Segment

Thirteen Week Period Ended September 27, 2023 compared to September 28, 2022

	Thirteen Week Periods Ended			
	September 27, 2023	September 28, 2022	Favorable (Unfavorable) Variance	Variance as percentage
Company sales	$ 897.8	$ 840.6	$ 57.2	6.8 %
Franchise revenues	10.3	9.3	1.0	10.8 %
Total revenues	$ 908.1	$ 849.9	$ 58.2	6.8 %

Chili's Total revenues increased by 6.8% primarily due to menu price increases and favorable menu item mix, partially offset by lower traffic. Refer to "Revenues" section above for further details about Chili's revenues changes.

The following is a summary of the changes in Chili's operating costs and expenses:

	Thirteen Week Periods Ended					
	September 27, 2023		September 28, 2022		Favorable (Unfavorable) Variance	
	Dollars	% of Company Sales	Dollars	% of Company Sales	Dollars	% of Company Sales
Food and beverage costs	$ 233.1	26.0 %	$ 260.9	31.0 %	$ 27.8	5.0 %
Restaurant labor	311.0	34.6 %	294.4	35.0 %	(16.6)	0.4 %
Restaurant expenses	258.5	28.8 %	236.9	28.2 %	(21.6)	(0.6)%
Depreciation and amortization	36.2		36.0		(0.2)	
General and administrative	10.0		9.5		(0.5)	
Other (gains) and charges	3.7		3.0		(0.7)	

As a percentage of Company sales:

- Chili's Food and beverage costs were favorable 5.0%, due to 2.7% from increased menu pricing, 1.3% of favorable menu item mix, and 1.0% of favorable commodity costs driven primarily by lower poultry costs, partially offset by higher beverages costs.
- Chili's Restaurant labor was favorable 0.4%, due to 2.0% of sales leverage and 0.2% of lower manager training, partially offset by 1.3% of higher hourly labor driven by both increased staffing levels and wage rates and 0.5% of increased manager salary.
- Chili's Restaurant expenses were unfavorable 0.6%, due to 2.2% of higher advertising, 0.5% of higher repairs and maintenance, 0.4% of higher workers' compensation and general liability insurance, 0.3% of higher rent, and 0.1% of higher other restaurant expenses, partially offset by 1.5% of sales leverage and 1.4% lower delivery fees and to-go supplies.

Chili's Depreciation and amortization increased $0.2 million as follows:

		Depreciation and Amortization
Thirteen Week Period Ended September 28, 2022	$	36.0
Change from:		
Additions for new and existing restaurant assets		5.8
Finance leases		(1.8)
Retirements and fully depreciated restaurant assets		(3.9)
Other		0.1
Thirteen Week Period Ended September 27, 2023	$	36.2

Chili's General and administrative increased $0.5 million as follows:

		General and Administrative
Thirteen Week Period Ended September 28, 2022	$	9.5
Change from:		
Defined contribution plan employer expenses and other benefits		0.5
Performance-based compensation		0.3
Recruiting		(0.3)
Thirteen Week Period Ended September 27, 2023	$	10.0

Chili's Other (gains) and charges consisted of the following (for further details, refer to Note 11 - Other Gains and Charges):

	Thirteen Week Periods Ended			
		September 27, 2023		September 28, 2022
Litigation & claims, net	$	2.2	$	0.3
Restaurant closure asset write-offs and charges		0.6		1.1
Remodel-related asset write-offs		—		0.8
Other		0.9		0.8
	$	3.7	$	3.0

Maggiano's Segment

Thirteen Week Period Ended September 27, 2023 compared to September 28, 2022

	Thirteen Week Periods Ended			
	September 27, 2023	September 28, 2022	Favorable (Unfavorable) Variance	Variance as a percentage
Company sales	$ 104.2	$ 105.5	$ (1.3)	(1.2)%
Franchise revenues	0.2	0.1	0.1	100.0 %
Total revenues	$ 104.4	$ 105.6	$ (1.2)	(1.1)%

Maggiano's Total revenues decreased 1.1% primarily due to restaurant closures in fiscal 2023, offset slightly by favorable comparable restaurant sales due to increased menu pricing, partially offset by lower traffic and unfavorable menu item mix. Refer to "Revenues" section above for further details about Maggiano's revenues changes.

The following is a summary of the changes in Maggiano's operating costs and expenses:

	Thirteen Week Periods Ended				Favorable (Unfavorable) Variance	
	September 27, 2023		September 28, 2022			
	Dollars	% of Company Sales	Dollars	% of Company Sales	Dollars	% of Company Sales
Food and beverage costs	$ 25.7	24.7 %	$ 28.6	27.1 %	$ 2.9	2.4 %
Restaurant labor	37.1	35.6 %	36.2	34.3 %	(0.9)	(1.3)%
Restaurant expenses	32.2	30.9 %	31.7	30.1 %	(0.5)	(0.8)%
Depreciation and amortization	3.2		3.2		—	
General and administrative	2.4		2.5		0.1	
Other (gains) and charges	0.2		0.5		0.3	

As a percentage of Company sales:

- Maggiano's Food and beverage costs were favorable 2.4%, due to 1.9% from increased menu pricing and 1.1% of favorable commodity costs driven primarily by lower poultry and dairy costs, partially offset by higher bread and beverages costs, and 0.6% of unfavorable menu item mix.
- Maggiano's Restaurant labor was unfavorable 1.3%, due to 0.4% of sales deleverage, 0.4% of higher hourly labor costs, 0.3% of higher manager bonus, and 0.2% of higher manager salaries.
- Maggiano's Restaurant expenses were unfavorable 0.8%, due to 0.7% higher supervision, 0.6% of higher repairs and maintenance, 0.3% of sales deleverage, 0.3% of higher workers' compensation and general liability insurance, partially offset by 0.3% of lower delivery fees and to-go supplies, 0.3% of lower utilities, and 0.5% of lower other restaurant expenses.

Liquidity and Capital Resources

Cash Flows

Cash Flows from Operating Activities

	Thirteen Week Periods Ended		
	September 27, 2023	September 28, 2022	Favorable (Unfavorable) Variance
Net cash provided by operating activities	$ 59.1	$ 24.6	$ 34.5

Net cash provided by operating activities increased due to an increase in operating income and the timing of operational receipts and payments, partially offset by an increase in payments of performance-based compensation in the current year.

Cash Flows from Investing Activities

	Thirteen Week Periods Ended		
	September 27, 2023	September 28, 2022	Favorable (Unfavorable) Variance
Net cash used in investing activities	$ (45.6)	$ (45.6)	$ —

Net cash used in investing activities was flat compared to the prior year. Increased Chili's capital maintenance and spend on Maggiano's remodels were offset by decreased spend on Chili's remodels and new restaurant construction.

Cash Flows from Financing Activities

	Thirteen Week Periods Ended		
	September 27, 2023	September 28, 2022	Favorable (Unfavorable) Variance
Net cash (used in) provided by financing activities	$ (14.2)	$ 27.0	$ (41.2)

Net cash (used in) provided by financing activities increased primarily due to an increase in share repurchases in fiscal 2024 of $22.7 million and a decrease of $21.0 million in net borrowing activity on the revolving credit facility in fiscal 2024 compared to fiscal 2023.

Debt

Net borrowings of $14.0 million were drawn during the thirteen week period ended September 27, 2023 on the revolving credit facility. As of September 27, 2023, $724.7 million of credit was available under the revolving credit facility.

The $900.0 million revolving credit facility matures on August 18, 2026 and bears interest of SOFR plus an applicable margin of 1.50% to 2.25% and an undrawn commitment fee of 0.25% to 0.35%, both based on a function of our debt-to-cash-flow ratio. As of September 27, 2023, our interest rate was 7.17% consisting of SOFR of 5.32% plus the applicable margin and spread adjustment of 1.85%.

As of September 27, 2023, we were in compliance with our covenants pursuant to the $900.0 million revolving credit facility and under the terms of the indentures governing our 5.000% and 8.250% notes. We expect to remain in compliance with our covenants during the remainder of fiscal 2024.

We intend to refinance our 5.000% notes, which will mature in October 2024, through our existing revolving credit facility.

Refer to Note 6 - Debt for further information about our notes and revolving credit facility.

Share Repurchase Program

Our Board of Directors approved a $300.0 million share repurchase program during fiscal 2022. Our share repurchase program is 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.

In the thirteen week period ended September 27, 2023, we repurchased 0.8 million shares of our common stock for $24.7 million, including 0.7 million shares purchased for $21.0 million as part of our share repurchase program and 0.1 million shares purchased from team members to satisfy tax withholding obligations on the vesting of restricted shares. These withheld shares of common stock are not considered common stock repurchases under our authorized common stock repurchase plan. As of September 27, 2023, approximately $183.0 million of share repurchase authorization remains under the current share repurchase program.

Cash Flow Outlook

Cash flow from operations typically provides the company with a significant source of liquidity. Additionally, during fiscal 2023, we increased the capacity under our revolving credit facility by $100.0 million and issued new $350.0 million senior notes that mature in 2030.

Based on the current level of operations, we believe that our current cash and cash equivalents, coupled with cash generated from operations and availability under our existing revolving credit facility will be adequate to meet our capital expenditure and working capital needs for at least the next twelve months. We continue to monitor the macro environment and will adjust our overall approach to capital allocation, including share repurchases, as events and macroeconomic trends unfold.

Critical Accounting Estimates

The preparation of the financial statements in conformity with GAAP requires us to make estimates and assumptions for the reporting periods covered by the financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent liabilities. Actual results could differ from these estimates. Our critical accounting estimates have not changed materially from those previously reported in our Annual Report on Form 10-K for the fiscal year ended June 28, 2023.

Recent Accounting Pronouncements

The impact of recent accounting pronouncements can be found at Note 1 - Basis of Presentation in the Notes to Consolidated Financial Statements (Unaudited) set forth in Part I, Item 1 of this Form 10-Q report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The terms of our revolving credit facility require us to pay interest on outstanding borrowings at SOFR plus an applicable margin based on a function of our debt-to-cash flow ratio. As of September 27, 2023, $175.3 million was outstanding under the revolving credit facility. For purposes of illustration, a 10% increase in the current interest rate on the outstanding balance of this variable rate financial instrument as of September 27, 2023 would result in an additional $1.3 million of interest expense during fiscal 2024.

Commodity Price Risk

We purchase food and other commodities for use in our operations based on market prices established with our suppliers. While our purchasing commitments partially mitigate the risk of such fluctuations, there is no assurance that supply and demand factors such as disease, inclement weather or recent geopolitical unrest, will not cause the prices of the commodities used in our restaurant operations to fluctuate. The aggregate impact of these and other factors have contributed to significant cost inflation. Additionally, if there is a time lag between the increasing commodity prices and our ability to increase menu prices or if we believe the commodity price increase to be short in duration and we choose not to pass on the cost increases, our short-term financial results could be negatively affected.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting during the thirteen week period ended September 27, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

Information and statements contained in this Form 10-Q, in our other filings with the SEC or in our written and verbal communications that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are generally accompanied by words like “believes,” “anticipates,” “estimates,” “predicts,” “expects,” “plans,” “intends,” “projects,” “continues” and other similar expressions that convey uncertainty about future events or outcomes. Forward-looking statements are based on our current plans and expectations and involve risks and uncertainties which could cause actual results to differ materially from our historical results or from those projected in forward-looking statements. These risks and uncertainties are, in many instances, beyond our control. We wish to caution you against placing undue reliance on forward-looking statements because of these risks and uncertainties. Except as required by law, 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 forward-looking statements contained in this Form 10-Q report are subject to the risks and uncertainties described in Part I, Item IA “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 28, 2023, and below in Part II, Item 1A “Risk Factors” in this report on Form 10-Q, as well as the risks and uncertainties that generally apply to all businesses. We further caution that it is not possible to identify all risks and uncertainties, and you should not consider the identified factors as a complete list of all risks and uncertainties. Among the factors that could cause actual results to differ materially are: the impact of general economic conditions, including inflation, on economic activity and on our operations; disruptions on our business including consumer demand, costs, product mix, our strategic initiatives, our partners’ supply chains, operations, technology and assets, and our financial performance; the impact of competition; changes in consumer preferences; consumer perception of food safety; reduced consumer discretionary spending; unfavorable publicity; governmental regulations; the Company's ability to meet its business strategy plan; loss of key management personnel; failure to hire and retain high-quality restaurant management and team members: increasing regulation surrounding wage inflation and competitive labor markets; the impact of social media or other unfavorable publicity; reliance on technology and third party delivery providers; failure to protect the security of data of our guests and team members; product availability and supply chain disruptions; regional business and economic conditions; volatility in consumer, commodity, transportation, labor, currency and capital markets; litigation; franchisee success; technology failures; failure to protect our intellectual property; outsourcing; impairment of goodwill or assets; failure to maintain effective internal control over financial reporting; downgrades in credit ratings; changes in estimates regarding our assets; actions of activist shareholders; failure to comply with new environmental, social and governance ("ESG") requirements; failure to achieve any goals, targets or objectives with respect to ESG matters; adverse weather conditions; terrorist acts; health epidemics or pandemics; tax reform; inadequate insurance coverage and limitations imposed by our credit agreements

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding legal proceedings is incorporated by reference from Note 7 - Contingencies in the Notes to Consolidated Financial Statements (Unaudited) set forth in Part I, Item 1 of this Form 10-Q report.

ITEM 1A. RISK FACTORS

In addition to the other information in this Form 10-Q report, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 28, 2023, which could materially affect 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.

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 fiscal year ended June 28, 2023.

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

Our Board of Directors approved a $300.0 million share repurchase program during fiscal 2022.

During the thirteen week period ended September 27, 2023, we repurchased shares as follows (in millions, except per share amounts, unless otherwise noted):

	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value that May Yet be Purchased Under the Program
June 29, 2023 through August 2, 2023	—	$ —	—	$ 204.0
August 3, 2023 through August 30, 2023	0.1	33.58	—	204.0
August 31, 2023 through September 27, 2023	0.7	31.06	0.7	183.0
Total	0.8	$ 31.36	0.7	

(1) 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 thirteen week period ended September 27, 2023, 113,118 shares were tendered by team members at an average price of $33.19.

ITEM 5. OTHER INFORMATION

During the thirteen week period ended September 27, 2023, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

Exhibit	Description
3.1	Certificate of Incorporation of Registrant, as amended[1]
3.2	Bylaws of Registrant[2]
10(a)	Registrant's Terms of Fiscal 2024 Retention Restricted Stock Unit Award *
10(b)	Registrant's Terms of Fiscal 2024 Restricted Stock Unit Award*
10(c)	Registrant's Fiscal 2024 Performance Share Plan*
31(a)	Certification by Kevin D. Hochman, President and Chief Executive Officer of the Registrant and President of Chili's Grill & Bar, pursuant to 17 CFR 240.13a – 14(a) or 17 CFR 240.15d – 14(a)*
31(b)	Certification by Joseph G. Taylor, Executive Vice President and Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a – 14(a) or 17 CFR 240.15d – 14(a)*
32(a)	Certification by Kevin D. Hochman, President and Chief Executive Officer of the Registrant and President of Chili's Grill & Bar, 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 Joseph G. Taylor, Executive Vice President and Chief Financial 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*
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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
104	The cover page from the Registrant's Quarterly Report on Form 10-Q for the thirteen week period ended September 27, 2023 is formatted in Inline XBRL.

* Filed herewith.

(1) Filed as an exhibit to Annual Report on Form 10-K for fiscal year ended June 28, 1995 and incorporated herein by reference.

(2) Filed as an exhibit to Annual Report on Form 10-K for fiscal year ended June 27, 2018 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	BRINKER INTERNATIONAL, INC., a Delaware corporation	
Date: November 1, 2023	By:	/S/ KEVIN D. HOCHMAN
		Kevin D. Hochman, President and Chief Executive Officer of Brinker International, Inc. and President of Chili's Grill & Bar (Principal Executive Officer)
Date: November 1, 2023	By:	/S/ JOSEPH G. TAYLOR
		Joseph G. Taylor, Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

BRINKER INTERNATIONAL, INC.
RESTRICTED STOCK UNIT AWARD TERMS

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 such number of Restricted Stock Units as specified in your award letter (the “Award”). For purposes of the Award, a “Restricted Stock Unit” means the right to receive a share of Stock, subject to the satisfaction of all applicable terms and conditions. The Award is in all respects subject to the provisions of the Plan (the terms of which are incorporated herein by reference), these Award terms (the “Award Terms”) and your award letter.

1. Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used but not defined in the Award or these Award Terms will have the meaning set forth in the Plan. For purposes of the Award and these Award Terms, the terms listed below are defined as follows:

a. Award Date. The term “Award Date” with respect to each Participant means the date the Company grants Restricted Stock Units as set forth in the Award for such Participant.

b. Cause. The term “Cause” means one or more of the following as determined by the affirmative vote of at least a majority of the Board or executive committee thereof:

(i) An act of fraud, misappropriation, embezzlement, theft or falsification of Company records by the Participant in connection with the Company or a Related Company;

(ii) Gross mismanagement or gross neglect of the Participant’s duties to the Company or a Related Company;

(iii) A material breach of the Company’s written policies (such as the Company’s code of conduct), including unethical conduct, violation of law, acts of violence or threats of violence or other inappropriate behavior that causes substantial reputational harm to the Company or exposes the Company to substantial legal liability;

(iv) Commission of an act or omission which causes the Participant or the Company to be in violation of federal or state securities laws, rules or regulations; or

(v) Conviction of the Participant by a court of competent jurisdiction of a felony.

c. 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.

d. Code Section 409A. The term "Code Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder.

e. Disability. Except as otherwise provided by the Committee, the Participant will be considered to have a "Disability" during the period in which the Participant is unable, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition is expected to have a duration of not less than 120 days.

f. Executive Participant. The term "Executive Participant" means any Participant who is the Chief Executive Officer, an Executive Vice President or a Senior Vice President of the Company.

g. 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 the Executive Participant'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 the Executive Participant's target annual bonus opportunity; (C) a relocation of the principal location at which the Executive 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 these Award Terms 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 the Executive Participant's title, reporting relationship, authority, duties or responsibilities; or (F) in the case of an Executive Participant who is the Chief Executive Officer of the Company only, a failure of any successor to the Company to nominate the Executive Participant for election by shareholders to the successor company's board of directors; and

(ii) the Executive 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.

h. Rule of 70. The term "Rule of 70" means that the sum of the Participant's age and the Participant's years of continuous service with the Company or a Related Company (measured from a Participant's most recent date of hire or rehire only and taking into account partial years) equals or exceeds 70.

2. Term of Restricted Stock Units. The "Restricted Period" for the Award is the period beginning on the Award Date and ending on the third anniversary of 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 until the shares of Stock are issued in settlement of the vested Restricted Stock Units.

3. Vesting.

a. General Rule. One-third of the Restricted Stock Units will vest on each of the first anniversary, second anniversary and third anniversary of the Award Date, provided that the Participant has remained continuously employed by the Company or a Related Company through the applicable vesting date, except as otherwise specifically provided in these Award Terms. Restricted Stock Units that have already vested on either the first or second anniversary of the Award Date (as applicable) shall not be forfeited if the Participant does not remain employed thereafter through the entire Restricted Period.

b. Death or Disability. Notwithstanding Section 3(a), if a Participant terminates employment with the Company and the Related Companies prior to the last day of the Restricted Period due to the Participant's death or Disability, then all of the Restricted Stock Units subject to the Participant's Award will become fully vested as of the date of such termination.

c. Retirement Before Age 60. Notwithstanding Section 3(a), if a Participant ceases to be employed with the Company and the Related Companies prior to the last day of the Restricted Period, and as of the date of the termination the Participant (i) has satisfied the Rule of 70, (ii) is at least age 55 but not yet age 60 and (iii) if such Participant is an Executive Participant he or she has remained employed with the Company for at least one year following the Award Date (or an earlier retirement date selected in the Committee's discretion), then a pro-rata number of the Restricted Stock Units subject to the Participant's Award will become fully vested on the last day of the Restricted Period to the extent not already vested as of the termination date. Such pro-rata number of Restricted Stock Units shall be calculated based on the number of complete months the Participant was employed by the Company or a Related Company during the Restricted Period, divided by the total number of complete months in the Restricted Period.

d. Retirement At or After Age 60. Notwithstanding Section 3(a), if a Participant ceases to be employed with the Company and the Related Companies prior to the last day of the Restricted Period, and as of the date of the termination the Participant (i) (A) has satisfied the Rule of 70 and is at least age 60, or (B) is at least age 65 regardless of satisfaction of the Rule of 70, and (ii) if such Participant is an Executive Participant he or she either has remained employed with the Company for at least one year following the Award Date (or an earlier retirement date selected in the Committee's discretion) or is involuntarily terminated without Cause, then all of the unvested Restricted Stock Units subject to the Participant's Award will become fully vested (x) as of the date of termination if such Participant is involuntary terminated without Cause, or (y) on the last day of the Restricted Period if such Participant retires at least one year after the Award Date (or such earlier date the Committee selects in its discretion).

e. Involuntary Termination.

(i) *Involuntary Termination Without Cause Not Following a Change in Control*. Notwithstanding the provisions of Section 3(a), if the Participant is involuntarily terminated for a reason other than for Cause prior to the last day of the Restricted Period, the Participant will vest, as of the date of such termination, in a pro-rata number of the Restricted Stock Units subject to the Participant's Award based on the number of complete months that the Participant was employed by the Company or a Related Company during the Restricted Period, divided by the total number of complete months in the Restricted Period.

(ii) *Involuntary Termination Without Cause or Termination (by Executive Participants only) for Good Reason Following a Change in Control*. Notwithstanding the provisions of Sections 3(a) and 3(d)(i), in the event there has been a Change in Control during the Restricted Period and the Awards were not vested in connection with the Change in Control pursuant to Section 3(e), then if a Participant is involuntarily terminated for a reason other than

Cause or if an Executive Participant terminates for Good Reason following the Change in Control and prior to the last day of the Restricted Period, all of the Restricted Stock Units subject to the Participant's Award will become fully vested as of the date of such termination.

f. Change in Control. Notwithstanding the provisions of Section 3(a), in the event of a Change in Control, if the Awards are not assumed or replaced with awards of substantially equal value by the acquiring entity in such a Change in Control and/or cease to remain outstanding immediately following the Change in Control, all of the Restricted Stock Units subject to a Participant's Award will become fully vested as of the date immediately preceding such Change in Control, provided the Participant has remained continuously employed by the Company or a Related Company through such date. After a Change in Control, references to the "Company" as they relate to the Award shall refer to the successor entity.

g. Most Favorable Provision Applies. For the avoidance of doubt, if two or more of Sections 3(a) through 3(f) above apply, then the applicable Section that results in the Participant vesting in the greatest number of Restricted Stock Units shall control.

4. Forfeiture. Except as otherwise provided in Section 3, if the Participant ceases to be employed prior to the end of the Restricted Period, the Participant will immediately forfeit any Restricted Stock Units remaining unvested as of the date of the Participant's termination, and the Participant will not be entitled to any payment with respect to such Restricted Stock Units. In addition, notwithstanding Section 3 or any provision of the Plan or these Award Terms to the contrary, the Participant will forfeit any Restricted Stock Units (including any vested portion) immediately and without notice upon (A) the termination of the Participant's employment for Cause, or (B) the Participant's breach of any confidentiality agreement or similar agreement pertaining to the confidentiality and nondisclosure of proprietary information, including but not limited to trade secrets, of the Company or any Related Company. Furthermore, and notwithstanding Section 3, if subsequent to the Participant's retirement or termination of employment with the Company or any Related Company (other than due to a termination following a Change in Control without Cause or for Good Reason, if applicable), and prior to the last day of the Restricted Period the Participant becomes employed by, consults with, and/or participates as an officer, director, employee, independent contractor, adviser, consultant, partner, principal, or shareholder (with more than five percent (5%) equity) with any entity which owns and/or operates (either directly or indirectly) or is engaged, or planning to be engaged (either directly or indirectly) in the ownership and/or operation of any "Competitor Company" as defined below or any successor thereto or any entity under common control with a Competitor Company, then the Participant's Award (including any vested portion) will be immediately forfeited and, to the extent Stock or other applicable consideration has been issued to the Participant in settlement of the Award, to the extent permissible under applicable law, the Participant shall be required to immediately return such consideration to the Company. A "Competitor Company" shall mean a company that operates any of the following directly or indirectly:

1. Applebee's
2. Beef O'Brady's
3. Bertucci's
4. BJ's Restaurants
5. Bravo Italian Kitchen
6. Brio Tuscan Grille
7. Bubba's 33
8. Buca di Beppo
9. Buffalo Wild Wings
10. California Pizza Kitchen
11. Carino's Italian Grill
12. Carraba's Italian Grill
13. Cheddar's Scratch Kitchen
14. Cheesecake Factory
15. Chuy's
16. Hooters
17. Houlihans
18. Houston's/Hillstone
19. Il Fornaio
20. Lazy Dog
21. Longhorn Steakhouse
22. Miller's Ale House
23. North Italia
24. O'Charleys
25. Olive Garden
26. On The Border
27. Outback Steakhouse
28. P.F. Chang's
29. Red Robin
30. Romano's Macaroni Grill
31. Ruby Tuesday

32. Saltgrass Steak House
33. Texas Roadhouse
34. TGI Fridays
35. True Food Kitchen
36. Uno Chicago Grill
37. Wingstop
38. Yard House

5. Payment. Each vested Restricted Stock Unit will entitle the Participant to receive one share of Stock (or other consideration of equal value, as determined by the Committee, in the event payment is made following a Change in Control). Subject to Section 6, shares of Stock (or other consideration, as applicable) will be issued to the Participant in full settlement of vested Restricted Stock Units during the 60-day period immediately following the date on which such Restricted Stock Units first became vested pursuant to Section 3. At no other time prior to the end of the Restricted Period will any Stock (or other consideration, as applicable) be issued for Restricted Stock Units pursuant to the Award. After the issuance of Stock (or other consideration, as applicable) to the Participant, the Participant will own such Stock (or other consideration, as applicable) free of all restrictions described herein. The Participant will not have the right to designate the taxable year of payment.

6. Section 409A.

a. Although the Company does not guarantee the tax treatment of any payments or benefits under these Award Terms, the intent of the Company is that the payments and benefits under these Award Terms be exempt from, or comply with, Code Section 409A and to the maximum extent permitted the Award Terms and the award letter shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company, the Related Companies, their affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on a Participant by Code Section 409A or damages for failing to comply with Code Section 409A.

b. Notwithstanding the foregoing or any other provision of these Award Terms to the contrary, if at the time of a Participant's “separation from service” (within the meaning of Code Section 409A), the Participant is a "Specified Employee," then the Company will defer the payment 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 Participant) 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). A Participant will be a "Specified Employee" for purposes of these Award Terms if, on the date of the Participant's separation from service, the Participant 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.

c. Notwithstanding anything in these Award Terms, the award letter or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of these Award Terms 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 a Participant’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 these Award Terms, 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.

7. Dividends. The Participant will not be entitled to receive any cash dividends or dividend equivalents with respect to the Restricted Stock Units before they are settled pursuant to Section 5. However, to the extent that, and at the same time as, 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 would have been paid by the Company between the Award Date and the applicable vesting date on the number of shares of Stock (if any) issued to the Participant (or the Participant's beneficiary) if the Participant had owned the shares free of any restrictions during such period.

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. In all appropriate cases described in this Section 9, the following remedies shall be available to the Board and the Committee to the extent permitted by applicable law (the "Remedies") with respect to the Participant, provided that as of the Award Date or at the time of such actions or inactions, the Participant is an officer of the Company: (i) the Board or Committee may require reimbursement of any compensation paid to the Participant under the Award or these Award Terms (including through the return of a number of shares of Stock issued under these Award Terms or the value of such shares as well as the return of any cash amounts paid in respect of dividend equivalents under these Award Terms, without regard to whether the Participant continues to own or control such previously delivered shares of Stock and, for the avoidance of doubt, the Participant shall bear all costs of issuance or transfer, including any transfer taxes that may be payable in connection with any transfer), (ii) the Board or Committee may cause the cancellation of these Award Terms or any other then outstanding equity award held by such Participant, (iii) the Board or Committee may seek reimbursement of any gains realized on the Stock attributable to these Award Terms or any other equity compensation award granted by the Company to the Participant, and (iv) the Company may dismiss the Participant, authorize legal action, or take such other action to enforce the Participant's obligations to the Company as it may deem appropriate in view of all the facts surrounding the particular case. The Board and the Committee will not seek to recover Stock or other compensation as detailed above paid or settled more than three years prior to the date the applicable restatement or egregious conduct is disclosed, as applicable. The Board or Committee may in its discretion forego any Remedies if the aggregate direct costs of seeking recovery from the Participant are expected to exceed the amount sought to be recovered or, in the case of egregious misconduct, if it otherwise determines appropriate in its sole discretion.

Notwithstanding the foregoing or the factors set forth below, the Company may implement new or revised policies to recover, or claw back, erroneously awarded incentive-based compensation from current and former Executive Officers ("New Clawback Policies") and the Company shall be entitled to all of the Remedies under these Award Terms with respect to Executive Officers on the conditions set forth in the New Clawback Policies, which may include policies to claw back any erroneously awarded incentive-based compensation paid under these Award Terms in the event of an accounting restatement, regardless of whether the Executive Officer had any responsibility for the causes of the restatement.

a. Financial Misconduct. If the Board or the Committee 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 shall 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 (i) whether the restatement was the result of fraud, negligence, or intentional misconduct by the Participant and the extent to which such conduct contributed to the need for restatement, (ii) the amount of any incentive compensation that was calculated based upon the achievement of certain financial results that were subsequently reduced due to the restatement, and (iii) the amount of any bonus or incentive compensation that would have been awarded to the Participant had the financial results been properly reported.

b. Egregious Conduct. If the Board or the Committee has determined that egregious conduct of the Participant is substantially detrimental to the Company, the Board or the Committee may take such action as it deems necessary to remedy the misconduct and prevent its recurrence. "Egregious conduct" shall mean any act or omission which would constitute Cause for termination, and such egregious conduct is "substantially detrimental to the Company" if it causes substantial harm to the Company (financially, reputationally or otherwise) or exposes the Company to substantial legal liability. In determining what Remedies to pursue, the Board or Committee will take into account all relevant factors, including the following: (i) the amount of compensation received by the Participant that exceeds the amount of compensation that otherwise would have been received or granted had the Participant's conduct been known; (ii) the relative fault or degree of involvement by the Participant; (iii) the relative impact of the Participant's conduct on the Company; and (iv) any other facts and circumstances determined relevant by the Board or the Committee, in its sole discretion.

10. Heirs and Successors. These Award Terms will be binding upon, and will inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to a deceased Participant will be distributed to the beneficiary designated by the Participant in writing filed with the Committee in such form as the Committee will require. If a deceased Participant has failed to designate a beneficiary, or if the designated beneficiary of the deceased Participant dies before the Participant or before complete distribution of benefits due under the Plan, the amounts to be distributed under the Plan will be distributed to the legal representative or representatives of the estate of the last to die of the Participant and the beneficiary.

11. 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 or other applicable consideration 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 or other applicable consideration to the Participant (or to the Participant's beneficiary).

12. Administration. The authority to interpret and administer the terms and conditions of these Award Terms 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 these Award Terms by the Committee and any decision made by it with respect to the Award is final and binding.

13. Relation to Plan. Notwithstanding anything in these Award Terms to the contrary, the Award 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 these Award Terms to the extent that the amendment is applicable hereto.

14. <u>No Employment Contract</u>. Nothing contained in these Award Terms 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.

15. <u>Governing Law</u>. The interpretation, performance, and enforcement of these Award Terms 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.

[End of document.]

BRINKER INTERNATIONAL, INC.
RESTRICTED STOCK UNIT AWARD TERMS

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 such number of Restricted Stock Units as specified in your award letter (the "Award"). For purposes of the Award, a "Restricted Stock Unit" means the right to receive a share of Stock, subject to the satisfaction of all applicable terms and conditions. The Award is in all respects subject to the provisions of the Plan (the terms of which are incorporated herein by reference), these Award terms (the "Award Terms") and your award letter.

1. Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used but not defined in the Award or these Award Terms will have the meaning set forth in the Plan. For purposes of the Award and these Award Terms, the terms listed below are defined as follows:

a. Award Date. The term "Award Date" with respect to each Participant means the date the Company grants Restricted Stock Units as set forth in the Award for such Participant.

b. Cause. The term "Cause" means one or more of the following as determined by the affirmative vote of at least a majority of the Board or executive committee thereof:

(i) An act of fraud, misappropriation, embezzlement, theft or falsification of Company records by the Participant in connection with the Company or a Related Company;

(ii) Gross mismanagement or gross neglect of the Participant's duties to the Company or a Related Company;

(iii) A material breach of the Company's written policies (such as the Company's code of conduct), including unethical conduct, violation of law, acts of violence or threats of violence or other inappropriate behavior that causes substantial reputational harm to the Company or exposes the Company to substantial legal liability;

(iv) Commission of an act or omission which causes the Participant or the Company to be in violation of federal or state securities laws, rules or regulations; or

(v) Conviction of the Participant by a court of competent jurisdiction of a felony.

c. 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.

d. Code Section 409A. The term "Code Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder.

e. Disability. Except as otherwise provided by the Committee, the Participant will be considered to have a "Disability" during the period in which the Participant is unable, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition is expected to have a duration of not less than 120 days.

f. Executive Notice. The term "Executive Notice" means a notice from an Executive Participant to the chair of the Committee that the Executive Participant is considering retirement. The Executive Notice need not state a specific date retirement is being considered and is intended to help the Committee be prepared with succession planning.

g. Executive Participant. The term "Executive Participant" means any Participant who is the Chief Executive Officer, an Executive Vice President or a Senior Vice President of the Company.

h. 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 the Executive Participant'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 the Executive Participant's target annual bonus opportunity; (C) a relocation of the principal location at which the Executive 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 these Award Terms 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 the Executive Participant's title, reporting relationship, authority, duties or responsibilities; or (F) in the case of an Executive Participant who is the Chief Executive Officer of the Company only, a failure of any successor to the Company to nominate the Executive Participant for election by shareholders to the successor company's board of directors; and

(ii) the Executive 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.

i. Rule of 70. The term "Rule of 70" means that the sum of the Participant's age and the Participant's years of continuous service with the Company or a Related Company (measured from a Participant's most recent date of hire or rehire only and taking into account partial years) equals or exceeds 70.

2. Term of Restricted Stock Units. The "Restricted Period" for the Award is the period beginning on the Award Date and ending on the third anniversary of 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 until the shares of Stock are issued in settlement of the vested Restricted Stock Units.

3. Vesting.

a. General Rule. One-third of the Restricted Stock Units will vest on each of the first anniversary, second anniversary and third anniversary of the Award Date, provided that the Participant has remained continuously employed by the Company or a Related Company through the applicable vesting date, except as otherwise specifically provided in these Award Terms. Restricted Stock Units that have already vested on either the first or second anniversary of the Award Date (as applicable) shall not be forfeited if the Participant does not remain employed thereafter through the entire Restricted Period.

b. Death or Disability. Notwithstanding Section 3(a), if a Participant terminates employment with the Company and the Related Companies prior to the last day of the Restricted Period due to the Participant's death or Disability, then all of the Restricted Stock Units subject to the Participant's Award will become fully vested as of the date of such termination.

c. Retirement Before Age 60. Notwithstanding Section 3(a), if a Participant ceases to be employed with the Company and the Related Companies prior to the last day of the Restricted Period, and as of the date of the termination the Participant (i) has satisfied the Rule of 70, (ii) is at least age 55 but not yet age 60 and (iii) if such Participant is an Executive Participant he or she has provided an Executive Notice at least 12 months prior to the actual termination date, then a pro-rata number of the Restricted Stock Units subject to the Participant's Award will become fully vested (x) as of the date of termination if such Participant satisfied the Rule of 70 on or before December 31, 2021, or (y) on the last day of the Restricted Period if such Participant satisfied the Rule of 70 after December 31, 2021. Such pro-rata number of Restricted Stock Units shall be calculated based on the number of complete months the Participant was employed by the Company or a Related Company during the Restricted Period, divided by the total number of complete months in the Restricted Period.

d. Retirement At or After Age 60. Notwithstanding Section 3(a), if a Participant ceases to be employed with the Company and the Related Companies prior to the last day of the Restricted Period, and as of the date of the termination the Participant (i) (A) has satisfied the Rule of 70 and is at least age 60, or (B) is at least age 65 regardless of satisfaction of the Rule of 70, and (ii) if such Participant is an Executive Participant he or she either has provided an Executive Notice at least 12 months prior to the actual termination date or is involuntarily terminated without Cause, then all of the unvested Restricted Stock Units subject to the Participant's Award will become fully vested (x) as of the date of termination if such Participant satisfied the Rule of 70 or attained age 65 on or before December 31, 2021, or (y) on the last day of the Restricted Period if such Participant satisfied the Rule of 70 or attained age 65 after December 31, 2021.

e. Involuntary Termination.

(i) *Involuntary Termination Without Cause Not Following a Change in Control*. Notwithstanding the provisions of Section 3(a), if the Participant is involuntarily terminated for a reason other than for Cause prior to the last day of the Restricted Period, the Participant will vest, as of the date of such termination, in a pro-rata number of the Restricted Stock Units subject to the Participant's Award based on the number of complete months that the Participant was employed by the Company or a Related Company during the Restricted Period, divided by the total number of complete months in the Restricted Period.

(ii) *Involuntary Termination Without Cause or Termination (by Executive Participants only) for Good Reason Following a Change in Control*. Notwithstanding the provisions of Sections 3(a) and 3(d)(i), in the event there has been a Change in Control during the Restricted Period and the Awards were not vested in connection with the Change in Control pursuant to Section 3(e), then if a Participant is involuntarily terminated for a reason other than Cause or if an Executive Participant terminates for Good Reason following the Change in Control and prior to the last day of the Restricted Period, all of the Restricted Stock Units subject to the Participant's Award will become fully vested as of the date of such termination.

f. Change in Control. Notwithstanding the provisions of Section 3(a), in the event of a Change in Control, if the Awards are not assumed or replaced with awards of substantially equal value by the acquiring entity in such a Change in Control and/or cease to remain outstanding immediately following the Change in Control, all of the Restricted Stock Units subject to a Participant's Award will become fully vested as of the date immediately preceding such Change in Control, provided the Participant has remained continuously employed by the Company or a Related Company through such date. After a Change in Control, references to the "Company" as they relate to the Award shall refer to the successor entity.

g. Most Favorable Provision Applies. For the avoidance of doubt, if two or more of Sections 3(a) through 3(f) above apply, then the applicable Section that results in the Participant vesting in the greatest number of Restricted Stock Units shall control.

4. Forfeiture. Except as otherwise provided in Section 3, if the Participant ceases to be employed prior to the end of the Restricted Period, the Participant will immediately forfeit any Restricted Stock Units remaining unvested as of the date of the Participant's termination, and the Participant will not be entitled to any payment with respect to such Restricted Stock Units. In addition, notwithstanding Section 3 or any provision of the Plan or these Award Terms to the contrary, the Participant will forfeit any Restricted Stock Units (including any vested portion) immediately and without notice upon (A) the termination of the Participant's employment for Cause, or (B) the Participant's breach of any confidentiality agreement or similar agreement pertaining to the confidentiality and nondisclosure of proprietary information, including but not limited to trade secrets, of the Company or any Related Company. Furthermore, and notwithstanding Section 3, if subsequent to the Participant's retirement or termination of employment with the Company or any Related Company (other than due to a termination following a Change in Control without Cause or for Good Reason, if applicable), and prior to the last day of the Restricted Period the Participant becomes employed by, consults with, and/or participates as an officer, director, employee, independent contractor, adviser, consultant, partner, principal, or shareholder (with more than five percent (5%) equity) with any entity which owns and/or operates (either directly or indirectly) or is engaged, or planning to be engaged (either directly or indirectly) in the ownership and/or operation of any "Competitor Company" as defined below or any successor thereto or any entity under common control with a Competitor Company, then the Participant's Award (including any vested portion) will be immediately forfeited and, to the extent Stock or other applicable consideration has been issued to the Participant in settlement of the Award, to the extent permissible under applicable law, the Participant shall be required to immediately return such consideration to the Company. A "Competitor Company" shall mean a company that operates any of the following directly or indirectly:

1. Applebee's
2. Beef O'Brady's
3. Bertucci's
4. BJ's Restaurants
5. Bravo Italian Kitchen
6. Brio Tuscan Grille
7. Bubba's 33
8. Buca di Beppo
9. Buffalo Wild Wings
10. California Pizza Kitchen
11. Carino's Italian Grill
12. Carraba's Italian Grill
13. Cheddar's Scratch Kitchen
14. Cheesecake Factory
15. Chuy's
16. Hooters
17. Houlihans

18. Houston's/Hillstone
19. Il Fornaio
20. Lazy Dog
21. Longhorn Steakhouse
22. Miller's Ale House
23. North Italia
24. O'Charleys
25. Olive Garden
26. On The Border
27. Outback Steakhouse
28. P.F. Chang’s
29. Red Robin
30. Romano's Macaroni Grill
31. Ruby Tuesday
32. Saltgrass Steak House
33. Texas Roadhouse
34. TGI Fridays
35. True Food Kitchen
36. Uno Chicago Grill
37. Wingstop
38. Yard House

5. Payment. Each vested Restricted Stock Unit will entitle the Participant to receive one share of Stock (or other consideration of equal value, as determined by the Committee, in the event payment is made following a Change in Control). Subject to Section 6, shares of Stock (or other consideration, as applicable) will be issued to the Participant in full settlement of vested Restricted Stock Units during the 60-day period immediately following the date on which such Restricted Stock Units first became vested pursuant to Section 3. At no other time prior to the end of the Restricted Period will any Stock (or other consideration, as applicable) be issued for Restricted Stock Units pursuant to the Award. After the issuance of Stock (or other consideration, as applicable) to the Participant, the Participant will own such Stock (or other consideration, as applicable) free of all restrictions described herein. The Participant will not have the right to designate the taxable year of payment.

6. Section 409A.

a. Although the Company does not guarantee the tax treatment of any payments or benefits under these Award Terms, the intent of the Company is that the payments and benefits under these Award Terms be exempt from, or comply with, Code Section 409A and to the maximum extent permitted the Award Terms and the award letter shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company, the Related Companies, their affiliates or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on a Participant by Code Section 409A or damages for failing to comply with Code Section 409A.

b. Notwithstanding the foregoing or any other provision of these Award Terms to the contrary, if at the time of a Participant's “separation from service” (within the meaning of Code Section 409A), the Participant is a "Specified Employee," then the Company will defer the payment 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 Participant) 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). A Participant will be a "Specified Employee" for purposes of these Award Terms if, on the date of the Participant's separation from service, the Participant 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.

c. Notwithstanding anything in these Award Terms, the award letter or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of these Award Terms 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 a Participant’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 these Award Terms, 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.

7. Dividends. The Participant will not be entitled to receive any cash dividends or dividend equivalents with respect to the Restricted Stock Units before they are settled pursuant to Section 5. However, to the extent that, and at the same time as, 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 would have been paid by the Company between the Award Date and the applicable vesting date on the number of shares of Stock (if any) issued to the Participant (or the Participant’s beneficiary) if the Participant had owned the shares free of any restrictions during such period.

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. In all appropriate cases described in this Section 9, the following remedies shall be available to the Board and the Committee to the extent permitted by applicable law (the “Remedies”) with respect to the Participant, provided that as of the Award Date or at the time of such actions or inactions, the Participant is an officer of the Company: (i) the Board or Committee may require reimbursement of any compensation paid to the Participant under the Award or these Award Terms (including through the return of a number of shares of Stock issued under these Award Terms or the value of such shares as well as the return of any cash amounts paid in respect of dividend equivalents under these Award Terms, without regard to whether the Participant continues to own or control such previously delivered shares of Stock and, for the avoidance of doubt, the Participant shall bear all costs of issuance or transfer, including any transfer taxes that may be payable in connection with any transfer), (ii) the Board or Committee may cause the cancellation of these Award Terms or any other then outstanding equity award held by such Participant, (iii) the Board or Committee may seek reimbursement of any gains realized on the Stock attributable to these Award Terms or any other equity compensation award granted by the Company to the Participant, and (iv) the Company may dismiss the Participant, authorize legal action, or take such other action to enforce the Participant’s obligations to the Company as it may deem appropriate in view of all the facts surrounding the particular case. The Board and the Committee will not seek to recover Stock or other compensation as detailed above paid or settled more than three years prior to the date the applicable restatement or egregious conduct is disclosed, as applicable. The Board or Committee may in its discretion forego any Remedies if the aggregate direct costs of seeking recovery from the Participant are expected to exceed the amount sought to be recovered or, in the case of egregious misconduct, if it otherwise determines appropriate in its sole discretion.

Notwithstanding the foregoing or the factors set forth below, the Company may implement new or revised policies to recover, or claw back, erroneously awarded incentive-based compensation from current and former Executive Officers (“New Clawback Policies”) and the Company shall be entitled to all of the Remedies under these Award Terms with respect to Executive Officers on the conditions set forth in the New Clawback Policies, which may include policies to claw back any erroneously awarded incentive-based compensation paid under these Award Terms in the event of an accounting restatement, regardless of whether the Executive Officer had any responsibility for the causes of the restatement.

a. Financial Misconduct. If the Board or the Committee 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 shall 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 (i) whether the restatement was the result of fraud, negligence, or intentional misconduct by the Participant and the extent to which such conduct contributed to the need for restatement, (ii) the amount of any incentive compensation that was calculated based upon the achievement of certain financial results that were subsequently reduced due to the restatement, and (iii) the amount of any bonus or incentive compensation that would have been awarded to the Participant had the financial results been properly reported.

b. Egregious Conduct. If the Board or the Committee has determined that egregious conduct of the Participant is substantially detrimental to the Company, the Board or the Committee may take such action as it deems necessary to remedy the misconduct and prevent its recurrence. "Egregious conduct" shall mean any act or omission which would constitute Cause for termination, and such egregious conduct is "substantially detrimental to the Company" if it causes substantial harm to the Company (financially, reputationally or otherwise) or exposes the Company to substantial legal liability. In determining what Remedies to pursue, the Board or Committee will take into account all relevant factors, including the following: (i) the amount of compensation received by the Participant that exceeds the amount of compensation that otherwise would have been received or granted had the Participant's conduct been known; (ii) the relative fault or degree of involvement by the Participant; (iii) the relative impact of the Participant's conduct on the Company; and (iv) any other facts and circumstances determined relevant by the Board or the Committee, in its sole discretion.

10. Heirs and Successors. These Award Terms will be binding upon, and will inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to a deceased Participant will be distributed to the beneficiary designated by the Participant in writing filed with the Committee in such form as the Committee will require. If a deceased Participant has failed to designate a beneficiary, or if the designated beneficiary of the deceased Participant dies before the Participant or before complete distribution of benefits due under the Plan, the amounts to be distributed under the Plan will be distributed to the legal representative or representatives of the estate of the last to die of the Participant and the beneficiary.

11. 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 or other applicable consideration 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 or other applicable consideration to the Participant (or to the Participant's beneficiary).

12. Administration. The authority to interpret and administer the terms and conditions of these Award Terms 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 these Award Terms by the Committee and any decision made by it with respect to the Award is final and binding.

13. Relation to Plan. Notwithstanding anything in these Award Terms to the contrary, the Award 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 these Award Terms to the extent that the amendment is applicable hereto.

14. No Employment Contract. Nothing contained in these Award Terms 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.

15. Governing Law. The interpretation, performance, and enforcement of these Award Terms 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.

[End of document.]

BRINKER INTERNATIONAL, INC.
PERFORMANCE SHARE PLAN

Pursuant to Section 3 of the Brinker International, Inc. Stock Option and Incentive Plan (the "SOIP"), the Compensation Committee of the Board of Directors of Brinker International, Inc. (the "Committee") may grant stock awards subject to such conditions, restrictions and contingencies as the Committee may determine.

The Brinker International, Inc. Performance Share Plan (the "Plan") is hereby adopted pursuant to the Committee's authority under the SOIP to provide greater incentive to officers and key employees of Brinker International, Inc. (the "Company") and its affiliates to achieve the highest level of individual performance and to encourage such officers or key employees to meet or exceed specified performance goals in order to contribute to the overall success of the Company.

The Plan is in all respects subject to the provisions of the SOIP.

1. Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used but not defined in the Plan will have the meaning set forth in the SOIP. For purposes of the Plan, the terms listed below are defined as follows:

a. Adjusted EBITDA. The term "Adjusted EBITDA" means the annual earnings before interest, taxes, depreciation and amortization for the Company, adjusted to exclude items recorded in the Company's "Other Gains and Charges" caption on the consolidated statement of comprehensive income and further adjusted as set forth in the Appendix to this Plan.

b. Beginning Average Stock Value. The "Beginning Average Stock Value" for the Company and each Member shall equal its average Daily Closing Stock Price over the ten (10) trading days ending immediately prior to the first day of the Performance Period times the sum of one share of stock and any accumulated shares in the Company and each Member, assuming any dividends during this period were reinvested in additional shares of the issuing company's stock on the ex-dividend date.

c. Cause. The term "Cause" means one or more of the following as determined by the affirmative vote of at least a majority of the Board or executive committee thereof:

(i) An act of fraud, misappropriation, embezzlement, theft or falsification of Company records by the Participant in connection with the Company or a Related Company;

(ii) Gross mismanagement or gross neglect of the Participant's duties to the Company or a Related Company;

(iii) A material breach of the Company's written policies (such as the Company's code of conduct), including unethical conduct, violation of law, acts of violence or threats of violence or other inappropriate behavior that causes substantial reputational harm to the Company or exposes the Company to substantial legal liability;

(iv) Commission of an act or omission which causes the Participant or the Company to be in violation of federal or state securities laws, rules or regulations; or

(v) Conviction of the Participant by a court of competent jurisdiction of a felony.

d. 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.

e. Code Section 409A. The term "Code Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and all Treasury Regulations and guidance promulgated thereunder.

f. Comparison Group. "Comparison Group" is defined as the S&P 1500 Hotels, Restaurants and Leisure Index as of the end of the Measurement Period, or a similar index selected by the Committee if such index no longer exists. For clarification purposes, in the event a company included in the S&P 1500 Hotels, Restaurants and Leisure Index as of the beginning of the Measurement Period is no longer part of the index at the end of the Measurement Period as a result of a merger, acquisition or business combination transaction then such company will not be included in the Comparison Group.

g. Daily Closing Stock Price. "Daily Closing Stock Price" is defined as the stock price of a Member at the close of trading of the National Exchange on which the stock of the Member is traded.

h. Disability. Except as otherwise provided by the Committee, the Participant will be considered to have a "Disability" during the period in which the Participant is unable, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition is expected to have a duration of not less than 120 days.

i. Distribution Percentage. "Distribution Percentage" means the percentage of a Participant's target number of Performance Shares earned and to be distributed at the end of the Performance Period, as calculated pursuant to this Plan.

j. Ending Average Stock Value. The "Ending Average Stock Value" for the Company and each Member shall equal its average Daily Closing Stock Price over the ten (10) trading days ending on the last day of the Performance Period times the sum of one share of stock plus any accumulated shares in the Company and each Member, assuming any dividends since the first day of the Performance Period were reinvested in additional shares of the issuing company's stock on the ex-dividend date.

k. Executive Participant. The term "Executive Participant" means a Participant who is the Chief Executive Officer of the Company or any executive vice president or senior vice president of the Company at the time an Award is granted to such Participant.

l. 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 the Executive Participant'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 the Executive Participant's target annual bonus opportunity; (C) a relocation of the principal location at which the Executive 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; (E) a material, adverse change in the Executive Participant's title, reporting relationship, authority, duties or responsibilities; or (F) in the case of an Executive Participant who is the Chief Executive Officer of the Company only, a failure of any successor to the Company to nominate the Executive Participant for election by shareholders to the successor company's board of directors; and

(ii) the Executive 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.

m. Measurement Period. The term "Measurement Period" means a period of three consecutive Company fiscal years beginning at the start of the fiscal year in which the Plan is approved, unless the Committee designates a different Measurement Period in writing prior to granting an Award pursuant to the Plan; provided, however, that in the event of a Change in Control, the Measurement Period will end on the effective date of the Change in Control.

n. Member. "Member" means a company included in the Comparison Group as of the beginning of the Measurement Period.

o. National Exchange. "National Exchange" is defined as the New York Stock Exchange (NYSE), the National Association of Stock Dealers and Quotes (NASDAQ), or the American Stock Exchange (AMEX), or a generally recognized successor-in-interest if any such exchange no longer exists.

p. Participant. The term "Participant" means an individual who has been granted an Award under this Plan.

q. Percentile Rank. The Company's "Percentile Rank" relative to the Comparison Group will be determined by ranking the Members (including the Company) from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company will be determined as follows:

$$P = \frac{N - R}{N - 1}$$

where: "P" represents the percentile performance which will be rounded, if necessary, to the nearest whole percentile by application of regular rounding;

"N" represents the number of Members as of the end of the Performance Period (including the Company); and

"R" represents the rank of the Company's TSR among the Members.

Example: If there are 40 Members at the end of the Performance Period and the Company's TSR ranked 15^{h} within the Comparison Group, its TSR would be at the 65^{th} percentile: 0.65 = (41 – 15) / (41 – 1).

r. Performance Period. The term "Performance Period" means a period of three consecutive Company fiscal years, or such other period as the Committee designates in writing prior to granting an Award pursuant to the Plan, beginning on the date described in a Participant's Award. The Performance Period with respect to an Award will commence at the same time as the corresponding Measurement Period for the Award. The Performance Period and Measurement Period for an Award will run for the same duration unless a Change in Control occurs during the Performance Period, in which case the Measurement Period, but not the Performance Period, will end as of the effective date of the Change in Control.

s. Performance Share. The term "Performance Share" means the right to receive a share of Stock upon satisfaction of the performance metrics and/or other requirements established by the Committee.

t. Retirement Eligible. A Participant is "Retirement Eligible" if the Participant meets or will meet by the end of the Performance Period, either of the following: (i) the Participant has satisfied the Rule of 70 and is at least age 55 or (ii) the Participant is at least age 65 regardless of satisfaction of the Rule of 70.

u. Rule of 70. The term "Rule of 70" means that the sum of the Participant's age and the Participant's years of continuous service with the Company or a Related Company (measured from a Participant's most recent date of hire or rehire only and taking into account partial years) equals or exceeds 70.

v. Target Adjusted EBITDA. The term "Target Adjusted EBITDA" means Adjusted EBITDA of the Company, subject to adjustments set forth in the Appendix. The Target Adjusted EBITDA is determined by the Board.

w. Total Shareholder Return. "Total Shareholder Return" or "TSR" shall be calculated using the equation below:

$$\text{TSR} = \frac{\text{Ending Average Stock Value}}{\text{Beginning Average Stock Value}} - 1$$

2. Performance Shares.

a. Awards. A Participant will receive a grant of a target number of Performance Shares determined by the Committee, which will be set forth in the Participant's award letter or other notification (an "Award") together with the amount determined by the Board to be the Target Adjusted EBITDA for the Company.

b. Achieved Shares. Subject to the other terms and conditions of this Plan, the number of a Participant's Performance Shares that will be earned under any Award ("Achieved Shares") will be calculated at the end of the Measurement Period by multiplying the Participant's target number of Performance Shares by the applicable Distribution Percentage. The applicable Distribution Percentage is determined by the Committee based on the Company's Adjusted EBITDA for the last year of the Measurement Period compared to the applicable Target Adjusted EBITDA for the last year of the Measurement Period. The Distribution Percentage for achieving the Target Adjusted EBITDA is 100%. The Board shall also designate a "Minimum" and "Maximum" level of Adjusted EBITDA achievement relative to the Target Adjusted EBITDA. If Adjusted EBITDA for the last year of the Measurement Period is less than the Minimum, the Distribution Percentage shall be 0%, and the Distribution Percentage for achieving the Maximum level (or greater) shall be 200%. The Distribution Percentage between the Minimum and Target Adjusted EBITDA values will be measured on the payout slope approved by the Board between such values. The Distribution Percentage between the Target Adjusted EBITDA and Maximum values will be measured on the payout slope approved by the Board between such values.

c. Modifier. At the end of the Measurement Period, the Members of the Comparison Group and the Company will be ranked by their TSR performance during the Measurement Period, from highest to lowest. The Distribution Percentage as determined under Section 2(b) above will be modified, as applicable, by multiplying such Distribution Percentage by the modifier, if any, corresponding to the Company's Percentile Rank within the Comparison Group at the end of the Measurement Period, as specified in the table below. In no event will the Distribution Percentage exceed 200% after any applicable modification.

Company's TSR Rank	Modifier
At or above the 75th percentile	1.25
Between the 75th and 25th percentile	No Modifier
At or below the 25th percentile	0.75

d. Adjustments to Rankings of the Comparison Group.

(i) If any Member was not listed on a National Exchange for the full Measurement Period (e.g., as a result of an initial public offering for such Member occurring during the Measurement Period), then such Member shall be excluded from the Comparison Group. For clarification purposes, a Member shall be included in the Comparison Group even if the Member was not a part of the Comparison Group at the beginning of the Measurement Period so long as the Member was listed on a National Exchange for the full Measurement Period.

(ii) In the event a Member completes a merger, acquisition or business combination transaction during the Measurement Period of another Member or any other entity, the surviving entity shall remain a Member if the surviving entity remains a part of the Comparison Group as of the end of the Measurement Period. The acquired company's performance before the merger, acquisition or business combination transaction shall not impact the calculation of the surviving Member's TSR.

(iii) In the event of a bankruptcy and a delisting of a Member that was part of the S&P 1500 Hotels, Restaurants and Leisure Index as of the beginning of the Measurement Period, such Member will remain in the Comparison Group and shall have a TSR for the entire Measurement Period equal to -1.

(iv) In the event of a stock distribution from a Member consisting of the shares of a new publicly-traded company (a "spin-off"), the Member shall remain a Member so long as it continues to be part of the Comparison Group as of the end of the Measurement Period and the stock distribution shall be treated as a dividend from the Member based on the closing price of the shares of the spun-off company on its first day of trading. The performance of the shares of the spun-off company shall not thereafter be tracked for purposes of calculating TSR.

3. Earning Achieved Shares.

a. General Rule. In order to earn the Achieved Shares under the Plan, a Participant must remain continuously employed by the Company or a Related Company through the last day of the applicable Performance Period, except as otherwise specifically provided in this Plan.

b. Death or Disability, Notwithstanding Section 3(a), if a Participant's employment with the Company and its Related Companies terminates prior to the last day of the Performance Period due to the Participant's death or by the Company due to the Participant's Disability, the Participant (or the Participant's beneficiary determined in accordance with Section 10) will earn a portion of the Participant's Achieved Shares determined for the Participant at the end of the Measurement Period pursuant to Section 2, if any, based on the number of complete months that the Participant was employed by the Company or a Related Company during the Performance Period, divided by the total number of complete months in the Performance Period.

c. Retirement Before Age 60. Notwithstanding Section 3(a), if a Participant ceases to be employed with the Company and its Related Companies prior to the last day of the Performance Period, and as of the date of the termination the Participant has (i) has satisfied the Rule of 70, (ii) is at least age 55 but not yet age 60 and (iii) if such Participant is an Executive Participant he or she has provided an Executive Notice at least 12 months prior to the actual termination date, the Participant will earn, as of the date of termination, a portion of the Achieved Shares (as determined pursuant to Section 2 at the end of the Measurement Period assuming the Participant continued to be employed until the end of the Measurement Period), if any, calculated based on the number of complete months that the Participant was employed by the Company or a Related Company during the Performance Period, divided by the total number of complete months in the Performance Period.

d. Retirement at or After Age 60. Notwithstanding Section 3(a), if a Participant ceases to be employed with the Company and its Related Companies prior to the last day of the Performance Period, and as of the date of the termination the Participant (i) (A) has satisfied the Rule of 70 and is at least age 60, or (B) is at least age 65 regardless of satisfaction of the Rule of 70, and (ii) if such Participant is an Executive Participant he or she either has provided an Executive Notice at least 12 months prior to the actual termination date or is involuntarily terminated without Cause, the Participant will earn, as of the date of termination, all of the Achieved Shares (as determined pursuant to Section 2 at the end of the Measurement

Period assuming the Participant continued to be employed until the end of the Measurement Period), if any.

e. Involuntary Termination.

(i) *Involuntary Terminations without Cause Not Following a Change in Control*. Notwithstanding Section 3(a), if a Participant is involuntarily terminated for a reason other than for Cause prior to the last day of the Performance Period, the Participant will earn, as of the date of termination from employment, except as otherwise provided below, a portion of the Participant's Achieved Shares determined for the Participant at the end of the Measurement Period pursuant to Section 2, if any, based on the number of complete months that the Participant was employed by the Company or a Related Company during the Performance Period, divided by the total number of complete months in the Performance Period.

(ii) *Certain Involuntary Terminations without Cause or Terminations (by Executive Participants only) for Good Reason Following a Change in Control*. Notwithstanding Sections 3(a) and 3(e)(i), in the event there has been a Change in Control during the Performance Period and the Awards were not earned as of the effective date of the Change in Control pursuant to Section 3(f), then if a Participant is involuntarily terminated for a reason other than Cause or if an Executive Participant terminates for Good Reason following the Change in Control and prior to the last day of the Performance Period, the Participant will earn, as of the date of termination, all of the Participant's Achieved Shares determined for the Participant at the end of the Measurement Period pursuant to Section 2, if any.

f. Change in Control. Notwithstanding the provisions of Section 3(a), in the event of a Change in Control while the Participant remains in employment, if the Awards are not assumed or replaced with awards of substantially equal value by the acquiring entity in such a Change in Control and/or cease to remain outstanding immediately following the Change in Control, each Participant will earn, as of the effective date of the Change in Control, the Achieved Shares determined for the Participant at the end of the Measurement Period pursuant to Section 2, but in no event less than 100% of the target number of the Participant's Performance Shares. After a Change in Control, references to the "Company" as they relate to this Plan shall refer to the successor entity.

g. Most Favorable Provision Applies. For the avoidance of doubt, if two or more of Sections 3(b) through 3(f) above apply, then the applicable Section that results in the Participant earning the greatest number of Achieved Shares shall control.

4. Forfeiture. Except as otherwise provided in Section 3, if a Participant ceases to be employed by the Company or any Related Company prior to the last day of the Performance Period, the Participant will immediately forfeit the Performance Shares and all interest in the Award as of the date of the Participant's termination and the Participant will not be entitled to receive any payment with respect to the Performance Shares. Notwithstanding any provision of the Plan to the contrary, the Participant will forfeit any Performance Shares immediately and without notice upon (A) the termination of the Participant's employment for Cause or (B) the Participant's breach of any confidentiality agreement or similar agreement pertaining to the confidentiality and nondisclosure of proprietary information, including but not limited to trade secrets, of the Company or any Related Company. Furthermore, and notwithstanding Section 3, if subsequent to the Participant's retirement or termination of employment with the Company or any Related Company (other than due to a termination following a Change in Control without Cause or for Good Reason, as applicable) and prior to the end of the Performance Period, the Participant becomes employed by, consults with, and/or participates as an officer, director, employee, independent contractor, adviser, consultant, partner, principal, or

shareholder (with more than five percent (5%) equity) with any entity which owns and/or operates (either directly or indirectly) or is engaged, or planning to be engaged (either directly or indirectly) in the ownership and /or operation of any "Competitor Company" as defined below or any successor thereto or any entity under common control with a Competitor Company , then the Participant's Award (including any vested portion) will be immediately forfeited and, to the extent Stock or other applicable consideration has been issued to the Participant in settlement of the Award, to the extent permissible under applicable law, the Participant shall be required to immediately return such consideration to the Company. A "Competitor Company" shall mean a company that operates any of the following directly or indirectly:

1. Applebee's
2. Beef O'Brady's
3. Bertucci's
4. BJ's Restaurants
5. Bravo Italian Kitchen
6. Brio Tuscan Grille
7. Bubba's 33
8. Buca di Beppo
9. Buffalo Wild Wings
10. California Pizza Kitchen
11. Carino's Italian Grill
12. Carraba's Italian Grill
13. Cheddar's Scratch Kitchen
14. Cheesecake Factory
15. Chuy's
16. Hooters
17. Houlihans
18. Houston's/Hillstone
19. Il Fornaio
20. Lazy Dog
21. Longhorn Steakhouse
22. Miller's Ale House
23. North Italia
24. O'Charleys
25. Olive Garden
26. On The Border
27. Outback Steakhouse
28. P.F. Chang's
29. Red Robin
30. Romano's Macaroni Grill
31. Ruby Tuesday
32. Saltgrass Steak House
33. Texas Roadhouse
34. TGI Fridays
35. True Food Kitchen
36. Uno Chicago Grill
37. Wingstop
38. Yard House

5. Payment of Earned Achieved Awards.

a. Each earned Achieved Share will entitle a Participant to receive one share of Stock (or other consideration of equal value, as determined by the Committee, in the event payment is made following a Change in Control).

b. Subject to Section 6 and except as provided below, shares of Stock (or other consideration, as applicable) with respect to earned Achieved Shares will be issued to each Participant in payment of an Award during the 60-day period immediately following the conclusion of the applicable Performance Period.

c. Notwithstanding Section 5(b), subject to Section 6, in the event a Participant has a termination of employment described in Section 3(b) or 3(e) herein and the Participant does not meet the definition of Retirement Eligible, shares of Stock (or other consideration, as applicable) with respect to earned Achieved Shares will be issued to such Participant in payment of an Award during the 60-day period immediately following the conclusion of the Performance Period.

d. The Company will issue a like number of shares of Stock (or other consideration, as applicable) to the Participant, and the Participant will own such shares of Stock (or other consideration, as applicable) free of all restrictions described herein except Section 4 and Section 9. A Participant will not have the right to designate the taxable year of payment. At no time prior to the end of the Performance Period will any Stock (or other consideration, as applicable) be issued pursuant to an Award except as specifically provided herein.

6. Section 409A.

a. 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, or comply with, 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 Related Companies or their respective officers, directors, employees or agents be liable for any additional tax, interest or penalties that may be imposed on a Participant by Code Section 409A or damages for failing to comply with Code Section 409A.

b. Notwithstanding the foregoing or any other provision of this Plan to the contrary, if at the time of a Participant's “separation from service” (within the meaning of Code Section 409A), the Participant is a "Specified Employee," then the Company will defer the payment 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 Participant) 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). A Participant will be a "Specified Employee" for purposes of this Plan if, on the date of the Participant's separation from service, the Participant 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.

c. 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 a Participant’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.

7. Dividends and Dividend Equivalents. A Participant will have no voting rights or dividend rights with respect to the Performance Shares or any shares of Stock underlying the Performance Shares until payment of earned Achieved Shares in accordance with Section 5 and then only with respect to earned Achieved Shares. No Participant will be entitled to receive any cash dividends or dividend equivalents with respect to Performance Shares until payment of earned Achieved Shares and then only with respect to earned Achieved Shares. However, at the same time that shares of Stock are issued under Section 5 or Section 6, the Participant (or the Participant’s beneficiary determined in accordance with Section 10) will also receive a lump sum cash payment equal to the amount of cash dividends paid by the Company that were declared prior to payment of earned Achieved Shares (but in no event later than the end of the Performance Period) on the number of shares of Stock issued to the Participant (or the Participant’s beneficiary).

8. Capital Adjustments and Reorganizations. The number of Performance Shares covered by an 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. In all appropriate cases described in this Section 9, the following remedies shall be available to the Board and the Committee to the extent permitted by applicable law (the "Remedies") with respect to the Participant, provided that as of the Award Date or at the time of such actions or inactions, the Participant is an officer of the Company: (i) the Board or Committee may require reimbursement of any compensation paid to the Participant under the Award or these Award Terms (including through the return of a number of shares of Stock issued under these Award Terms or the value of such shares as well as the return of any cash amounts paid in respect of dividend equivalents under these Award Terms, without regard to whether the Participant continues to own or control such previously delivered shares of Stock and, for the avoidance of doubt, the Participant shall bear all costs of issuance or transfer, including any transfer taxes that may be payable in connection with any transfer), (ii) the Board or Committee may cause the cancellation of these Award Terms or any other then outstanding equity award held by such Participant, (iii) the Board or Committee may seek reimbursement of any gains realized on the Stock attributable to these Award Terms or any other equity compensation award granted by the Company to the Participant, and (iv) the Company may dismiss the Participant, authorize legal action, or take such other action to enforce the Participant's obligations to the Company as it may deem appropriate in view of all the facts surrounding the particular case. The Board and the Committee will not seek to recover Stock or other compensation as detailed above paid or settled more than three years prior to the date the applicable restatement or egregious conduct is disclosed, as applicable. The Board or Committee may in its discretion forego any Remedies if the aggregate direct costs of seeking recovery from the Participant are expected to exceed the amount sought to be recovered or, in the case of egregious misconduct, if it otherwise determines appropriate in its sole discretion.

Notwithstanding the foregoing or the factors set forth below, the Company may implement new or revised policies to recover, or claw back, erroneously awarded incentive-based compensation from current and former Executive Officers ("New Clawback Policies") and the Company shall be entitled to all of the Remedies under this Plan with respect to Executive Officers on the conditions set forth in the New Clawback Policies, which may include policies to claw back any erroneously awarded incentive-based compensation paid under this Plan in the event of an accounting restatement, regardless of whether the Executive Officer had any responsibility for the causes of the restatement.

a. Financial Misconduct. If the Board or the Committee 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 shall 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 (i) whether the restatement was the result of fraud, negligence, or intentional misconduct by the Participant and the extent to which such conduct contributed to the need for restatement, (ii) the amount of any incentive compensation that was calculated based upon the achievement of certain financial results that were subsequently reduced due to the restatement, and (iii) the amount of any bonus or incentive compensation that would have been awarded to the Participant had the financial results been properly reported.

b. Egregious Conduct. If the Board or the Committee has determined that egregious conduct of the Participant is substantially detrimental to the Company, the Board or the Committee may take such action as it deems necessary to remedy the misconduct and prevent its recurrence. “Egregious conduct” shall mean any act or omission which would constitute Cause for termination, and such egregious conduct is “substantially detrimental to the Company” if it causes substantial harm to the Company (financially, reputationally or otherwise) or exposes the Company to substantial legal liability. In determining what Remedies to pursue, the Board or Committee will take into account all relevant factors, including the following: (i) the amount of compensation received by the Participant that exceeds the amount of compensation that otherwise would have been received or granted had the Participant’s conduct been known; (ii) the relative fault or degree of involvement by the Participant; (iii) the relative impact of the Participant’s conduct on the Company; and (iv) any other facts and circumstances determined relevant by the Board or the Committee, in its sole discretion.

10. Heirs and Successors. This Plan will be binding upon, and will inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company’s assets and business. Subject to the terms of the SOIP, any consideration or other benefits distributable to a deceased Participant under this Plan will be distributed to the beneficiary designated by the Participant in writing filed with the Committee in such form as the Committee will require. If a deceased Participant has failed to designate a beneficiary, or if the designated beneficiary of the deceased Participant dies before the Participant or before complete distribution of consideration or other benefits due under this Plan, the consideration or other benefits to be distributed under this Plan will be distributed to the legal representative or representatives of the estate of the last to die of the Participant and the beneficiary.

11. Taxes, Transaction Costs and Withholding. A Participant will be solely responsible for the payment of all taxes and transaction costs relating to the granting, vesting/earning and payment of an Award. It will be a condition to the obligation of the Company to issue or transfer shares of Stock or other applicable consideration 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 or other applicable consideration to the Participant (or to the Participant’s beneficiary).

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

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

14. No Employment Contract. Nothing contained in the Plan will (a) confer upon a 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 a Participant.

15. Unfunded Plan. It is the Company's intention that the Plan be unfunded. The Company is not required to set aside any assets for payment of the benefits provided under the Plan, and no Participant will have a security interest in any Award.

16. Governing Law. The interpretation, performance, and enforcement of the Plan 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.

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Appendix to the Brinker International, Inc. Performance Share Plan

The Target Adjusted EBITDA and the calculation of Adjusted EBITDA will reflect the following adjustments as determined appropriate by the Committee to the extent such items are not already in the Company's "Other Gains and Charges" caption on the consolidated statement of comprehensive income.

(a) Accounting Changes. Adjusted EBITDA will be adjusted to neutralize any impacts associated with changes in accounting principles pursuant to accounting pronouncements adopted during the Measurement Period.

(b) Compensation Plan Expense. For purposes of Adjusted EBITDA, the expense related to any performance share plans (including any stock option plans) of the Company (or awards thereunder) (the "Applicable Performance Share Plans"), and any profit sharing plans of the Company (the "Applicable Profit Sharing Plans"), will be determined as follows: (i) the expense with respect to each Applicable Performance Share Plan will be equal to the planned expense at 100% achievement with respect to such plan as of the beginning of each applicable measurement period thereunder; and (ii) the expense with respect to each Applicable Profit Sharing Plan will be equal to the planned expense at 100% achievement with respect to such plan for each performance year (or other applicable performance period) thereunder, all as determined by the Committee in its sole discretion. For clarification, Adjusted EBITDA will neither (i) be reduced by higher expenses associated with achievement above target, or (ii) receive the benefit of lower expenses associated with achievement below target with respect to any Applicable Performance Share Plans or Applicable Profit Sharing Plans.

(c) Unplanned Brand or Business Dispositions. Any one-time profit or loss associated with the disposition or sale of a brand or business will be excluded from the Adjusted EBITDA calculation. Associated disposition costs, including but not limited to transaction, transition, disintegration or restructuring will be excluded from the Adjusted EBITDA calculation. Target Adjusted EBITDA will be adjusted as of the transaction date to neutralize the impact of the disposition by excluding from Target Adjusted EBITDA the expected profit from the disposed brand or business for the period after the transaction.

(d) Unplanned Brand or Business Acquisition. Acquisition costs associated with the purchase of a brand or business, including but not limited to transaction, transition, integration or restructuring, will be excluded from the Adjusted EBITDA calculation. At the time of an unplanned brand or business acquisition other than an immaterial acquisition of the Company's franchise restaurants, the Committee will adjust the Target Adjusted EBITDA to account for increases in expected Adjusted EBITDA from the acquisition and may consider such factors as it deems appropriate, such as the cost of acquisition capital, historical performance and potential synergies. All EBITDA from the acquisition shall then be included in the actual Adjusted EBITDA calculation after the Target Adjusted EBITDA is adjusted.

(e) Refranchised Restaurants. Any gain or loss from refranchising transactions will be excluded from the Adjusted EBITDA calculation. Target Adjusted EBITDA will be adjusted to neutralize the impact of the disposition of the refranchised restaurants by excluding the expected profit from the refranchised restaurants less recorded royalties.

(f) External Events. Adjusted EBITDA will be adjusted to neutralize the impact (net of insurance recoveries, if any) of extraordinary, non-recurring events (such as, but not limited to, natural disasters, terrorist attacks, pandemics, government mandated dining room closures or capacity restrictions, industry-wide food-borne illness).

[End of document.]

Exhibit 31(a)

CERTIFICATION

I, Kevin D. Hochman, 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 accepted 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: November 1, 2023

By: /S/ KEVIN D. HOCHMAN

Kevin D. Hochman,
President and Chief Executive Officer
of Brinker International, Inc.
and President of Chili's Grill & Bar
(Principal Executive Officer)

Exhibit 31(b)

CERTIFICATION

I, Joseph G. 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 accepted 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: November 1, 2023

By: /S/ JOSEPH G. TAYLOR

Joseph G. Taylor,
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting 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 September 27, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) 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: November 1, 2023

By: /S/ KEVIN D. HOCHMAN

Kevin D. Hochman,
President and Chief Executive Officer
of Brinker International, Inc.
and President of Chili’s Grill & Bar
(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 September 27, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) 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: November 1, 2023	By:	/S/ JOSEPH G. TAYLOR
		Joseph G. Taylor,
		Executive Vice President and Chief Financial Officer
		(Principal Financial and Accounting Officer)