

## **CODE OF CONDUCT AND ETHICAL BUSINESS POLICY**

## CEO'S MESSAGE

Brinker International Payroll Company, L.P. is committed to conducting business with the highest ethical standards and to maintaining a reputation as a respected corporate citizen.

We operate our business under a wide range of competitive situations, subject to a variety of laws, regulations, and cultures. To continue to be successful, our Company must constantly seek and implement flexible and innovative ways to achieve our business objectives. The Company must also continue to be competitive in the marketplace. Yet, within this environment, we must be unwavering in our commitment to perform in a manner that is in keeping with high ethical standards. We recognize this balance is critical to maintaining our valuable reputation and, in turn, our long-term success.

It is imperative that all Brinker Team Members and business partners clearly understand their responsibilities for conducting business in accordance with the Company's policies, procedures and its ethical standards. This "Code of Conduct and Ethical Business Policy" sets forth these standards for purposes of building awareness and thereby enabling each of us to properly conduct Company business. The Company's Chief Compliance Officer is charged with overseeing the administration and enforcement of this Code.

***Any Team Member who has questions about, or suspects a violation of, the Company's Code of Conduct is encouraged to report the matter to the Chief Compliance Officer [or external hotline] as set forth in the Code. These policies will be strictly enforced and any Team Member who violates these standards will be subject to appropriate disciplinary action by the Company including dismissal, where appropriate.***

By consistently applying the Company's high ethical standards to all of our business relationships, we will continue to support a work environment and atmosphere that is conducive to individual and Company success.

Sincerely,

Wyman T. Roberts  
President & Chief Executive Officer

## INTRODUCTION

The Board of Directors (the "Board") of Brinker International, Inc. has adopted this Code of Conduct and Ethical Business Policy (the "Ethics Policy") for all directors, officers and Team Members of Brinker International Payroll Company, L.P. to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of Brinker's legitimate business interests, including corporate opportunities, assets and confidential information; and
- deter wrongdoing.

All directors, officers and Team Members of Brinker are expected to be familiar with the Ethics Policy and to adhere to those principles and procedures set forth below that apply to them. You should be aware that the policies described in the Ethics Policy are separate requirements from Brinker's more detailed policies and procedures set forth in Brinker's Policies and Procedures Manual, which is not part of this code.

To the extent that you have any questions regarding the Ethics Policy or its interpretation or application, or become aware of any existing or potential violation of it, you are required to contact your manager promptly. Failure to do so is itself a violation of this Ethics Policy. Directors or officers should contact the General Counsel or the chairman of the Audit Committee directly. A director, officer or Team Member who is unsure of whether a situation violates the Ethics Policy should discuss the situation with his or her manager or the General Counsel or the chairman of the Audit Committee, as applicable, to prevent possible misunderstanding and embarrassment at a later date. Each director, officer or Team Member must:

- Notify the appropriate person promptly of any existing or potential violation of this Ethics Policy. Such reports can also be communicated as set forth in the Brinker policy entitled: Problem Resolution Procedures/Whistle Blower Policy.
- Not retaliate against any director, officer or Team Member for reports of potential violations that are made in good faith.
- Encourage Brinker's directors, officers and Team Members to ask questions, seek guidance, report suspected violations or express their concerns regarding compliance with this Ethics Policy.

It is the policy of Brinker International to conduct its business affairs fairly, impartially, with integrity and in an ethical and proper manner. This means, among other things, that Brinker's directors, officers and Team Members must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information of Brinker's proprietary information or trade secrets where required or consistent with Brinker's policies.

- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Brinker policies.
- Adhere to a high standard of business ethics.

Brinker has a history of succeeding through honest business competition. Brinker does not seek competitive advantages through illegal or unethical business practices. Each director, officer and Team Member should endeavor to deal fairly with Brinkers customers, vendors, service providers, suppliers, competitors and Team Members. No director, officer or Team Member should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practice.

Conduct that may raise questions as to the Company's honesty, integrity, impartiality, or reputation, or activities that could cause embarrassment to the Company or damage to its reputation, are prohibited. The highest possible standards of ethical and business conduct are required, and expected, of Brinker directors, officers and Team Members in the performance of their company responsibilities.

***Nothing in this Code creates or is intended to create an employment contract with any employee for any term of employment. Brinker may terminate the at-will employment of any individual for any reason or no reason, at any time, with or without cause, and with or without notice. Similarly, Brinker retains the right to amend, modify, or revise this Code at any time, with or without advance notice to employees.***

#### **A. Conflicts of Interest.**

A Team Member's business decisions must always be in the best interests of Brinker. Team Members have an obligation to avoid any business, financial or other relationships that might conflict with the interests of Brinker or create the appearance of such a conflict. Make every effort to avoid situations that could compromise independent judgment, but if a problem arises, handle it forthrightly and honorably.

A ***conflict of interest*** exists when a Team Member's private interest is contrary to the Company's interest, impedes and/or potentially impedes on his or her ability to objectively and effectively act in the best interest of Brinker.

Brinker recognizes and respects each Team Member's right to privacy and to engage in personal activities outside the scope of his/her employment. However, each Team Member also has an obligation to refrain from activities that conflict or interfere with the Company's operations. The Company reserves the right to determine when an activity conflicts with the Company's interests and to take whatever action is necessary to resolve the conflict.

As a Team Member of Brinker, it is your responsibility to report promptly to the General Counsel or your manager any activity in which you are engaged that might be deemed a conflict of interest. They will determine if a conflict exists and establish controls to prevent abuse or, if such control is not feasible, they can require that you terminate the activity in question or divest your interest in any relevant transaction as a condition of continued employment. Managers who require guidance in this evaluation should contact the Compliance Officer for assistance.

There are some common relationships or circumstances that can create, or give the appearance of, a conflict of interest. The situations generally involve gifts and business or financial dealings or investments. The following areas are intended to clarify the obligations of Team Members in these circumstances but may not include all circumstances.

1. **Accepting Gifts, Entertainment, and Other Inducements from Third-Parties.** Gifts, favors, tickets, entertainment and other such inducements may be attempts to "purchase" favorable treatment. Accepting such inducements could raise doubts about your ability to make independent business judgments and the Company's commitment to treating people fairly. Keep in mind that certain inducements may be defined as bribes, payoffs or kickbacks, which are illegal as described above.
  - a) **Prior Approval:** If prior approval has been given by the Compliance Officer, you may accept entertainment.
  - b) **Examples of Entertainment That Will be Approved in Advance;**
    - 1) An occasional golf outing in your home city or at the location of a business meeting;
    - 2) Business meals - if they are in line with accepted business practice, could not be construed as potentially influencing your business judgment or creating an obligation on your part, and if public knowledge thereof would not appear as a conflict to you or the Company. Generally, any business meals you receive should not exceed \$100 in value.
  - c) **Frequency:** When such business activities occur frequently, such costs should be shared or paid for on a reciprocal basis. From time to time, Team Members may be invited to a meeting or special event (primarily social in nature), which may involve similar offers to large numbers of people from the same type of business. In requesting such permission, the Team Member involved must be able to explain the advantage to Brinker in attending such a special event. If the event is held at a very expensive resort location, it is unlikely that permission will be granted because the appearance of impropriety may outweigh the advantage of attendance.
  - d) **Gifts:** You may accept infrequent, nominal gifts valued at less than \$100. Gifts of greater value may be accepted if protocol, courtesy or other special circumstances exist, as sometimes happens with international transactions; however, all such gifts must be reported to the Compliance Officer who will determine if you may keep the gift or must return it or whether it should more appropriately become Company property. Frequently, gifts of food are given by vendors at holiday time. If possible, these gifts should be shared with your team. You should notify vendors that gifts are unnecessary and to be avoided. If a vendor still feels a need to provide something at holidays or other times, suggest a donation to the Brinker Family Fund instead.
  - e) **Cash:** You may never accept cash or cash equivalents such as gift cards. You may not benefit personally from any purchase of goods or services for Brinker or derive any personal gain from transactions made on behalf of Brinker.
  - f) **Solicitation:** Team Members should never solicit gifts from vendors or suppliers to support Company events or Team Member incentive programs except for large meetings such as Conventions or National Conferences (including AD, RD meetings

and RSC functional department meetings), menu printing or other cost offset assistance, where the Company believes there is a benefit to participating vendors and suppliers and it has been approved by the appropriate Compliance Officer. Examples of prohibited solicitations include items such as door prizes and merchandise donations. Solicitation of support for charitable purposes may only be accepted if approved by the Compliance Officer.

- 2. Giving Gifts, Entertainment, and Other Inducements to Third-Parties.** These policies apply equally to giving. Apart from formally-approved Brinker incentive marketing programs conducted in the ordinary course of business, gifts and entertainment for current or prospective franchisees, customers or suppliers should be in line with customary business practice. They should be avoided where disclosure would cause negative publicity. You should limit the gift to items having a nominal value (generally less than \$100) and you must obtain prior approval from your manager. If the cost is reasonable and done infrequently, Team Members may pay for minor hospitality in connection with business activities, such as an occasional meal or entertainment. When such business activities occur frequently, such costs should be shared or paid for on a reciprocal basis. You should never give any item to anyone who is employed by, a representative of, or related to a government or its agencies or any quasi-governmental entity as this can be construed as bribery in many countries.

Tax laws limit the deductibility of gifts to Team Members of non-governmental clients, prospects, or suppliers. Gifts must be separately reported and listed so that the necessary information will be available for inclusion in Brinker tax returns.

- 3. Tickets to Events.** Team Members should never solicit tickets from any vendor, franchisee or business associate. If free tickets are offered to a Team Member on the basis of a business relationship, these tickets may be accepted, but become the property of the Company. An example of this type of offer would be if a television station in a certain market offered World Series tickets to the Company because the Company purchased certain levels of advertising. The distribution and use of tickets will be decided by the Company. Company tickets may be used in conjunction with a Team Member incentive program, be offered in a general drawing or among a certain level of Team Members, may be retained by the individual to whom they were offered or for such other purpose as the Compliance Officer(s) may decide. Tickets that are offered for only a specific Team Member's use will be subject to special scrutiny and may only be accepted if the Compliance Officer(s) approves. Otherwise, these tickets must be declined.

You should never accept a gift, meal, ticket or entertainment from a supplier with whom Brinker does not do business as that may be seen as attempting to give an unfair advantage in future business dealings.

***Dos and Don'ts for Gifts and Entertainment.*** The rules for gifts and entertainment apply year round, even during the holidays, and they apply not only to Team Members, but also to our spouses, partners or family members. If you are offered a gift or entertainment that is inappropriate, you should decline. If you find yourself in a situation where refusing a gift would

embarrass or hurt the person offering it, you may accept the gift on behalf of Brinker and then report it to your manager.

**Some Examples:**

Q. One of our suppliers offered to take me and my wife to my favorite team's playoff game. The tickets are valued at \$200 each. Can I accept the gift?

A. No. You may not accept the gift for your personal use. A gift with a total value of \$400 exceeds our gift guidelines. You can accept the tickets on behalf of the Company and then distribute them in a drawing or award them as an incentive. If that is not acceptable to the supplier, you should politely decline the offer.

Q. A contractor invited me to play a round of golf with her. Can I accept the invitation?

A. Yes. You can attend infrequent or occasional entertainment functions such as this as long as it is an appropriate setting for business discussion, the cost is reasonable, and the invitation is unsolicited.

Q. I am involved in contract negotiations with a particular contractor. The contractor offered to take me out to dinner to discuss business. Can I accept the invitation?

A. No. While business dinners are normally acceptable, accepting an invitation for entertainment during business negotiations may give the perception that the event creates a reciprocal obligation and may impede your ability to make unbiased business decisions.

The important thing to remember is that you cannot offer, give or receive anything that would compromise – or even appear to compromise – the recipient's ability to make fair, impartial and balanced business decisions.

4. **Offers of Employment.** Offers of employment (including a post-retirement job) may, in some circumstances, be an attempt to divide your loyalties. If you receive a job offer from a franchisee, customer, supplier, competitor, or even from one of the companies with whom you do business, the ethical course of action is to exempt yourself from making decisions that may affect the source of the job offer until you have made your decision. If you accept the job offer, you should immediately stop representing the Company with your prospective employer. The only exception to this policy is for hourly Team Members in our stores who may work at a different company or with a franchisee.
5. **Charitable/Civic Organizations:** If a Team Member is involved with a charitable or civic organization, and such organization solicits contributions whether monetary or “in kind”, the Team Member should make it clear that such solicitation is not being requested by Brinker and that their declining to donate will in no way affect their relationship with Brinker.

6. **Investments and Other Business Interests.** A conflict of interest exists when Team Members have a personal interest in a business or financial venture that may be at variance with the interests of Brinker. Team Members are expected to devote their time, efforts and loyalty to Brinker business. Any involvement by Team Members in any other business must be strictly limited, regardless of whether such business relates in any way to the business of Brinker. These conflict of interest guidelines apply not only to Team Members, but also their immediate family members living in their homes. We do understand that some members of your immediate family living in your homes may work for a competitor or supplier, and as long as that has been disclosed and approved by the General Counsel, such employment will not be a violation of this policy. Team Members should obtain prior approval from the General Counsel before entering into a business transaction that could create a conflict of interest.

Business transactions that benefit family members give an appearance of impropriety. Your family members may not have a personal financial interest in, accept any payments whatsoever from, enter into contracts with, or otherwise establish a business relationship with the Company or its franchisees or suppliers except as has been approved in advance by the General Counsel. Notify your manager and the Compliance Officer or the General Counsel immediately if you or any of your family members are employed by, give advice to, or otherwise have an interest in the Company, or a Company supplier, or franchisee.

Although we cannot anticipate every situation that might create or be a conflict of interest in financial/investment dealings, the following are examples of conflicts:

- Working for, serving as a partner, officer or director of, or having a significant stockholding in a business enterprise that does business with or competes with the Company;
- Buying, leasing or selling property from, or to, Brinker, or near locations known to be of interest to the Company or its franchisees;
- Accepting payments, services or loans not available to the general public from, or rendering consulting services to, persons or entities dealing or contemplating dealing with Brinker, or in competition with the Company;
- Being indebted to a competitor or supplier of goods and services to Brinker, other than banks or other financial institutions for typical consumer debt available to non-Brinker Team Members;
- Acting on behalf of, or advising, a franchisee, competitor, supplier, lessor or lessee in dealings with Brinker, or similar activities by members of a Team Member's immediate family;
- The active commitment of a significant amount of time devoted to the management of any other business enterprise, which would take time away from your normal work schedule or responsibility; and
- Taking for yourself business opportunities that rightfully belong to the Company.

Financial interest does not include ownership of securities in a corporation if all of the following conditions are met:

- The securities are traded on a national exchange, or over the counter and regularly reported in the financial press; and
  - You do not own more than 1% of a corporation's outstanding securities.
7. **Reciprocity.** In many instances, Brinker purchases goods or services from a supplier who also buys goods or services from us. This practice is normal and acceptable, but any form of pressure for reciprocity with that supplier is not. Suppliers must not be asked to buy our products or services in order to become or continue to be a supplier of ours.

## **B. Company Confidentiality.**

1. **Confidential and Proprietary Information about Brinker.** In carrying out the company's business, directors, officers and Team Members often learn confidential or proprietary information about Brinker. You must not disclose any Brinker confidential or proprietary information or trade secrets to persons outside of Brinker, except when authorized or legally mandated. This confidential or proprietary information may include non-public business, financial, personnel or technological information, plans, data, pricing and sales information, food and beverage processes, recipes and the like, and other processes or systems related to any portion of Brinker's business operations that you have learned, generated or acquired during your association with Brinker that is not otherwise publicly available. This prohibition extends indefinitely beyond your employment with Brinker.

2. **Confidential Information about Third Parties.** The policy with respect to information about Brinker applies equally to confidential or proprietary information or trade secrets belonging or relating to any supplier, vendor, competitor, contractor, consultant, former employer or other person or entity that you have received in your capacity as a director, officer or Team Member of Brinker, except when disclosures are authorized or legally mandated.

3. **Reporting Matters to Law Enforcement:** Neither the confidentiality requirements of this Code, nor any similar confidentiality requirements set forth in other Company policies should be construed or interpreted as prohibiting Team Members from reporting any illegal activities to government agencies or law enforcement authorities. While Brinker encourages its Team Members to report any actual or potential illegal activity to the Company in accordance with the reporting processes set forth in this Code, the provisions of this Code do not restrict any Team Member from making reports directly to appropriate governmental agencies.

## **C. Disclosure and Maintenance of Books and Records.**

1. **Disclosure.** Each director, officer or Team Member involved in Brinker's disclosure process, including the Chief Executive Officer, the Chief Financial Officer and the Chief Accounting Officer (the "Senior Financial Officers"), is required to be familiar with and comply with Brinker's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that

Brinker's public reports and documents filed with the Securities and Exchange Commission (the "SEC") comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or Brinker's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Brinker officers and Team Members and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each Director, officer or Team Member, who is involved in the Company's disclosure process, including the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company;
- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations; and
- Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

2. **Maintenance of Books and Records.** Brinker's business records (including time sheets, expense reports, invoices, supporting documentation and benefit plan information) are required to be prepared accurately, reliably, and in a timely manner. Directors, officers and Team Members are prohibited from creating or participating in the creation of (or falsification or alteration of) any Brinker records and are further required to be honest and straightforward in their dealings with internal or outside auditors with respect to the Company's transactions, records, accounts, and financial statements.

3. **Document Hold Procedures:** From time to time, similar to many companies, Brinker will be involved in an attorney demand, administrative agency charge or lawsuit. In this event, Brinker may need to issue a Litigation Hold Notice advising certain individuals as to the Company's need to retain, for legal purposes, specific types of records including documents, electronic records, email, voicemails and other forms of Company information. If you receive a Litigation Hold Notice, you are required to immediately follow the requirements of the notice. Litigation Hold Notices supersede any other retention schedule that would otherwise apply to the records at issue. It is important that records subject to a Litigation Hold Notice not be destroyed or in any way altered. Brinker Team Members must follow the Litigation Hold Notice procedures.

#### **D. Company Property.**

All directors, officers and Team Members should protect Brinker's assets and ensure their efficient use. All assets of Brinker should be used only for legitimate business purposes. In addition, directors, officers and Team Members are prohibited from abusing, destroying, damaging or defacing company property, tools, equipment or property of others.

## **E. Compliance with Laws.**

Directors, officers and Team Members are required to obey all federal, state and local laws, rules and regulations while conducting business on behalf of Brinker, including antitrust and trade regulation laws, environmental laws, franchise laws, liquor laws, employment laws, product safety laws, advertising laws, etc. It is the personal responsibility of each director, officer or Team Member to be sufficiently knowledgeable of and adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is against Brinker policy and in many circumstances illegal for a director, officer or Team Member to profit from undisclosed information relating to Brinker or any other company. Any director, officer or Team Member may not purchase or sell any of Brinker's securities while in possession of material nonpublic information relating to Brinker. Also, any director, officer or Team Member may not purchase or sell securities of any other company while in possession of any material nonpublic information relating to that company.

The policies set forth in this Section E are further addressed in Brinker's "Policy Governing the Improper Use of Material Nonpublic Information and Trading in Brinker's Securities."

Directors, officers and Team Members are prohibited from knowingly entering into transactions that would violate any laws, rules or regulations. If you have a question as to the legal validity of an action, you should discuss the matter with the General Counsel.

## **F. Government Relations.**

1. **Political Activity.** The Ethics Policy does not restrict your right to participate in political activities in your personal capacity or to use personal funds for political purposes. If you choose to hold public office, either by election or appointment, such decision should be discussed in advance with your manager or the General Counsel, as appropriate. Directors, officers and Team Members are prohibited from using corporate facilities or other assets of the Company for the benefit of political candidates or parties. Any personal political contributions will not be reimbursed. Brinker only may participate in the political process in the following manner:

- *Lobbying Activities.* Brinker participates in lobbying activities only through the General Counsel. No director, officer or Team Member may lobby on behalf of Brinker unless the General Counsel or the Board (or committee thereof) expressly authorizes such activity in writing. Directors, officers and Team Members are prohibited from lobbying on their own behalf, or on behalf of third persons, while fulfilling their duties and responsibilities to the company.
- *Political Action Committee ("PAC").* Brinker is permitted to sponsor and pay the administrative costs of a PAC or effective citizenship programs.

2. **Foreign Corrupt Practices Act ("FCPA").** The Ethics Policy prohibits any director, officer or Team Member from giving and/or offering money or anything of value to a

foreign governmental official, agency, political party, party official or candidate to induce the recipient to give Brinker business, purchase Brinker's products or otherwise benefit Brinker's business in their country other than contributions within the purview of applicable law. The policy set forth in this Paragraph 2 is further addressed in Brinker's "FCPA and Anti-Corruption Policy."

**G. RETALIATION IS PROHIBITED:** In keeping with its goals to promote an ethical environment, Brinker prohibits retaliation against a Team Member for the mere reporting of an activity that the individual, in good faith, believes to be a violation of any law, rule, regulation or a violation of this Code. Retaliation against a Team Member will be deemed a violation of this Code. Any Team Member who believes he or she is subject to retaliation for the mere reporting of a suspected Code violation should report such concern of retaliation to the their manager, the General Manager, the Area Director, the Director of PeopleWorks and/or any PeopleWorks Partner or the General Counsel.

#### **ADMINISTRATION OF THE CODE OF CONDUCT**

The Audit Committee is responsible for applying this Ethics Policy to specific situations in which questions are presented to it and has the authority to interpret this Ethics Policy in any particular situation. The Audit Committee and the General Counsel shall take all action they consider appropriate to investigate any violations reported to them. If a violation has occurred, Brinker will take such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee, in the case of a director or executive officer, or the General Counsel, in the case of any other Team Member. In addition to the other procedures set forth in the Ethics Policy, all disclosures required by the Ethics Policy, requests for interpretation of any provision of the Ethics Policy, and questions concerning the Ethics Policy may be submitted in writing to the General Counsel. Responses may also be made in writing. All disclosures will remain confidential.

All directors, officers and Team Members of Brinker are responsible for conducting themselves in a manner consistent with Brinker's Ethics Policy. You should also be aware that many violations of the Ethics Policy are also violations of law and may subject you and/or Brinker to severe penalties, fines or other consequences.

**WAIVERS:** From time to time, Brinker may waive some provisions of this Ethics Policy. Any waiver of the Code of Conduct for executive officers or directors may be made only by the Board of Directors or the appropriate Board Committee and must be promptly disclosed to the shareholders. Any waiver for other Team Members may be made only by the General Counsel. A waiver from the Ethics Committee is not effective unless the waiver is in writing and signed by the General Counsel.