BRINKER INTERNATIONAL INC
Form DEF 14A
September 27, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ¨ Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

Brinker International, Inc.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

6820 LBJ Freeway

Dallas, Texas 75240

(972) 980-9917

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held November 10, 2010

September 27, 2010

Dear Shareholder:

We invite you to attend the annual meeting of shareholders of Brinker International, Inc. to be held at 9:00 a.m. (CST), on Wednesday, November 10, 2010, at the Brinker International, Inc. principal executive office campus, in the building located at 6700 LBJ Freeway, Dallas, Texas 75240. At the meeting, we will: (1) elect nine (9) directors for one-year terms; (2) vote on the ratification of the appointment of KPMG LLP as our independent auditors for the fiscal 2011 year; (3) re-approve the Company s Profit Sharing Plan, and (4) conduct any other business properly brought before the meeting.

Your Board of Directors has chosen September 13, 2010 as the date used to determine the shareholders who will be able to attend and vote at the annual meeting. If you owned shares in Brinker, at the end of business on that day, you are invited to attend the annual meeting. Seating at the meeting will be limited to Brinker s shareholders, proxy holders and invited guests of Brinker. If you own your shares in your own name, please bring photo identification to the meeting. If you hold your shares through a bank, broker or other third party, please bring photo identification and a current statement from that party showing your ownership. Please note that cameras, recording equipment and other electronic devices will not be permitted at the meeting.

Your vote is important. Whether or not you plan to be present at the meeting, please take time to vote. If you decide not to attend the annual meeting, you may vote on these proposals by proxy. To do so, please cast your vote, as instructed in the Notice of Internet Availability of Proxy Materials you received, over the Internet or by telephone after your review of proxy materials at *www.proxyvote.com* (by using your 12-digit control number on the Notice of Internet Availability of Proxy Materials to access the website) or, upon your request, after receipt of hard copies of proxy materials. We ask that you cast your vote as promptly as possible. You may also request a paper copy of the proxy card to submit your vote, if you prefer. **We do encourage you to vote by Internet.** It is convenient and saves postage and processing costs. If you have voted by the Internet, by mail or by telephone and later decide to attend the annual meeting, you may come to the meeting and vote in person.

We look forward to seeing you at the meeting.

Very truly yours,

Douglas H. Brooks

Chairman of the Board, President

and Chief Executive Officer

BRINKER INTERNATIONAL, INC.

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

Why did you send this Proxy Statement to me?

The Board of Directors of Brinker International, Inc. (sometimes referred to here as Brinker, we, us, our, or the Company) is soliciting the enclosed proxy to be used at the annual meeting of shareholders on November 10, 2010 at 9:00 a.m. (CST), and at any adjournment or postponement of that meeting. The meeting will be held at our principal executive office campus, in the building located at 6700 LBJ Freeway, Dallas, Texas 75240. The purpose of the meeting is to:

- elect nine (9) directors;
- vote on the ratification of the selection of KPMG LLP as our independent auditors for the 2011 fiscal year;
- re-approve the Company s Profit Sharing Plan; and
- conduct any other business properly brought before the meeting or any adjournment or postponement thereof.

We posted this Proxy Statement and the accompanying proxy on or about September 27, 2010, to our website at *www.proxyvote.com*, and mailed notice on September 27, 2010 to all shareholders entitled to vote at the annual meeting.

Why am I being asked to review materials on-line?

Under rules adopted by the U.S. Securities and Exchange Commission (SEC), we are furnishing proxy materials to our shareholders on the Internet, rather than mailing printed copies of those materials to each shareholder. If you receive a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials on the Internet. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. We anticipate that the Notice of Internet Availability of Proxy Materials will be mailed to shareholders on or about September 27, 2010.

How many votes do I have?

If we had your name on record as owning stock in Brinker International, Inc. at the close of business on September 13, 2010, then you are entitled to vote at the annual meeting. You are entitled to one vote for each share of Brinker s common stock you own as of that date. At the close of business on August 13, 2010, 101,573,609 shares of the Company s common stock were outstanding and eligible to vote.

How do I vote by proxy?

Whether you plan to attend the annual meeting or not, we encourage you to follow the instructions on the Notice of Internet Availability of Proxy Materials. You may vote

- via Internet at *www.proxyvote.com* by using your 12-digit control number to access the site (you may find this number on your Notice of Internet Availability of Proxy Materials);

by phone; and

by requesting, completing and mailing a paper proxy card, as outlined in the Notice of Internet Availability of Proxy Materials;

How do I attend the annual meeting in person?

Seating at the annual meeting will be limited to Brinker s shareholders or their proxyholders and Brinker s invited guests. If you are a holder of record in your own name, please bring photo identification to the annual meeting. If you hold shares through a bank, broker or other third party, please bring photo identification and a current brokerage statement. Cameras, recording equipment and other electronic devices will not be permitted at the meeting. The annual meeting will begin promptly at 9:00 a.m. (CST) at our offices, so please plan to arrive accordingly.

May I revoke my proxy?

You may change your vote or revoke your proxy any time before the annual meeting by:

- returning another proxy card with a later date;
- sending written notification of revocation to the Corporate Secretary at our principal executive offices at 6820 LBJ Freeway, Dallas, Texas 75240;
- entering a later vote by telephone or over the Internet; or
- attending the annual meeting and voting in person.

You should be aware that simply attending the annual meeting will not automatically revoke your previously submitted proxy. If you desire to do so, you must notify an authorized Brinker representative at the annual meeting of your desire to revoke your proxy and then you must vote in person.

Who pays for the solicitation of proxies and how are they solicited?

We pay the entire cost of the solicitation of these proxies. This cost includes preparation, assembly, printing, and mailing of this Proxy Statement and any other information we send to you. We may supplement our efforts to solicit your proxy in the following ways:

- we may contact you using the telephone or electronic communication;
- our directors, officers, or other regular employees may contact you personally; or
- we may hire agents for the sole purpose of contacting you regarding the proxy.

If we hire soliciting agents, we will pay them a reasonable fee for their services. We will not pay directors, officers, or other regular employees any additional compensation for their efforts to supplement our proxy solicitation.

Can I vote if my shares are held in street name ?

If the shares you own are held in street name by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides you. If you do not give instructions to your bank or brokerage firm, it will still be able to vote your shares with respect to certain routine items, but will not be allowed to vote your shares with respect to certain non-routine items. In the case of non-routine items, the shares will be treated as broker non-votes, which are not counted as cast and have no effect on the outcome of the vote. Prior to this year, election of directors was considered a routine matter and your bank or brokerage firm was permitted to use its discretion to vote your shares on the election of directors if you gave no instructions. We urge you to give your bank or brokerage firm instructions on all proposals in this proxy statement. To be able to vote your shares held in street name at the meeting, you will need to obtain a proxy from your bank or brokerage firm.

How do I vote if my shares are held in the Company s 401(k) Plan?

If all or some of the shares you own are held through the Company s 401(k) Plan, you may vote via Internet or by phone by 11:59 p.m., EST, on November 5, 2010 or the Company s agent must receive your paper proxy card on or before November 5, 2010.

What is householding ?

If you and others in your household own your shares in street name, you may receive only one copy of this proxy statement and the annual report. This practice is known as householding. If you hold your shares in street name and would like additional copies of these materials, please contact your bank or broker. If you receive multiple copies and would prefer to receive only one set of these materials, please also contact your bank or broker. Brinker does not currently use householding for owners of record and will send notice to all owners of record before using householding. By using this method, we give all owners of record the opportunity to continue to receive multiple copies of these materials in the same household.

What constitutes a quorum?

In order for business to be conducted at the meeting, a quorum must be present. A quorum consists of the holders of a majority of the shares of common stock issued, outstanding and entitled to vote at the meeting. Shares of common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What vote is required to approve each proposal?

Proposal 1: Elect Nine Directors

The nine nominees for director who receive the most votes of all nominees for director will be elected. Votes withheld will therefore have no effect on the outcome of this proposal because only a plurality of votes actually cast is needed to elect a director.

Proposal 2: Ratify Selection of Independent Auditors for the 2011 Fiscal Year

The affirmative vote of a majority of the shares of common stock present or represented by proxy and voting at the meeting is required to approve this proposal. Abstentions are counted as votes cast and have the same effect as votes against the proposal. Broker non-votes have no effect on the outcome of the voting on this proposal.

Proposal 3: Re-Approve the Company s Profit Sharing Plan

The affirmative vote of a majority of the shares of common stock present or represented by proxy and voting at the meeting is required to approve this proposal. Abstentions are counted as votes cast and have the same effect as votes against the proposal. Broker non-votes have no effect on the outcome of the voting on this proposal.

How will my proxy get voted?

If you vote over the Internet or by telephone, or properly fill in and return a paper proxy card (if requested), the designated Proxies (Douglas H. Brooks and Cece Smith) will vote your shares as you have directed. If you submit a paper proxy card, but do not make specific choices, the designated Proxies will vote your shares as recommended by the Board of Directors as follows:

FOR election of the nine nominees for director;

FOR ratification of KPMG LLP as our independent auditors for the 2011 fiscal year; and

FOR re-approval of the Company s Profit Sharing Plan.

How will voting on any other business be conducted?

Although we do not know of any business to be considered at the annual meeting other than the proposals described in this Proxy Statement, if any additional business is properly brought before the annual meeting, your signed or electronically transmitted proxy card gives authority to the designated Proxies to vote on such matters in their discretion.

Who will count the votes?

We have hired a third party, Broadridge Financial Solutions, to judge voting, be responsible for determining whether or not a quorum is present and tabulate votes cast by proxy or in person at the Annual Meeting.

Where can I find voting results of the meeting?

We will announce general voting results at the meeting and publish final detailed voting results in a Form 8-K filed within four (4) business days following the meeting.

May shareholders ask questions at the annual meeting?

Yes, our representatives will answer your questions after the conclusion of the formal business of the meeting. In order to give a greater number of shareholders an opportunity to ask questions, we may impose certain procedural requirements, such as limiting repetitive or follow-up questions, limiting the amount of time for a question, or requiring questions to be submitted in writing.

How do I submit a proposal for next year s annual meeting?

If you have a proposal, other than a nomination for the Board of Directors, that you would like us to consider at the 2011 annual meeting of shareholders, you must submit your proposal to the Secretary of the Company no later than May 31, 2011 and must comply with the notice, information and other provisions contained in the Company s bylaws. If you would like your proposal to be included in our Proxy Statement and proxy relating to that meeting, it must also comply with the SEC rules, and you must submit it to us no later than May 31, 2011. Proposals should be sent to our executive offices at 6820 LBJ Freeway, Dallas, Texas 75240 in care of the Corporate Secretary.

How do I submit a nomination for the Board of Directors?

Any shareholder of the Company may recommend one or more individuals to be considered by the Governance and Nominating Committee of the Company s Board of Directors as a potential nominee or nominees for election as a director of the Company. If you wish to recommend one or more individuals for a position or positions on the Board of Directors, our bylaws require that you submit your recommendation, along with certain information about the candidate(s) to the Secretary of the Company. If you need a copy of the bylaws, you may obtain them free of charge from the Corporate Secretary or you may find them in the Company s public filings with the SEC. If you want to submit a recommendation for the Company s 2011 annual meeting of the shareholders, your submittal must be delivered to our principal executive offices at 6820 LBJ Freeway, Dallas, Texas 75240 to the attention of the Corporate Secretary on or before May 31, 2011.

How can I communicate with the Board of Directors?

If you or any interested party wishes to communicate with the Board of Directors, as a group, or with an individual director, such communication may be directed to the appropriate group or individual in care of the General Counsel, Brinker International, Inc., 6820 LBJ Freeway, Dallas, Texas 75240. Your Board of Directors has instructed the General Counsel to review and forward such communications to the appropriate person or persons for response.

How can I access Brinker s proxy materials and annual report electronically?

You can access the Company s proxy statement, 2010 Annual Report on Form 10-K and FY 2010 Annual Report at www.brinker.com. You may simply click on the For Investors tab on the home page, and then the Financial Information link in the left column; the SEC filings section of our website will be available for your usage. We will also provide you free copies of these documents by sending a written request to the Company s Corporate Secretary at 6820 LBJ Freeway, Dallas, Texas 75240. If you received a Notice of Internet Availability of Proxy Materials, you may also access this information at the website described in the Notice. The FY 2010 Annual Report and the Form 10-K accompany this proxy statement, but are not considered part of the proxy soliciting materials.

PROPOSAL 1

ELECTION OF DIRECTORS

Your proxy will be used to vote **FOR** the election of the Nominees named below unless you withhold the authority to do so when you send in your proxy. If any Nominee becomes unavailable for election as a result of an unexpected occurrence, we would use your shares to vote for a substitute Nominee that the Board of Directors would propose. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any Nominee will be unavailable to serve. All Nominees are currently serving as directors of the Company and all were elected by the shareholders at the 2009 annual meeting of shareholders, except Mr. Joseph M. DePinto who was appointed to the Board of Directors on August 2, 2010.

Information About Nominees

We are furnishing you below certain biographical information about each of the nine persons nominated as directors. Also included is a description of the experience, qualification, attributes and skills of each nominee:

Douglas H. Brooks, 58, is Chairman of the Board of the Board of Directors, having been elected to the position in November 2004, and has served as Chief Executive Officer of the Company since January 2004, and as President of the Company since January 1999. Previously, Mr. Brooks served as Chili s Grill & Bar President from June 1994 to May 1998, Executive Vice President of the Company from May 1998 until January 1999, and Chief Operating Officer from May 1998 until June 2003. Mr. Brooks joined the Company as an Assistant Manager in 1978 and was promoted to General Manager later that year. He was named Area Supervisor in 1979, Regional Director in 1982, Senior Vice President Central Region Operations in 1987, and Senior Vice President Chili s Operations in 1992. He held this position until becoming President of Chili s in 1994. Mr. Brooks serves on the Board of Directors of Southwest Airlines Co. He also serves on the Board of Limbs for Life and is a member of the Professional Advisory Board for St. Jude Children s Research Hospital. Mr. Brooks has served on the Board of Directors since 1999 and is a member of the Executive Committee. Mr. Brooks brings over thirty-two years of hands-on experience in the casual dining industry and the Company serving in various roles from assistant manager to chief executive officer. He provides a unique perspective to the Board with direct knowledge and understanding of the industry as well as familiarity with the Company s business including the ability to effectively identify and drive execution of the Company s strategic priorities.

Joseph M. DePinto, 47, is President and Chief Executive Officer of 7-Eleven, Inc., serving in this position since December 2005. Previously, Mr. DePinto served as President of GameStop Corporation from March 2005 to December 2005. Prior to GameStop, he was employed by 7-Eleven, Inc. from 2002 to 2005 in various roles, most recently Vice President, Operations from 2003 to 2005. Mr. DePinto currently serves on the Board of Directors of 7-Eleven, Inc. and OfficeMax, Inc., and previously served on the Board of Jo-Ann Stores, Inc. He also serves on the Boards of the New York State For Veterans Organization, the SMU Cox School of Business and the National Italian American Foundation. Mr. DePinto has served on the Board of Directors since August 2010. Mr. DePinto brings his skills and knowledge as chief executive of a large multi-unit retail company, as well as his experience serving on the boards of other large or public companies. He provides a significant, broad based understanding of leading a large and/or public company, as well as his specific understanding of all aspects of retailing, including operations, marketing, finance and strategic planning.

Harriet Edelman, 54, is advisor to the Chairman of the New York Private Bank & Trust and the Emigrant Savings Bank, serving in this position since June 2008. Previously, Ms. Edelman served as Senior Vice President and Chief Information Officer of Avon Products, Inc., from January 2000 through March 2008, and as Senior Vice President, Global Supply Chain from May 1996 to January 2000. Ms. Edelman serves on the Board of Directors of Ariba, Inc. and previously served on the Boards of The Hershey Company and Blair Corporation. She also serves on the Board of Directors of the Police Athletic League of New York and the National Board of Directors of the Girl Scouts of the USA. Ms. Edelman has served on the Board of Directors since March 2008 and is a member of the Audit and Compensation Committees of the Company. Ms. Edelman brings her understanding and knowledge as a senior officer in a worldwide retail company in areas of information technology and supply chain management, and experience serving as a director on large public company boards.

She provides a unique insight into the strategic integration of technology into a large retail company environment as well as understanding of finance and global supply chain matters.

Marvin J. Girouard, 71, is the retired Chairman and Chief Executive Officer of Pier 1 Imports, Inc., having served as Chairman from February 1999 to February 2007 and Chief Executive Officer from June 1998 to February 2007. Mr. Girouard previously served as Pier 1 Imports Chief Operating Officer from 1988 to 1998 and as President from 1988 until February 1999. Mr. Girouard joined Pier 1 Imports in 1975 and served on its Board of Directors from 1988 until 2007. He is an honorary member of the Board of Directors for the United States Committee for UNICEF The United Nations Children s Emergency Fund. Mr. Girouard has served on the Board of Directors since 1998 and is a member of the Audit, Compensation and Executive Committees of the Company. Mr. Girouard brings his experience and unique understanding of over thirty-two years experience of service for a large multi-unit retail public company in various roles including chief executive officer and member of the board of directors. He provides a broad understanding of international business operations and supply, broad management and corporate governance experience, accounting and financial oversight, and leadership skills for a multi-billion dollar NYSE listed company.

John W. Mims, 51, is Managing Partner of The Hunting Ridge Group, LLC, which he founded. Previously he served as Chief Marketing and Sales Officer for Millennium & Copthorne Hotels Worldwide from June 2008 to January 2010. Mr. Mims also served as Senior Vice President of Worldwide Sales for Starwood Hotels and Resorts Worldwide, Inc. from November 2003 to October 2006, and as Vice President, Sales and Marketing, Asia Pacific Division from May 2001 to November 2003. He previously worked with PepsiCola International in their Southeast Asia operations, most recently as Director International Modern Trade from 1999 to 2000. Mr. Mims serves on the board of Entertainment Cruises. Mr. Mims has served on the Board of Directors since February 2007 and is a member of the Compensation and Governance and Nominating Committees of the Company. Mr. Mims brings his understanding of international operations and marketing in food and beverage and hospitality industries from his previous roles. He provides unique insight into aspects of operations in countries outside of the United States. He has further experience with franchising and restaurant management.

George R. Mrkonic, 58, is the Retired President and Vice Chairman of Borders Group, Inc., having previously served as a Director of Borders Group, Inc. from 1994 to 2004, Vice Chairman from December 1994 until January 2002 and President from December 1994 until January 1997. Mr. Mrkonic currently serves as a Director for Pacific SunWear of California, Inc., Autozone, Inc., and Syntel, Inc., and also previously served on the Boards of Guitar Center, Inc. and the Nashua Corporation. Mr. Mrkonic has served on the Board of Directors since September 2003 and is a member of the Audit and the Compensation Committees of the Company. Mr. Mrkonic brings his thirty plus years of experience in the retail industry as well as his knowledge and skills as a senior executive and director of large public companies. He provides a broad understanding of the complex strategic, governance and financial issues facing large public companies in the current economic environment.

Erle Nye, 73, is Chairman Emeritus of TXU Corp. since May 2005, having served as Chairman of the Board from 2004 to 2005, Chairman of the Board and Chief Executive from 1997 to 2004, President and Chief Executive from 1995 to 1997, and President from 1987 to 1995. Mr. Nye served on the Board of Directors of TXU Corp. from 1987 to 2005. Mr. Nye currently serves on the board of S&C Electric Company and on its Audit Committee. Mr. Nye also serves on the boards of many professional, civic and charitable organizations, including the University of Texas Investment Management Company where he serves as Chairman. Mr. Nye has served on the Board of Directors since November 2002 and is a member of the Audit and Governance and Nominating Committees of the Company. Mr. Nye brings extensive leadership experience of a multi-national Fortune 500 company, including chairman, chief executive, chief financial officer, and general counsel. He provides broad insight into a multitude of areas, including executive leadership, strategy, finance, international operations, governance, and public affairs.

Rosendo G. Parra, 50, is a partner and founder of Daylight Partners since November 2007. Previously, Mr. Parra served as Senior Vice President for the Home and Small Business Group of Dell, Inc. from June 2006 to April 2007, as Senior Vice President and General Manager, Dell Americas from April 2002 until June 2006, Senior Vice President and Co-General Manager, Worldwide Home and Small Business Group from April 2001 until April 2002, Senior Vice President, Americas Public and Americas International from September 1998 until April 2001, Vice President, Public and Americas International, from February 1997 until September 1998, Group Vice President, Sales, Marketing and Service, from June 1994 until February 1997, and Vice President, Dell USA from August 1993 until June 1994. Mr. Parra currently serves as a Director for Nii Holdings, Inc. and PG&E Corp. Mr. Parra has served on the Board of Directors since December 2004 and is a member of the Compensation and Governance and Nominating Committees of the Company. Mr. Parra brings his extensive experience as a senior operating executive in technology and retail, with significant understanding of international operations. His experience gives him a unique insight into technology and its application in the business environment. He has further experience with turnaround, growth and distressed businesses.

Cece Smith, 65, is the retired Managing General Partner of Phillips-Smith-Machens Venture Partners, a venture capital firm which invested in retail and consumer businesses that she co-founded in 1986. Previously, Ms. Smith held senior management positions with Pearle Health Services and S&A Restaurant Corp. Ms. Smith currently serves as a Director of Pier 1 Imports, Inc. and is on the Executive Boards of the Dallas Symphony Association. She has previously served on the Board of Michael s Stores, Inc. Ms. Smith has served on the Board of Directors since January 2002, currently serves as Lead Director of the Board, and is a member of the Audit and Governance and Nominating Committees of the Company. Ms. Smith brings her wealth of finance, restaurant, retail and governance knowledge and experiences from her prior years of service to other companies, as well as her understanding of accounting as a certified public accountant. She provides a unique insight into financial and accounting matters in the retail industry, and as a board member of other public companies, a direct understanding of the role and responsibility of boards and board committees.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* EACH OF THE NOMINEES FOR DIRECTOR.

PROPOSAL 2

RATIFICATION OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors selected KPMG LLP as our independent auditors for fiscal 2011. Although we are not required to submit this matter to you, the Board of Directors believes that it is good corporate governance to do so. This proposal asks you to ratify this selection. If the appointment of KPMG LLP is not ratified by you, the Audit Committee will reconsider the appointment. Representatives of KPMG LLP are expected to be present at the annual meeting. They will have the opportunity to make a statement if they so desire and they will be available to respond to appropriate questions that you may have.

Audit Fees

The following table sets forth the aggregate fees billed, or estimated to be billed, to us for the fiscal years ended June 30, 2010 and June 24, 2009, by our independent auditors, KPMG LLP:

Fiscal Year	Annual Audit Fees(1)	Audit-Related Fees(2)	Tax Fees(3)	All Other Fees
2010	$677,000	$0	$69,000	$0
2009	$789,500	$5,000	$150,000	$0

(1) For fiscal 2010, annual audit fees related to professional services rendered for the audit of our annual consolidated financial statements, reviews of our quarterly consolidated financial statements, the audits of management s assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting ($671,500), and the issuance of consents for franchise circulars ($5,500).

For fiscal 2009, annual audit fees related to professional services rendered for the audit of our annual consolidated financial statements, reviews of our quarterly consolidated financial statements, the audits of management s assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting ($748,200), subsidiary and statutory audits ($35,800), and the issuance of consents for franchise circulars ($5,500).

(2) For fiscal 2010, no audit-related fees were incurred.

For fiscal 2009, audit-related fees related to the consent to the Form S-8 for Securities to be Offered to Employees Pursuant to Employee Benefit Plans.

(3) For fiscal 2010 and 2009, all tax fees were for review of tax returns and consultations regarding tax accounting method changes.

The Audit Committee has established policies and procedures for the approval and pre-approval of audit services and permitted non-audit services. The Audit Committee has the responsibility to do the following:

- to engage and terminate our independent auditors;
- to pre-approve their audit services and permitted non-audit services;
- to approve all audit and non-audit fees; and
- to set guidelines for permitted non-audit services and fees.

All of the fees for fiscal 2010 and 2009 were pre-approved by the Audit Committee or were within pre-approved guidelines for permitted non-audit services and fees established by the Audit Committee. For fiscal year 2011, the Audit Committee set a pre-approved maximum total fee expenditure for unscheduled, on-going audit and tax services with KPMG LLP of $200,000. In addition, if the fee for a particular item would exceed $40,000, Audit Committee approval would be required. There were no instances of waiver of approval requirements or guidelines during either fiscal year.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT AUDITORS FOR FISCAL 2011.

PROPOSAL 3

RE-APPROVAL OF PROFIT SHARING PLAN

The Company adopted a Profit Sharing Plan in 1984 and the shareholders of the Company ratified the adoption of the Profit Sharing Plan in 1994 and re-approved the Profit Sharing Plan in 1999 and in 2005. The Profit Sharing Plan is a non-qualified annual cash incentive arrangement in which all corporate team members, including executives, and certain restaurant brand team members, including executives, are eligible to participate. The Profit Sharing Plan is currently designed to reflect the participating team members contribution to the Company s enhancement of total shareholder return by (i) increasing earnings and managing expenditures (the Total Business Return Component) and (ii) by individually achieving specified key performance indicators and competencies (the Individual Performance Component). The Profit Sharing Plan reinforces a strong team work ethic and increased individual performance by making the basis for payouts to all corporate executives primarily the same as for all other corporate team members in whole, or within an individual department as approved by the Compensation Committee, or by making the basis for payouts to executives of one of the Company s restaurant brands primarily the same as for all other participating members of such restaurant brand team. Under Section 162(m) of the Internal Revenue Code, a limitation was placed on tax deductions of any publicly-held corporation for individual compensation to certain executives of such corporation exceeding $1,000,000 in any taxable year, unless compensation is performance-based. In order that the Company might continue to receive a federal income tax deduction for the payment of incentive compensation to its executive officers, the Profit Sharing Plan has been designed in a manner intended to meet the performance-based compensation exception to the limitation on deductions.

The shareholders of the Company previously approved the Profit Sharing Plan in 1994 and re-approved the Profit Sharing Plan in 1999 and in 2005. However, Section 162(m) of the Internal Revenue Code requires that plans such as the Profit Sharing Plan be approved by the shareholders of the Company every five years in order to meet the performance-based compensation exception to the limitation on deductions. At the annual meeting, the shareholders of the Company are being asked to re-approve the Profit Sharing Plan for purposes of ensuring the tax deductibility of any awards under the Profit Sharing Plan.

Summary of the Profit Sharing Plan

Each participating team member is assigned an Individual Participation Percentage (IPP) of the base salary for such team member. The two components of the Profit Sharing Plan are the Total Business Return Component and the Individual Performance Component. Payouts under each of the components are primarily based on a formula that multiplies a participating team member s IPP times the team member s base wages during the fiscal year times the applicable payout factor measured by (i) with respect to the Total Business Return Component, the difference between the Company s actual and planned performance, and (ii) with respect to the Individual Performance Component, the individual team member s performance achievement. Planned performance parameters relating to the Total Business Return Component, and individual key performance indicators relating to the Individual Performance Component are approved by the Compensation Committee prior to, or within 90 days of, the beginning of the fiscal year.

Total Business Return Component. Under the Total Business Return Component, each participating team member s payout is measured on the difference between the Company s actual and planned performance against earnings goals. To ensure that the Company and each restaurant brand achieves a minimally acceptable level of performance before any payouts are made to participating team members under the Total Business Return Component, a minimum level of achievement is required, and no payouts are made if performance is below a minimum level. Payouts under the Total Business Return Component of the Profit Sharing Plan may in no event exceed a specified maximum payout.

Individual Performance Component. Under the Individual Performance Component, allocations for payout for each designated group are measured on the differences between the Company s, restaurant brand s or individual Company department s actual and planned performance against identified financial performance goals. To ensure that the Company and each restaurant brand achieves a minimally acceptable level of performance before any allocation and distribution of payouts for each designated group is made under the Individual Performance Component, a minimum level of achievement is required, and no allocation and distribution is made for the applicable designated group if the Company s, restaurant brand s, or designated individual Company department s performance is below a minimum level. Payouts under the Individual Performance Component of the Profit Sharing Plan may in no event exceed a specified maximum payout. Following allocation, each participating team member will be distributed a share of the allocation of the Individual Performance Component for the group of which the team member is a part, based on such team member s individual achievement of certain key performance indicators and competencies.

Payouts under each component (and within the component) are determined independent of each other. Team members must meet certain eligibility requirements to earn awards under the Profit Sharing Plan, and any eligible team member who has been with the Company for less than twelve months will participate in the Profit Sharing Plan on a prorated basis. The maximum payout that can be made to a team member under the Profit Sharing Plan is $2,500,000 in a fiscal year. Payouts are also subject to cancellation and/or reimbursement for a participating team member who was engaged in fraud or misconduct causing or contributing to a restatement of financial results for periods up to three years prior to the date any such restatement is disclosed.

The Profit Sharing Plan is administered by the Compensation Committee, and is subject to revision by the Compensation Committee. In that regard, the Compensation Committee may approve awards under the Profit Sharing Plan, modify, administer and interpret the Profit Sharing Plan, establish administrative rules, approve eligible participants, establish levels of achievement (including minimum, maximum and target levels) and corresponding payout factors, establish or modify weighting factors and take any other action necessary for the proper and efficient operation of the Plan, including establishing or utilizing objective performance goals other than the Total Business Return Component and Individual Performance Component described above. If awards are intended to satisfy the conditions for deductibility under Section 162(m) of the Internal Revenue Code as performance-based compensation, the performance goals will be selected from among the following criteria, which may be applied to the Company as a whole, or to an individual recipient, or to a department, brand, unit, division or function within the Company or an affiliate, or any combination of the preceding groups, and they may apply on a pre- or post-tax basis, either alone or relative to the performance of other businesses or individuals (including industry or general market indices): (a) earnings (either in the aggregate or on a per share basis, reflecting dilution of shares as the Compensation Committee deems appropriate and, if the Compensation Committee so determines, net of or including dividends) before or after interest and taxes (EBIT), before or after interest, taxes and rent (EBITR), or before or after interest, taxes, depreciation, and amortization (EBITDA); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including either operating or net cash flows); (d) financial return ratios; (e) total shareholder return, shareholder return based on growth measures or the attainment by the shares of a specified value for a specified period of time, share price, or share price appreciation; (f) earnings growth or growth in earnings per share; (g) total business return, or return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (h) adjusted pre-tax margin; (i) pre-tax profits; (j) operating margins; (k) operating profits; (l) operating or capital expenses; (m) dividends; (n) net income or net operating income; (o) growth in operating earnings; (p) value of assets; (q) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (r) aggregate product price and other product measures; (s) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (t) reduction of losses, loss ratios or expense ratios; (u) reduction in fixed costs; (v) operating cost management; (w) cost of capital; (x) debt reduction; (y) productivity improvements; (z) inventory turnover; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Company-sponsored customer survey; (cc) diversity goals; (dd) turnover; (ee) specified objective social goals; (ff) safety record; (gg) retention of high-potential employees; (hh) flow through of cash, sales, earnings, profits or other financial measures; (ii) growth in franchised locations; (jj) culinary product pipeline goals; (kk) brand positioning goals; or (ll) development pipeline goals.

During the 2010 fiscal year, 670 team members participated in the Profit Sharing Plan. Payouts under the Profit Sharing Plan for the 2010 fiscal year are summarized as follows (the specifics of the 2010 payouts can be found in the Compensation Discussion and Analysis under the section entitled Short Term Incentives):

Name		Payment Received for 2010 Fiscal Year
Douglas H. Brooks	$	878,333
Charles M. Sonsteby	$	435,794
Wyman T. Roberts	$	270,231
Roger F. Thomson	$	275,286
Michael B. Webberman	$	215,770
All Executive Officers as a Group (9 persons)	$	2,820,055
All Eligible Employees, Including All Officers Who Are Not Executive Officers, as a Group	$	9,279,159

Required Vote; Recommendation

A favorable vote of the holders of a majority of the shares of Common Stock present and entitled to vote at the Annual Meeting in person or by proxy is required to re-approve the Profit Sharing Plan for the purposes of ensuring tax deductibility of any payouts under the Profit Sharing Plan.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE *FOR* THIS PROPOSAL TO RE-APPROVE THE PROFIT SHARING PLAN.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND GOVERNANCE OF THE COMPANY

Director Independence

The Board reviews the independence of each non-employee director annually to confirm that the director continues to meet our standards as well as the requirements of the New York Stock Exchange (NYSE) and the rules of the SEC. No member of the Board will be considered independent unless the Board determines that he or she has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board will not determine any director to be independent if he or she has or has had any of the relationships set forth in the NYSE rules during the time periods specified in such rules. The Board will describe in the proxy statement the basis for determining whether any relationship is immaterial.

The Board of Directors has affirmatively determined each of the following directors is an independent director as such term is defined and as required by our Corporate Governance Guidelines, and the requirements of the SEC and NYSE.

Joseph M. DePinto	George Mrkonic
Harriet Edelman	Erle Nye
Marvin Girouard	Rosendo G. Parra
John Mims	Cece Smith

The only member of the Board who is not independent is Douglas H. Brooks. Mr. Brooks, as CEO and President of the Company, is the only employee member of the Board. The Board has further determined that no material relationship exists between us and each non-employee director outside of their service as a member of the Board of Directors. In this proxy statement we may refer to these directors individually as an Independent Director and collectively as the Independent Directors.

Board Structure

The Board of Directors does not have classes where a director serves multi-year terms. Each director serves for a one year term and is subject to re-election by you each year. Prior to recommending a director for nomination for re-election, the Governance and Nominating Committee considers many things including:

- the quality of past director service, and attendance at Board of Directors and Committee meetings;
- whether the director continues to possess the qualities and capabilities considered necessary or desirable for director service;
- input from other members of the Board of Directors concerning the performance of that director through a peer review process; and
- the independence of the director.

A non-employee director is expected to serve at least four one-year terms (subject to annual renomination and re-election). Presently, Messrs. Girouard, Mrkonic, Nye and Parra and Ms. Smith have served for more than four one-year terms.

Committees of the Board of Directors

The Board of Directors has the following standing committees and current committee composition:

Board Members	**Executive Committee**	**Audit Committee**	**Compensation Committee**	**Governance & Nominating Committee**
Douglas H. Brooks*	C			
Cece Smith**		M/C****		M
Joseph M. DePinto***				
Harriet Edelman		M	M	
Marvin J. Girouard**	M	M	M	
John Mims			M	M
George R. Mrkonic		M/C****	M/C*****	
Erle Nye		M		C
Rosendo Parra			M/C*****	M
Meetings During FY 10	0	9	4	4

C Committee Chair

M Member

* Chairman of the Board

** Ms. Smith succeeded Mr. Girouard as Lead Director on May 27, 2010.

*** Mr. DePinto was appointed to the Board on August 2, 2010 and has not been assigned to serve on a board committee.

**** Mr. Mrkonic succeeded Ms. Smith as Chairman of the Audit Committee on May 27, 2010.

***** Mr. Parra succeeded Mr. Mrkonic as Chairman of the Compensation Committee on May 27, 2010.

The charters for each of these committees, as well as our Corporate Governance Guidelines, are available at no charge to you in the Corporate Governance section of our internet website (*http://www.brinker.com/investors/Corporate_Governance.asp*) or by written request directed to us, at 6820 LBJ Freeway, Dallas, Texas 75240, Attention: Corporate Secretary.

The Board of Directors has affirmatively determined that each member of the Audit, Compensation, and Governance and Nominating Committees meets the independence requirements applicable to those committees required by the NYSE and the SEC.

The Executive Committee reviews material matters between Board meetings, provides advice and counsel to our management, and has the authority to act for the Board on routine and administrative matters between Board meetings.

The role of the Audit Committee is provided to you in the Report of the Audit Committee later in this Proxy Statement. The Board of Directors has determined that Ms. Smith is an audit committee financial expert as such term is defined in the SEC s Regulation S-K.

A discussion of the specific nature of the Compensation Committee s responsibilities and compensation philosophy as they relate to our executive officers is provided to you in the Compensation Discussion and Analysis and Report of the Compensation Committee later in this Proxy Statement.

The Governance and Nominating Committee performs the following functions:

- recommends to the Board of Directors potential members to be added as new or replacement members to the Board of Directors;
- recommends to the Board of Directors the nominees for election to the Board of Directors at the annual shareholders meeting;
- reviews, and makes recommendation to the Board of Directors regarding, the compensation paid to non-management Board members;
- recommends corporate governance guidelines to the full Board of Directors;
- reviews the applicable legal standards for independence and the criteria applied to determine audit committee financial expert status; and
- reviews the answers to annual questionnaires completed by each of the Independent Directors.

On the basis of this year s review, the Governance and Nominating Committee delivered a report to the full Board of Directors and the Board of Directors made its independence and audit committee financial expert determinations.

Board Member Meeting Attendance

During the fiscal year ended June 30, 2010, the Board of Directors held seven meetings. Each director attended at least 75% of the aggregate total of meetings of the Board of Directors and Committees on which he or she served. Also, all members of the Board of Directors attended the Company s 2009 annual meeting of shareholders, except for Mr. DePinto who was appointed to the Board on August 2, 2010. Such attendance allows for direct interaction between you and members of the Board of Directors.

Chairman of the Board and Lead Director

The business and affairs of the Company are managed under the direction of the Board of Directors. Generally, it is management s responsibility to formalize, propose and implement strategic choices and the Board s role to approve strategic direction and evaluate strategic results, including both the performance of the Company and the performance of the Chief Executive Officer. The Board believes that the combined role of Chairman and Chief Executive Officer promotes the execution of the strategic responsibilities of Board and management because the Chief Executive Officer is the director most familiar with the Company s business and industry and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy.

Mr. Brooks has served as both the Chairman and Chief Executive Officer of the Company since November 2004. Because the Chairman is a member of management, the Board considers it useful and appropriate to designate a Lead Director to coordinate the activities of the independent directors. The presence of a Lead Director provides additional assurance as to the independence of the Board s oversight of management.

On May 27, 2010, the Independent Directors selected Ms. Smith as Lead Director to succeed Mr. Girouard, who had previously served in this role. As Lead Director, Ms. Smith chairs each meeting of the Independent

Directors (an Executive Session). The Independent Directors generally meet in Executive Session at each Board meeting.

As the Lead Director of the Board, Ms. Smith s duties include:

- presiding at all meetings of the Board of Directors when the Chairman of the Board is not present;
- serving as liaison between the Chairman of the Board and the Independent Directors;
- approving information sent to the Board of Directors;
- approving meeting agendas and schedules for the Board of Directors;
- having the autho