**FRANCHISE DISCLOSURE DOCUMENT**


**Outback Steakhouse of Florida, LLC**
a Florida limited liability company
2202 North West Shore Boulevard, 5th Floor
Tampa, Florida 33607
(813) 282-1225
www.outback.com


The franchise offered is to develop and operate an Outback Steakhouse® restaurant, which is a casual, full-service restaurant focused on steaks, bold flavors and modern Australian décor and featuring full bar service.

The total investment necessary to begin operation of an Outback Steakhouse restaurant ranges from $4,260,000 to $9,043,000. This includes $105,000 to $186,000 that must be paid to the franchisor or its affiliates. We also offer development rights for Outback Steakhouse restaurants. If you want development rights, you must pay us a development fee equal to $40,000 (the initial franchise fee for the first Restaurant) plus $10,000 for each additional Restaurant. A pro rata portion of the development fee will be credited toward the initial franchise fee for each Restaurant developed.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document**.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kelly Lefferts at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607, (813) 282-1225 and KellyLefferts@BloominBrands.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 25, 2025

**How to Use This Franchise Disclosure Document**

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION | WHERE TO FIND INFORMATION |
|---|---|
| **How much can I earn?** | Item 19 may give you information about outlets sales, costs, profits or losses. You should also try to obtain this information from others like current and former franchisees. You can find their names and contact information in Item 20 or an Exhibit. |
| **How much will I need to invest?** | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use. |
| **Does the franchisor have the financial ability to provide support to my business?** | Item 21 or Exhibit A includes financial statements. Review these statements carefully. |
| **Is the franchise system stable, growing, or shrinking?** | Item 20 summarizes the recent history of the number of company-owned and franchised outlets. |
| **Will my business be the only Outback Steakhouse restaurant in my area?** | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| **Does the franchisor have a troubled legal history?** | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings |
| **What's it like to be an Outback Steakhouse franchisee?** | Item 20 or an Exhibit lists the current and former franchisees. You can contact them to ask about their experiences. |
| **What else should I know?** | These questions are only a few things you should look for. Review all 23 Items and all Exhibits to better understand this franchise opportunity. See the table of contents. |

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change**. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in our franchise business or may harm your franchise business.

**Supplier restrictions**. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions**. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor**. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal**. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends**. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state may also have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **<u>Out-of-State Dispute Resolution</u>**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY <u>THE MICHIGAN FRANCHISE INVESTMENT LAW</u>**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU**:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(4) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL**.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Corporate Oversight Division
Attention: Franchise
G. Mennen Williams Building
525 West Ottawa Street
P.O. Box 30736
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

# TABLE OF CONTENTS



**EXHIBITS**

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT F.

# Item 1

## THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

### Us and Our Affiliates

The franchisor is Outback Steakhouse of Florida, LLC ("we," "us," or "our"). We do business under our company name and the name "Outback Steakhouse®." "You" means the company to whom we grant a franchise. We do not expect that people will sign our Franchise Agreement (Exhibit B-1) in their individual capacities. If you are a corporation, partnership, or other entity, certain provisions of the Franchise Agreement will apply to your owners. This disclosure document will indicate when your owners are also covered by a particular provision.

We initially incorporated as a Florida corporation in August 1987 under the name Multi-Venture Partners, Inc. We changed our name to Outback Steakhouse, Inc. in January 1990 and then to Outback Steakhouse of Florida, Inc., in August 1991. In June 2007, we converted to a Florida limited liability company. Our principal business address is 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607. We are a wholly-owned subsidiary of our immediate parent company, OSI Restaurant Partners, LLC ("OSI"). Our ultimate parent company is Bloomin' Brands, Inc. ("Ultimate Parent", "BBI" or "Bloomin' Brands"). Our Ultimate Parent's common stock has been listed on the Nasdaq Global Select Market under the symbol "BLMN" since August 8, 2012. OSI and BBI share our principal business address.

We have no other parents or predecessors disclosable in this Item. If we have an agent for service of process in your state, we disclose that agent in Exhibit E.

We have offered franchises for Outback Steakhouse restaurants since December 1993. We have, either directly or through our affiliates, operated Outback Steakhouse restaurants since March 1988. We operated 553 company-owned Outback Steakhouse restaurants as of the end of our 2024 fiscal year. Our Ultimate Parent is a designated or approved supplier of certain products and services you will use in operating your Restaurant (see Item 8). Except as described in this disclosure document, we do not engage in other business activities and do not offer, and have never offered, franchises in any other line of business.

In April 2019, we opened the first domestic Aussie Grill by Outback® ("Aussie Grill") in Tampa, Florida. Aussie Grill is a fast-casual concept that features a contemporary, urban design with décor that is representative of modern Australia. Aussie Grill offers a selection of sandwiches, burgers, salads, chicken and steak, along with fresh sides and specialty appetizers and desserts. The Aussie Grill concept was originally developed as a separate brand, however, as of 2025, Aussie Grill is no longer franchised as a standalone brand, but is positioned as an alternative operational model within the Outback Steakhouse System (as further described in this Item 1). As of the date of this disclosure document, there is one franchised Aussie Grill restaurant in operation in the United States. The principal business address for Aussie Grill operations is 2202 N. West Shore Blvd., 5th Floor, Tampa, Florida 33607. We do not currently maintain (or have plans to maintain) physically separate offices or training facilities for Aussie Grill, as the executive and management team supporting Outback also oversee Aussie Grill.

The following companies are our affiliates who currently offer franchises in the United States:

- Carrabba's Italian Grill, LLC ("CIG"), whose principal business address is the same as our address, operates and offers franchises to develop and operate full-service, casual authentic Italian restaurants under the trademark "Carrabba's Italian Grill®". CIG or its predecessors have offered these franchises since July 1997. As of December 29, 2024, there were 192 company-owned restaurants and 18 franchised locations operating in the United States.

- Bonefish Grill, LLC ("BFG"), whose principal business address is the same as our address, operates and offers franchises to develop and operate full-service, polished casual seafood restaurants under the trademark "Bonefish Grill®". BFG or its predecessors have offered these franchises since January 2002. As of December 29, 2024, there were 162 company-owned restaurants and four franchised locations operating in the United States.

- Outback Steakhouse International, L.P. ("Outback International"), whose principal address is the same as ours, has offered franchises to develop and operate Outback Steakhouse, Aussie Grill, Abbraccio Cucina Italiana™ ("Abbraccio"), Carrabba's Italian Grill, Bonefish Grill, and Fleming's Prime Steakhouse & Wine Bar restaurants outside the continental United States. Outback International does not operate any company-owned restaurants, but certain of its affiliates operate Outback Steakhouse restaurants internationally.

  - Outback International has been offering Outback Steakhouse franchises since 1995. As of December 29, 2024 there were 184 company-owned Outback Steakhouse restaurants and 137 franchised restaurant locations operating internationally, including one franchised restaurant in Guam. Outback International started franchising Outback Steakhouse Delivery Kitchens in 2019. Outback Steakhouse Delivery Kitchens prepare food items in a cooking facility (separate from a restaurant) exclusively for delivery purposes. As of December 29, 2024, there was one franchised Outback Steakhouse Delivery Kitchen operating in South Korea.

  - Outback International started offering Aussie Grill franchises in 2018, and the first international Aussie Grill location opened in January 2019. As of December 29, 2024, there were eight Aussie Grill restaurants operating internationally, including two company-owned locations and six franchised locations. Aussie Grill operates in Brazil under the trademark "Aussie Chicken and More".

  - Outback International has offered franchises for Abbraccio and Carrabba's Italian Grill outside of the United States since 2014. As of December 29, 2024, there were 18 Abbraccio restaurants (17 of which were company-owned, and one of which was franchised), and one franchised Carrabba's Italian Grill restaurant operating internationally.

  - On December 30, 2024, we sold the majority ownership in our Brazil operations to a third-party. Following the sale, the 193 restaurants that were formerly company-owned (174 Outback Steakhouse, 17 Abbraccio and two Aussie Grill), now operate as franchised locations.

  - In the past, Outback International has offered franchises for Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar outside of the United States but does not offer them currently. As of the date of this disclosure document, there are no Bonefish Grill or Fleming's Prime Steakhouse & Wine Bar restaurants operating internationally.

Our affiliate OSI/Fleming's, LLC ("Fleming's") owns and operates fine dining restaurants known as "Fleming's Prime Steakhouse & Wine Bar®". As of December 29, 2024, Fleming's operated 63 company-owned locations in the United States. Neither we nor our affiliates currently franchise this concept in the U.S., although we may do so in the future.

Except as described above, none of these affiliates have offered franchises in any other line of business or operated an Outback Steakhouse restaurant. We currently have no other affiliates that offer franchises in any line of business or provide products or services to our franchisees.

We have a number of additional affiliates that offer franchises, including Outback Steakhouse franchises, in foreign countries, and affiliates that provide products and/or services to franchisees who are located and do business in those foreign countries. Unless otherwise stated, the information in this disclosure document does not concern our affiliates' international operations or franchising.

**Outback Steakhouse Restaurant – Franchise Program**

We grant franchises to qualified companies to develop and operate Outback Steakhouse restaurants under the System (defined below) and our Franchise Agreement (Exhibit B-1) ("Outback Steakhouse restaurants"). We may also franchise the right to operate Aussie Grill by Outback, an alternate version of Outback Steakhouse with a smaller footprint. Aussie Grill by Outback restaurants are considered Alternative Segment Outback restaurants. "Alternative Segment Outback restaurants" means means one or more types of restaurants that operate using the Proprietary Marks and certain aspects of the System, but are materially different in size, restaurant segment/ category, pricing, food service method, menu offerings, and/or target customer than the full-service Restaurant you will operate under the Franchise Agreement.

We call the Outback Steakhouse restaurant that you will operate under the Franchise Agreement the "Restaurant." Outback Steakhouse is a casual steakhouse restaurant concept focused on steaks, bold flavors and Australian decor. The Outback Steakhouse menu offers seasoned and seared grilled steaks, chops, chicken, seafood, pasta and salads. The menu also offers a selection of specialty appetizers, including our signature Bloomin' Onion®, and desserts, together with full bar service. All Outback Steakhouse restaurants are open for lunch on the weekends, and many offer lunch seven days a week.

We have developed and own a distinctive system for the establishment and operation of Outback Steakhouse restaurants (the "System"). The System's distinguishing characteristics include restaurant layout; equipment; signage; special recipes and menu items; the Proprietary Marks (defined below); distinctive design, décor, color scheme, and furnishings; uniform standards, specifications, and procedures for operations, quality, training and uniformity of products and services offered; guest experience technology; procedures for inventory and management control; training and assistance; and advertising and promotional programs; all of which we may periodically change, improve and further develop. We identify the System using certain trade names, service marks, trademarks, logos, emblems, trade dress, and other indicia of origin, including the mark "Outback Steakhouse®" and the other marks described in Item 13 (the "Proprietary Marks").

We also may grant multi-unit development rights to qualified candidates, who may then develop an agreed-upon number of Outback Steakhouse restaurants within a defined geographic area according to a pre-determined development schedule. These franchisees may open and operate their Outback Steakhouse restaurants directly or through controlled affiliates. Our Development Rights Rider to the Franchise Agreement is attached to this disclosure document as Exhibit B-2. Franchisees signing our Development Rights Rider must sign our then-current form of Franchise Agreement for each additional Outback Steakhouse restaurant they develop. That form may differ from the form of Franchise Agreement included in this disclosure document.

If you are renewing your franchise because its current term is about to expire, you will sign our Successor Franchise Rider to Franchise Agreement (Exhibit G), which, among other things, modifies certain provisions in our standard Franchise Agreement that will not apply to you because your Restaurant is already open and operating.

**Purchase of Company-Owned Outback Steakhouse Restaurants**

Depending on your location, you might be interested in buying (and we might be interested in selling and franchising) one or more of our company-owned Outback Steakhouse restaurants. In these transactions, we negotiate with the prospective franchisee to reach mutually acceptable terms of a sale agreement and any lease or sublease of the real estate. If you purchase a company-owned Outback Steakhouse restaurant, you must sign a Franchise Agreement and, possibly, also a Development Rights Rider for the further development of Outback Steakhouse restaurants in the geographic area where the purchased Outback Steakhouse restaurant is located. Depending on the circumstances, the financial and other terms may vary from the standard terms of our current Franchise Agreement attached as Exhibit B-1 to this disclosure document. You may also incur costs to remodel and/ or upgrade the location to meet our current standards and specifications for new Outback Steakhouse restaurants.

**Regulations**

The restaurant industry is heavily regulated in the United States. Many of the laws that apply to business generally, like the Americans with Disabilities Act (ADA), federal wage and hour laws, and the Occupational Safety and Health Act (OSHA), also apply to restaurants. Other laws have particular applicability to restaurants, including health and sanitation laws, liquor license laws, and liquor licensing liability laws (known as dram shop laws). Some states and municipalities also might require specific training in sanitation and safety laws before permitting the Outback Steakhouse restaurant to open. In many jurisdictions, local and county health departments inspect restaurants and other retail food facilities to ensure compliance with safe food handling practices and adequacy of kitchen facilities. You will need to understand and comply with these laws in operating your Restaurant. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities, including an alcoholic beverage license.

The development and operation of your Restaurant will also be subject to compliance with applicable zoning, land use and environmental regulations, as well as federal and state minimum wage laws governing such matters as working conditions, overtime and tip credits, and other employee matters. It is likely that a significant number of your Outback Steakhouse restaurant's food service and preparation personnel will be paid at rates related to the federal minimum wage and, accordingly, further increases in the federal, state or local minimum wage will affect your labor costs.

Some states and municipalities also might require specific licensure or training in sanitation and safety laws before permitting a restaurant to serve the public. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards that limit emissions of ozone, carbon monoxide and particulate matters, including emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The Patient Protection and Affordable Care Act of 2010 requires chain restaurants with twenty or more locations in the United States to comply with federal nutritional disclosure requirements. The FDA released final guidance on national menu labeling, and restaurants meeting the number of locations threshold must provide nutritional disclosures on their menus. Some state and local authorities have also adopted, or are considering adopting, laws or regulations requiring certain disclosures on menus or restricting the use of certain types of ingredients in food served in restaurants, such as the level of trans fats and sodium contained in a food item. You should investigate these laws.

You may also be subject to laws and regulations relating to information security, privacy, cashless payments, gift cards, and consumer credit, protection and fraud. The Payment Card Industry (PCI) Data Security Standard is the current standard of security requirements for all merchants or service providers that store, process or transmit cardholder data. You are responsible for PCI Data Security Standard compliance as well as any federal, state and local laws and regulations related to privacy matters, including data and personally identifiable information.

There may be other laws that affect restaurants. You should investigate these laws and consult your attorney for a complete understanding of them.

**Competition and Market**

The market for restaurant services is well established. The restaurant industry is highly competitive with a substantial number of restaurant operators that compete directly and indirectly with Outback Steakhouse in respect to price, service, location and food quality, and there are other well-established competitors with significant financial and other resources. There is also active competition for management personnel, attractive suitable real estate sites, supplies and restaurant employees. In addition, competition is also influenced strongly by marketing and brand reputation. At an aggregate level, all major U.S. casual dining restaurants would be considered competitors of the Outback Steakhouse brand. Further, we face growing competition from the supermarket industry and home delivery services and applications, with improved selections of prepared meals, and from quick service and fast casual restaurants, as a result of higher-quality food and beverage offerings.

In addition, our business is subject to seasonal fluctuations. Historically, customer traffic patterns for established Outback Steakhouse restaurants in the U.S. are generally highest in the first quarter of the year and lowest in the third quarter of the year. Additionally, holidays and severe weather may affect sales volumes seasonally in some markets.

## Item 2

## BUSINESS EXPERIENCE

The following individuals are principal officers of the franchisor or have management responsibility, which is shared between us and our Ultimate Parent (BBI), relating to the sale and/or operation of the franchises offered under this disclosure document:

**Executive Vice President, President of Outback Steakhouse: Patrick Hafner**

Mr. Hafner has been Senior Vice President, President of Outback Steakhouse since January 2025. Prior to his current role, Mr. Hafner served as Senior Vice President, President of Carrabba's Italian Grill from May 2022 to January 2025. Mr. Hafner joined Outback Steakhouse in 1996, serving as a restaurant manager and then Managing Partner before being promoted to Joint Venture Partner in January 2011. Throughout his time with BBI, Mr. Hafner has held several positions, such as Regional Vice President of Operations (Western U.S.) for Outback Steakhouse, Joint Venture Partner (Operations Director) for Arizona, New Mexico and Texas, and Vice President of Operations for Carrabba's Italian Grill.

**Executive Vice President: Chief Financial Officer: W. Michael Healy**

Mr. Healy has been our Executive Vice President, Chief Financial Officer since April 2024. Prior to his current role, Mr. Healy served as Executive Vice President, Global Business Development and Strategy from September 2023 to April 2024, as Senior Vice President, President of Bonefish Grill from September 2021 to September 2023; as Senior Vice President, Field Operations and Innovation from April 2021 to September 2021; as

Senior Vice President, Global Supply Chain Officer from February 2019 to April 2021, and as Group Vice President, Finance, from May 2015 to February 2019.

**Vice President, Finance for Outback Steakhouse: Eric Browning**

Mr. Browning has been Vice President of Finance for Outback Steakhouse since November 2021. Prior to joining BBI, Mr. Browning served in various capacities for Walmart, Inc., in Bentonville, Arkansas and Livonia, Michigan, from 2002 to 2021, including hourly associate, Sr. Manager, Director of Operations, Finance and Sr. Director of Operations, Finance and Strategy.

**Vice President, Strategic Growth: Susan Cline**

Ms. Cline has been Vice President, Strategic Growth, for BBI since February 2024. She previously served as Vice President, Operations Excellence, Training and Off-Premises Dining for BBI from October 2023 to February 2024; as Vice President of Training, Casual Dining Restaurants for BBI from November 2020 to October 2023; as Senior Director, Training and Operations Excellence from September 2019 to November 2020; as Director, Operations Excellence from March 2017 to September 2019; and Manager, Training and Development from June 2015 to March 2017. She has been with the company since September 1995.

**Executive Vice President, Chief Legal Officer and Secretary: Kelly Lefferts**

Ms. Lefferts has been our Executive Vice President and Chief Legal Officer since July 2019. She has served as Secretary of Outback and BBI since March 2016. She previously served as Group Vice President and U.S. General Counsel for Outback from March 2016 to July 2019. Ms. Lefferts has been with the company since October 1997.

**Senior Vice President, Chief Development and Franchising Officer: Annette Rodriguez**

Ms. Rodriguez has been Senior Vice President, Chief Development and Franchising Officer for BBI since February 2022. Before assuming her current role, she served as Senior Vice President, U.S. Development and Franchising for BBI from December 2019 to February 2022. From November 2017 to November 2019, she was Group Vice President, Real Estate and Development for BBI. From March 2014 to November 2017, she was Vice President of Development for BBI. Prior to joining BBI, Ms. Rodriguez served in various capacities for Burger King Corporation in Miami, Florida between May 1989 and December 2012, including Vice President, Development and Real Estate from June 2011 to December 2012.

**Senior Director, Brand Marketing for Outback Steakhouse, Leah Burgess**

Ms. Burgess has been Senior Director, Brand Marketing for Outback Steakhouse since April 2024. Before being promoted to her current role, Ms. Burgess served as Director of Brand Marketing for Outback Steakhouse from November 2021 to April 2024, and as Field Marketing Manager for Outback Steakhouse from November 2014 to November 2021.

**Senior Director, Franchise Operations: Kim Van Heuvelen**

Ms. Van Heuvelen has been Senior Director, Franchise Operations for BBI since September 2023. She previously served as Director, Franchise Operations from August 2019 to September 2023; as Manager, Franchise Operations for BBI from February 2016 to August 2019; and Manager, International Operations for BBI from October 2009 to February 2016.

## Item 3

### LITIGATION

In the Matter of Determining whether there has been a violation of the Franchise Investment Protection Act of Washington by Bonefish Grill, LLC (State of Washington Department of Financial Institutions, Securities Division, Order No. S-15-1776-15-CO01).

In August 2015, BFG, sent a letter to the Washington Department of Financial Institutions, Securities Division (the "Department") to notify the Department that BFG previously offered and sold two Bonefish Grill restaurant franchises in the state of Washington. One sale occurred in March 2004 and the other in April 2006. The franchisees for both restaurants were experienced businessmen that had operated Outback Steakhouse franchised restaurants since 1995. However, BFG was not registered in Washington when the two franchises were sold. The Department initiated an investigation into BFG's franchise related activities and concluded that grounds existed to allege that BFG violated the registration and disclosure provisions of the Washington Franchise Investment Protection Act in connection with the sale of these two franchises. On September 23, 2015, the Department and BFG agreed to enter into a consent order whereby BFG, without admitting or denying any violations of the law, agreed to cease and desist from offering or selling franchises in violation of the registration and disclosure provisions of the Washington Franchise Investment Protection Act and agreed to pay investigative costs of $2,000 to the Department.

Other than the matter described above, no litigation is required to be disclosed in this Item.

## Item 4

### BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

## Item 5

### INITIAL FEES

**Franchise Agreement**

Initial Franchise Fee

We currently charge a $40,000 initial franchise fee. You must pay us $20,000 when you sign the Franchise Agreement and $20,000 before you begin construction of the Restaurant. The initial franchise fee is fully earned when you sign the Franchise Agreement. The initial franchise fee is uniform for all unaffiliated franchisees and is not refundable.

On-Site Visits

We must approve the site for your Restaurant. During your site selection and site development activities, we will provide up to two on-site visits at no charge to you. After that, if we believe additional on-site visits are necessary and appropriate (on our own initiative or at your request), we may charge you a reasonable fee (currently $1,000) for each visit. In addition to the fee, you must also reimburse us for all reasonable expenses we incur in the on-site visit, including the cost of travel, lodging and meals. On-site visit costs are not refundable, and we may not impose them uniformly on all franchisees. We expect on-site visit charges (including the fee) to range from $1,500 to $5,000 per evaluation. We did not collect any site evaluation fees from franchisees in our 2024 fiscal year.

Coordinated Purchases

As discussed in Item 8, in some cases we might coordinate your purchases of some of the Operating Assets (defined below), food items, ingredients, supplies, materials and/or other products and services used or offered for sale at Outback Steakhouse restaurants. "Operating Assets" means the furniture, fixtures, furnishings, equipment (including computer systems, point-of-sale systems, and related equipment and software), décor and signs that we periodically and reasonably direct for use at the Outback Steakhouse restaurant. For items that we have coordinated purchasing in place, we require you to buy these items from us or using our coordinated purchasing. You must pay us for the items before you receive the items or on a payment schedule we propose. The costs are uniform among franchisees but may vary widely depending on the number and types of items that you buy from us or our affiliates. The cost for all such items is non-refundable.

Opening Crew

When you open your Restaurant, we may, at our sole option, require that our specially-trained opening crew (typically ranging from five to 18 people, depending on franchisee's experience and the number of certified trainers (if any) that franchisee provides from its existing Outback Steakhouse restaurant(s), if applicable) be on-site at your Restaurant to assist with pre-opening and training for approximately three weeks spanning a period before and after the Restaurant opens. You must reimburse us for the reasonable expenses we incur in providing an opening crew for the Restaurant, including costs of transportation, lodging, meals, and wages. Costs for the opening crew are non-refundable. Based on our experience opening company-owned locations, we estimate that opening crew costs will range from $65,000 to $146,000, including the costs of transportation, lodging, meals and wages. However, there is no limit on the costs, and you are required to reimburse us for all expenses. If your Restaurant opening is delayed for any reason, you will pay all costs associated with rescheduling the opening crew, including airfare and related travel charges. Thus, your opening crew expenses may be higher than the stated range if you reschedule the pre-opening training.

**Development Rights Rider**

If you sign a Development Rights Rider (Exhibit B-2) to develop multiple Outback Steakhouse restaurants, you must pay a development fee equal to $40,000 (the initial franchise fee for the first Outback Steakhouse restaurant) plus $10,000 for each additional Outback Steakhouse restaurant you commit to develop. The number of Outback Steakhouse restaurants that you will develop is determined by mutual agreement before you sign the Development Rights Rider. As long as you are in compliance with your development obligations, we will apply a pro rata portion of the development fee toward the initial franchise fee for each Outback Steakhouse restaurant to be developed. The development fee is fully earned by us when you sign the Development Rights Rider. The development fee is uniform for all franchisees and is not refundable. If you sign the Development Rights Rider and pay the development fee, and then cannot find suitable sites for Outback Steakhouse restaurants or choose for any other reason not to perform (and the Development Rights Rider is terminated), we may keep the entire development fee and need not refund any portion to you.

**Purchase of Company-Owned Outback Steakhouse Restaurant**

If you buy the assets of an existing Outback Steakhouse restaurant from us, you and we will sign an Asset Purchase Agreement. You and we will negotiate the terms of the Asset Purchase Agreement. You must also sign a

Franchise Agreement to operate the Restaurant as an Outback Steakhouse franchised restaurant going forward. You must pay us the initial franchise fee ($40,000) plus the applicable purchase price for the Restaurant's assets. You and we will negotiate the purchase price, which will depend on the Outback Steakhouse restaurant's age, location, condition, profitability, and cash flow, as well as strategic considerations and other relevant market factors. The purchase price is not refundable once paid.

If you buy an existing company-owned Outback Steakhouse restaurant, you may incur certain costs to upgrade the location to our current standards for new Outback Steakhouse restaurants. You will have a specified period after closing to complete the upgrades.

If you buy an existing company-owned Outback Steakhouse restaurant from us, that Restaurant will not count toward your development obligation under the Development Rights Rider. Only new Outback Steakhouse restaurants will count for purposes of fulfilling your development obligations (unless we agree otherwise in writing).

## Item 6

### OTHER FEES

| Type of fee(1) | Amount | Due date | Remarks |
|---|---|---|---|
| Royalty fee | 5.0% of monthly Net Sales (See Note 2) | Payable on or before the 10th day of each calendar month (See Note 3) | Based on Net Sales during previous month. Payments are made via an electronic funds transfer ("EFT"). Your Royalty Fee is an ongoing payment that allows you to use the Proprietary Marks and the intellectual property of the System. |
| Multi-Unit Campaign contributions | A percentage of your Restaurant's Net Sales that we set from time to time that you must contribute to us for Multi-Unit Campaigns (currently 2.49%) (See Notes 2 and 4) | Payable on or before the 10th day of each calendar month (See Note 3) | Based on Net Sales during previous month. |
| Required Local Marketing Expenditures | A percentage of your Restaurant's Net Sales that we set from time to time that you must expend yourself on approved local marketing programs (currently 0.22%) (See Notes 2 and 4) | We do not collect this fee; it is retained by you for use in your local market area | You must spend at least this amount annually on local advertising and promotion for your Restaurant. |

| Type of fee[(1)] | Amount | Due date | Remarks |
|---|---|---|---|
| Help Desk Support Fee | Currently $55 per month (per restaurant) for help desk support services | Payable on or before the 10th day of each calendar month | You must sign an IT Help Desk Support Agreement (Exhibit H). |
| Security License Fee | Currently $75 per month (per restaurant) | Payable on or before the 10th day of each calendar month | This fee covers the cost of software and technology licenses (including information security software) used by you at your restaurant, which we pay to a third-party provider that bills us collectively for all restaurants. |
| Additional or refresher training | Reasonable fee based on our costs; currently no charge | 30 days after billing | See Item 11. |
| Transfer fee – for a transfer that does not result in a change of control | For a transfer that does not result in a change of control, you must pay us $1,000 | Before consummation of transfer | |
| Transfer fee – for a transfer that results in a change of control | For a transfer that results in a change of control, you must reimburse us for our reasonable costs and expenses associated with the transfer, including, without limitation, legal and accounting fees and salaries of our personnel | Before consummation of transfer | This fee is only due when you transfer control of the franchise agreement, the franchise, or your Restaurant. |
| Renewal fee | 50% of then-current initial franchise fee | Upon signing renewal franchise agreement | A renewal fee equal to 50% of the standard initial franchise fee being charged to new franchisees of Outback Steakhouse restaurants at the time of renewal. |
| Audit | Cost of inspection or audit | 30 days after billing | Payable if you understate any amounts owed to us or our affiliates by 2% or more. |

| Type of fee[1] | Amount | Due date | Remarks |
| --- | --- | --- | --- |
| Correcting deficiencies | Our expenses in correcting deficiencies | Immediately upon demand | Payable if you fail to correct deficiencies detected during inspection within reasonable time and we (at our option) correct them. |
| Customer loyalty /rewards programs | Varies | Ongoing | You must contribute a pro-rata share of costs of any customer loyalty program or similar programs we implement from time to time. These costs may include initial and ongoing fees for software, technology and support services, and collateral materials, plus the cost of meals when loyalty points are redeemed by customers. (See Note 5) |
| Securities offering review | Our costs of reviewing proposed offering materials | 30 days after billing | You may not conduct a public offering of your securities. You may offer your securities in a private offering with our consent. This fee covers our cost of reviewing your proposed offering materials. |
| Insurance costs | Our expenses and cost of insurance | Immediately upon notice | Payable if you fail to maintain insurance and we (at our option) obtain insurance for you. |
| Product and service purchases | See Item 8 | As incurred | We and our affiliates may sell certain products and services to you or coordinate purchases from third-party suppliers. (See Item 8) |

| Type of fee[1] | Amount | Due date | Remarks |
|---|---|---|---|
| Liquidated damages for deviation from Operations Manual | 2nd Minor Violation in calendar year: $1,000<br><br>3rd Minor Violation in calendar year: $2,000<br><br>Each additional Minor Violation in calendar year: $4,000 | Within five days of receipt of notice from us | Payable if you have repeated minor violations of the Operations Manual's requirements that are unlikely to have a material adverse effect on the System, the Proprietary Marks, the Restaurant or any other Outback Steakhouse restaurant. |
| Interest | Lesser of 18% per year or maximum rate law allows | Due with the overdue amount | Payable on all overdue amounts. |
| Costs and attorneys' fees | Will vary under circumstances | As incurred | Payable if we retain counsel or start proceedings to enforce the Franchise Agreement or if we terminate the Franchise Agreement due to your default. |
| Indemnification | Will vary under circumstances | Promptly paid | You must indemnify us from all claims and liabilities connected with your Restaurant or business. |
| Testing costs | Cost of testing | 30 days after billing | Payable if inspection uncovers product from unapproved supplier or failing to meet specifications or if you propose new supplier. |
| Minimum royalty while Restaurant is closed | Average monthly royalty fee paid during previous 12 months | 30 days after billing | Payable if your Restaurant closes and repairs or relocation cannot be completed within 90 days. |

| Type of fee[1] | Amount | Due date | Remarks |
|---|---|---|---|
| Management fee | 10% of Net Sales while we manage your Restaurant, plus reimbursement of our direct out-of-pocket expenses | As incurred | Due only if we or our appointee manages the Outback Steakhouse restaurant after the Franchise Agreement terminates or expires while we decide whether to exercise purchase option. |
| Tax reimbursement | Out-of-pocket reimbursement | As incurred | You must reimburse us for any taxes we pay to a state taxing authority due to your operations or payments to us or our affiliates (except for our own income taxes). |

1. Except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. Except as noted above, all fees are non-refundable and currently are uniformly imposed. There currently are no mandatory cooperatives in the Outback Steakhouse restaurant network.

2. “Net Sales” means all revenue from sales conducted upon or from your Outback Steakhouse restaurant, whether from check, cash, credit, charge account, debit account, exchange, trade credit, other credit transactions, barter or otherwise, including, without limitation, any implied or imputed Net Sales from any business interruption insurance. However, “Net Sales” excludes: (a) sales for which you refund cash, if you previously included those sales in Net Sales; (b) federal, state, or municipal sales, use or service taxes you collect from customers and pay to the appropriate taxing authority; and (c) the face value of coupons or discounts that customers redeem (except Net Sales will not be reduced by the face value of any coupons or discounts if we provide any cost reimbursement for such coupon or discount). We treat each charge or sale upon credit as a sale for the full price on the day during which that charge or sale is made, irrespective of when you receive payment (whether full or partial, or at all) on that sale. We include amounts customers pay by gift certificate, gift card, stored value card or similar program (“Stored Value Cards”) in Net Sales when the gift certificate, other instrument or applicable credit is redeemed. If a third party distributes Stored Value Cards, we include in Net Sales the face amount of the Stored Value Card without reduction for the fee we paid or discount we gave to the third-party distributor.

   If a state or local law applicable to the Restaurant prohibits or restricts in any way your ability to pay, or our ability to collect, royalty fees or other amounts based on Net Sales derived from the sale of liquor and alcoholic beverages at the Restaurant, you and we will adjust the royalty fee, multi-unit campaign contribution, and other applicable provisions of the Franchise Agreement to provide the same economic benefit to both parties as provided in the original Franchise Agreement, with a corresponding change to the definition of Net Sales.

3. At our option, you must sign and deliver to us the documents that we periodically require to authorize us to debit your business checking account automatically for the royalty fee and other amounts due under the Franchise Agreement or any related agreement between us (or our affiliates) and you. If we institute an automatic debit program for your Restaurant, we may debit your account for the royalty fee and other

amounts on or after the due date, based on the Net Sales for the previous month. You must make the funds available for withdrawal by electronic transfer before each due date. In our automatic debit program, we may require you to get, at your expense, overdraft protection for your business checking account in an amount that we reasonably specify. You must reimburse us for any "insufficient funds" charges and related expenses that we incur for (a) any checks that we receive from you or (b) your failure to maintain sufficient funds in your automatic debit account.

If you fail to report your Restaurant's Net Sales for any month, we may debit your account for 120% of the amount that we debited for the previous month. If the amount we debit from your account is less than the amount you actually owe us for the month (once we have determined the true and correct Net Sales of your Restaurant for the month), we will debit your account for the balance due on the day that we specify. If the amount we debit from your account is greater than the amount you actually owe us for the month (once we have determined the true and correct Net Sales of your Restaurant for the month), we will credit the excess, without interest, against the amount that we otherwise would debit from your account during the following month.

4. We have established a national marketing program to advertise and promote Outback Steakhouse restaurants, and may from time to time implement other continuing, periodic or temporary national, regional or local marketing programs or campaigns for Outback Steakhouse restaurants (collectively "Multi-Unit Campaigns"). You must contribute a percentage of your Net Sales to us for Multi-Unit Campaigns in the amounts, in the manner and at the times that we direct, but the percentage of your annual Net Sales spent on such expenses will not exceed 8% of your annual Net Sales in the aggregate when combined with your Required Local Marketing Expenditures (described below). As of the date of this disclosure document, the percentage of your Net Sales you must pay to us for Multi-Unit Campaigns is 2.49%. However, that number may change from time to time.

   In addition to your contributions to Multi-Unit Campaigns, you must spend on approved local advertising, marketing and promotions for your Restaurant, or with our prior approval, accrue for subsequent expenditure, on a continuing monthly basis, a percentage of the Net Sales of your Restaurant that we specify ("Required Local Marketing Expenditures"). The Required Local Marketing Expenditures for any given period will be set by us along with the Multi-Unit Campaign contribution for such period; but in no case will the combination of the Required Local Marketing Expenditures and the Multi-Unit Campaign contributions in any calendar year exceed 8% of your Restaurant's annual Net Sales. Pre-opening promotional and advertising activities you conduct will not count towards the Required Local Marketing Expenditures or the maximum 8% of annual Net Sales. As of the date of this disclosure document, the percentage of your Net Sales you must spend on Required Local Marketing Expenditures is 0.22%.

5. You must participate in our national customer loyalty/rewards program ("Dine Rewards"), which was launched in 2016. The estimated costs for franchisees to participate in Dine Rewards include a pro rata share of the cost of the call center support we designate or utilize for the Dine Rewards program. We cover the cost of these call center services, which are provided by a third-party vendor, and re-bill franchisees and company-owned restaurants, at cost. We estimate that call center fees will be about $50 to $60 per month per restaurant, but the actual fees vary based on call volume.

## Item 7

**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

| Type of expenditure | Estimated Amount | Method of payment | When due | To whom payment is to be made |
|---|---|---|---|---|
| Initial franchise fee (1) | $40,000 | Lump sum | See Note (1) | Franchisor |
| Building construction (2) | $2,000,000 to $2,700,000 | As agreed | As incurred | Contractors, vendors and landlord |
| Site construction (3) | $50,000 to $1,200,000 | As agreed | As incurred | Contractors, vendors and professionals |
| Design & site development (including professional fees, impact fees, permits and utility connections) (4) | $50,000 to $350,000 | As agreed | As incurred | Third parties/ professionals; government or regulatory agencies |
| Furniture, fixtures, and equipment (including computer system) (5) | $950,000 to $1,100,000 | As agreed | As incurred | Contractors, vendors and suppliers |
| Signage | $80,000 to $250,000 | As agreed | As incurred | Suppliers |
| Inventory – first 3 months (6) | $247,000 to $708,000 | As agreed | As incurred | Suppliers |
| Liquor License (7) | $1,000 to $815,000 | Lump sum | As incurred | Government agency and/ or third parties |
| Utilities – first 3 months (8) | $17,000 to $46,000 | As incurred | As incurred | Utility companies |
| Opening Crew (9) | $65,000 to $146,000 | As incurred | As incurred | Franchisor and third parties |
| Pre-opening food and beverage costs for training (10) | $17,000 to $38,000 | As incurred | As incurred | Suppliers and contractors |
| Pre-opening supplies (11) | $5,000 to $21,000 | As incurred | As incurred | Suppliers |
| Pre-opening labor and training expenses (12) | $69,000 to $189,000 | As incurred | As incurred | Employees; third parties |
| Other miscellaneous opening expenses (13) | $26,000 to $68,000 | As incurred | As incurred | Suppliers, vendors and third parties |
| Insurance costs (14) | $75,000 to $125,000 | As agreed | Installments / Annually | Third parties Co Ins or 3rd party insurance under Lease |
| Staffing & employment costs – first 3 months (15) | $471,000 to $918,000 | As incurred | As incurred | Suppliers, vendors and third parties |
| Legal costs (16) | $15,000 to $70,000 | As agreed | As incurred | Third parties |
| Rent – first 3 months (17) | $11,000 to $103,000 | Installments | Monthly | Landlord |

| Type of expenditure | Estimated Amount | Method of payment | When due | To whom payment is to be made |
|---|---|---|---|---|
| Additional funds - first 3 months (18) | $71,000 to $156,000 | As incurred | As incurred | Third parties |
| **TOTAL ESTIMATED INITIAL INVESTMENT (19)** | **$4,260,000 to $9,043,000** | | | |

Except for the security deposit, which typically is refundable if you comply with your Restaurant's lease during its term, none of these expenditures are refundable.

The estimates provide above include, at times, our experience in opening company-owned locations across our casual dining restaurant concepts of Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill. We have included these additional concepts for purposes of estimating certain opening costs to provide a more meaningful sample.

**Explanatory Notes**:

1. We describe the initial franchise fee in Item 5. We will apply a pro rata portion of the development fee paid under the Development Rights Rider toward the initial franchise fee for each Restaurant.

2. This range represents estimated costs of leasehold improvements for a leased in-line location or a leased freestanding location. These costs are based on our "Joey" design and reflect the build-out of a 5,000 to 6,500 square foot restaurant. Factors that may significantly affect the costs of leasehold improvements include the condition of the building and size/configuration of the premises (for existing building), the previous tenant's use of the space (if applicable), and the geographic location of your Restaurant. You should expect your costs to be on the higher end of the range if you develop a freestanding location (versus inline) and/or if the Restaurant is located in a state with union labor. Costs will generally be lower for a developer's pad-ready, improved site or new retail shell building, since some of the work has already been done for you. This estimate also assumes that you will lease the premises for the Restaurant and does not include land acquisition costs. If you choose to buy, rather than rent, real estate on which your Restaurant will be constructed, your costs will be substantially higher.

3. Site construction costs will vary depending on a number of factors, including, but not limited to, the size, configuration and status of the real estate when it is acquired. Most pad-ready, improved sites and new retail shell buildings involve at least a minimal amount of site work including installing grease traps and appropriate trash receptacles and storage. More involved site work and higher site construction costs should be anticipated if you purchase a raw or less pad-ready site. Then, costs can include, but are not limited to, installing parking lots, appropriate storm water mitigation receptacles and sidewalks. You should consult with the appropriate engineers and design professionals to best understand the needs and costs anticipated for your specific location.

4. This estimate includes (i) professional fees for design/development professionals that you will need to hire during your restaurant construction and build out; (ii) development impact fees; and (iii) permits and utility connection fees. In some cases (for example, a pad-ready site), impact fees and utility connection fees may be paid by the property owner or landlord. It is important to note that these fees can vary significantly depending on the county and municipality. You should consult with an advisor knowledgeable about your jurisdiction to best estimate these costs. Professional fees include architects, civil engineers, mechanical engineers, electrical engineers and landscape architects. In all cases, your actual costs could vary

significantly depending on a number of factors including the type and condition of your property. For example, redesigning an existing restaurant space will typically result in significantly lower utility connection fees and professional fees (architects, engineers, etc.) than will a raw or less pad-ready site. Raw sites will require extensive fees including, but not limited to, storm water management and impact review, and you may have to pay for the cost of having electric and/or sewage brought to the property. The type and existing use of the site you acquire will also impact whether you must engage a geotechnical engineer, acquire a Phase I environmental report or additional surveying. These extra services will greatly increase your costs.

5. This covers items like millwork, safe and office furniture, television/cable, telephone system, water softener, sound system, security (fire/burglar) system, blinds, kitchen and bar package, equipment for exhaust and refrigeration, restaurant smallwares (cooking, serving and other utensils for food preparation), fax machine and pagers. These costs are based on our "Joey" design and reflect the build-out of a 5,000 to 6,500 square foot restaurant. The estimate given may not include all equipment that local law requires, and some state and local laws require additional equipment at substantial costs to you. This estimate also includes the cost of the Restaurant's point of sale computer system, the computer system for the Restaurant office, and a credit card imprinter as well as the cost of the décor package.

6. This estimate includes the food and beverage inventory, including beer, liquor and wine, for the Restaurant's first three months of operation. The amounts you will spend will vary greatly depending on the Restaurant's size, the traffic your restaurant generates and the amount and variety of the food products, beverages and liquor necessary for the opening of the Restaurant.

7. You will need to obtain a liquor license from the state, city or county in which you operate. The availability and costs of acquiring a liquor license vary substantially from jurisdiction to jurisdiction. You should consult the appropriate expert and governmental authority concerning the availability of liquor licenses and the associated costs for your Restaurant before you sign a Franchise Agreement.

8. This estimate is for the utility expenses for the Restaurant's first three months of operations. Your actual costs may vary greatly depending on the type of utilities you carry, your utility provider and the size and traffic of your Restaurant.

9. When you open your Restaurant, we may, at our sole option, require that our specially-trained opening crew be on-site at your Restaurant to assist with pre-opening and training for approximately three weeks spanning a period before and after the Restaurant opens. (See Item 5) This range represents our estimate of the amount you must reimburse us for the reasonable expenses we incur in providing an opening crew for the Restaurant, including costs of transportation, lodging, meals and wages. However, there is no limit on the costs and you are required to reimburse us for all expenses. Costs for the opening crew are non-refundable. The staffing and benefit costs for your management team and Restaurant employees is discussed separately in this Item 7.

10. This item estimates the cost of food products and beverages for training events, which take place before the Restaurant's opening.

11. This item estimates the costs of supplies required to prepare the Outback Steakhouse restaurant for opening, such as menus, kitchen sanitation equipment, guest checks, time cards, check orders, deposit slips, cleaning supplies, bar supplies, kitchen supplies, $CO_2$ and other miscellaneous items.

12. This estimate covers pre-opening labor (wages, benefits and taxes) for your Managing Partner, managerial employees and approximately 116 to 175 employees for one week prior to opening the Restaurant. However, you alone control all of your labor relations and employment practices.

13. This item includes other miscellaneous pre-opening costs and pre-paid expenses, such as costs for a hiring site, employee recruiting costs, classified advertising, linens, uniforms, food for employee orientation, printing, courier and postage services, first aid kits, office and computer supplies, association/chamber dues and fees, business licenses/permits, graphics and window decals, and customer relations costs. Your costs for these items may be higher or lower depending on where your Restaurant is located.

14. This range is an estimate for the annual premiums and initial acquisition costs for the property, casualty and cyber insurance policies that you are required to carry. Insurance costs will vary depending on factors such as the size and location of your Restaurant. For example, if your Restaurant is in an area that has been designated a Tier 1 Wind zone or is in a High Hazard Flood Zone, you will pay more for insurance than Outback Steakhouse restaurants that are not in those high-risk areas. In addition, if you own multiple Restaurants you may be able to capture economies of scale in your insurance purchasing. These numbers are an estimate and we encourage you to speak to a licensed insurance professional in your area to get a more accurate representation of what your costs will be. Generally, we receive more favorable rates than you can expect to receive because we are insuring a large number of restaurants and rely on self-insurance to a much greater extent than you should.

15. This range is an estimate for your initial three months of wages, benefits and related taxes. However, this range will vary greatly depending on your individual needs and based on a number of factors including where you are located, the benefits you intend to offer, your past business experience and the size and traffic of your Restaurant. Employee insurance and benefit obligations and pay requirements vary greatly from jurisdiction to jurisdiction. As a large employer with multiple locations, we are able to capture economies of scale in some of our human resource costs which our franchisees should not expect to realize. In our experience, our staffing costs across these three concepts are generally comparable. We have included these additional concepts for purposes of estimating staffing costs to provide a more meaningful sample. Staffing estimates vary greatly depending on geographic locations, the employment market in your region, the size of the restaurant and the employees at issue. We encourage you to speak with human resource and benefits experts in your area to better understand the actual costs you can expect to incur.

16. This legal fee estimate includes the cost of lease negotiations only. Your actual legal costs could increase significantly depending on your specific situation, including how complicated your lease is and any landlord concessions you are negotiating. You should speak to your legal advisor to better estimate your legal costs.

17. The amount of your rent will vary depending on factors like the size, location and condition of your premises and market demand. This figure excludes taxes on rent, which vary by state, and excludes pass-through costs such as real estate taxes, common area insurance and/or common maintenance charges, which may be payable to Landlord or other third parties. The estimate does not include a security deposit; however, you may be required to pay a security deposit (typically equal to one month's rent, but it could be more). Your actual rent costs may vary significantly from our costs.

18. This is an estimate of additional funds you should plan to have on hand to cover your first three months of operating expenses not covered by the other categories of expenses discussed in this table. These miscellaneous expenses include cleaning charges; equipment and property repair and service; business

travel expenses; vendor service fees; payroll, gift card and credit card processing fees; armored car and bank fees; uniforms and linens; menu printing costs; and music systems.

These figures are estimates and you may have additional expense involved in operating your Restaurant. Your costs will vary greatly depending on factors such as your management skills and operating experience, local economic conditions, the condition of your property and your sales during this period. This sum does not include royalties and marketing contributions you must pay to us or spend on your own. This is only an estimate. There is no assurance that you will not require additional funds during this initial three-month period.

19. The table above shows the initial investment you should expect to make under the Franchise Agreement. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan.

In addition to these known costs, you will also need to prepare for unknown costs and expenses. You should plan on having enough funds on hand to cover unexpected initial start-up expenses. All figures in this table are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Where we give an estimate based on a three-month period, this three-month period is not intended, and should not be interpreted, to identify a point at which your Restaurant will break even.

The table above assumes that you will develop a new Outback Steakhouse restaurant. If you purchase an existing company-owned Outback Steakhouse restaurant from us, your costs will be different. You may have to make a greater or smaller investment, depending on the circumstances, than the estimated initial investment shown above. The price and terms of payment for such Outback Steakhouse restaurant will be established by mutual agreement. Depending on the age of the Restaurant, you may also incur costs to remodel the premises to bring the Restaurant into compliance with our current standards for new Outback Steakhouse restaurants.

If you sign a Development Rights Rider, you will be required to pay us a development fee (See Item 5). There is no other initial investment required upon execution of the Development Rights Rider. However, an initial investment will be required for each Outback Steakhouse restaurant at each location you open. Our current estimate of this investment is described above.

## Item 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Restaurant according to the standards we provide in the Operations Manual or otherwise in writing. Our standards may regulate, among other things, the types, models and brands of required Operating Assets, beverages, food products, supplies and other items that you may or must use in operating the Restaurant; required or authorized products and product categories; and designated or approved suppliers of these items (which may be limited to or include us or our affiliates).

You must sign an IT Help Desk Support Agreement (Exhibit H) with our Ultimate Parent, BBI, for help desk support services related to the Restaurant's computer and point-of-sale system. As of the date of this disclosure document, the monthly IT help desk support fee is $55 per Restaurant. In 2024, we collected $80,520 from Outback

Steakhouse franchisees for IT help desk support fees. These revenues represent around 0.0020% of our Ultimate Parent's total consolidated revenues of $3,950,475,000 as shown on its consolidated financial statements included as Exhibit A to this disclosure document.

Except for the help desk support services and opening crew support we provide (see Item 5), neither we nor any of our affiliates are currently the only approved supplier of any products or services that you will acquire to establish or operate your Restaurant. In the future, we may designate products and services that you must buy only from us or our affiliates at the prices that we or they decide to charge.

We currently coordinate the purchases of many products and services that our affiliates and franchisees use to develop and operate their Outback Steakhouse restaurants, including restaurant décor and equipment, foods, beverages, and packaging. In some cases, we might arrange for you to buy items directly from the suppliers that we or our affiliates choose, and in other cases we might coordinate the payments from you to the suppliers or sell the items directly to you. Currently we require you to participate in our coordinated purchasing program. You must honor any commitments we make to suppliers on your behalf or in reliance on your participation in our programs and you relinquish any rights to rebates or other incentives that the suppliers offer based on your purchases. You also must comply with the terms for the sale and delivery of, and payment for, products and services that you buy from us and from affiliated and unaffiliated suppliers, as we periodically modify them. We may extend our coordinated purchase program to include other restaurant concepts that we and our affiliates may own and operate from time to time.

You must buy virtually all of the goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, and comparable items related to establishing and operating your Restaurant only from suppliers (including manufacturers, distributors and other sources, including us and our affiliates in certain instances) who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and the adequate quality controls and capacity to supply your needs promptly and reliably, and whom we have approved. In other words, virtually all of these items currently are Source-Restricted Items, as described below.

None of our officers owns any interest in any current supplier to the franchise system, other than by virtue of ownership in our publicly-traded parent company, BBI.

You must send us for our approval any lease or sublease for the Restaurant's site before you sign it. The lease must contain the terms and provisions that are reasonably acceptable to us.

Before starting construction of the Restaurant, you must engage a qualified architect or engineer who is reasonably acceptable to us to prepare, for our approval, preliminary plans and specifications for site improvement and construction of the Restaurant based upon prototype plans and specifications that we furnish. You also must submit to us, for our approval, final plans for construction based on the approved preliminary plans and specifications. Once we approve them, you may not change the final plans without our prior written permission. You also must engage a qualified licensed contractor who is reasonably acceptable to us to construct the Restaurant and complete all improvements. You may not open the Restaurant without our approval.

To maintain the quality of the products and services that Outback Steakhouse restaurants provide and the franchise network's reputation, you must maintain in sufficient supply, and use and/or sell at all times, only those Operating Assets, menu items, ingredients, products, materials, supplies, and paper goods as conform to our standards and specifications. You may not deviate from those standards and specifications or use or offer nonconforming items unless we approve in writing. We issue and modify standards and specifications based on our and our affiliates' experience in developing and operating Outback Steakhouse restaurants. Our Operations Manual or other communications will identify our standards and specifications for you. Generally, our standards and specifications are our proprietary and confidential information. Therefore, you may not share them with anyone, including potential vendors, without our express permission. Disclosing any of our proprietary and confidential information is contingent upon the recipient signing a non-disclosure agreement.

If you want to buy any Operating Assets, food items, ingredients, supplies, materials, and other products and services used or offered for sale at the Restaurant that we periodically classify as source-restricted in the Operations Manual or otherwise in writing (collectively "Source-Restricted Items") from an unapproved supplier, you or the proposed supplier must send us a written request for approval. You may not purchase any Source-Restricted Item from any supplier until we approve the supplier in writing. We may condition our approval on standards and requirements relating to quality, quantity, warranties, prices, volume capability, frequency of delivery, distribution methods and locations, standards of service (including prompt attention to complaints), consistency, reliability, financial capability, labor and customer relations, the willingness and ability to comply with our vendor requirements, animal well-being and humane handling standards, and other criteria. We may inspect the supplier's facilities (including its distribution points and any third-party stocking facilities) and have samples from the supplier delivered either to us or to an independent laboratory we designate for testing. You or the supplier must pay us a fee up to the reasonable cost of the inspection and the actual cost of the test. (See Item 6) We will notify you of our approval or disapproval within a reasonable time (typically 30 days) after receiving all information we request. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria.

These requirements do not mean that we must approve any particular supplier. We may limit the number of approved suppliers with whom you may deal, designate key suppliers or sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated an exclusive source (which might be us or our affiliate) for a particular Source-Restricted Item or if we believe that doing so is in the best interests of the Outback Steakhouse restaurant network.

Our coordinated purchasing program is our only formal purchasing or distribution cooperative. We negotiate purchase arrangements with suppliers (including price terms) for the items and services that you may buy through our program. These arrangements may include discounts and rebates. To the extent we receive discounts, you will receive the same discounts when you purchase those items from these suppliers. To the extent we receive rebates, we may pass them on to you, or we may retain them. We do not provide other material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

We and/or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you (including, but not limited to, purchasing coordination services) and from promotional allowances, volume discounts, rebates and other payments that System suppliers make to us or our affiliates based on purchases of products and services by franchised and/or company-owned Outback Steakhouse restaurants. We and our affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees' prospective or actual dealings with them, without your consent and without incurring any reporting obligations to you. Such funds may be used for any purposes that we and our affiliates deem appropriate.

We require that you purchase all of your fountain beverages and certain other non-alcoholic beverages from approved vendors, primarily Coca-Cola. Our relationship with Coca-Cola involves a comprehensive program that governs our relationship with that vendor. This program includes certain sponsorship and advertising contributions and a volume rebate based on the total amount of fountain beverages and other non-alcoholic products purchased from Coca-Cola system-wide, including purchases made by our franchisees. You are not entitled to this rebate. We retain this rebate and control how those funds are used. However, our agreement with Coca-Cola obligates us to use these funds in a manner that generally benefits the system and promotes our restaurants or the vendor's products. There is no assurance that you will benefit by our use of these funds in a manner that is proportionate to the rebate we receive from your purchases. We also enter into joint marketing campaigns with certain of our suppliers, including Coca-Cola. Our relationship with Coca-Cola also involves the lease of the dispensing equipment.

During our 2024 fiscal year, we received payments and other consideration totaling $12,273,079 from System suppliers in connection with the required purchase of certain goods, products and services by both franchised and company-owned Outback Steakhouse restaurants. This amount represents around 0.31% of our Ultimate Parent's total consolidated revenues of $3,950,475,000, as shown on its consolidated financial statements included as Exhibit A to this disclosure document. These rebates are typically paid to us as a flat amount per year or on the basis of a percentage of the amount or volume of products sold to franchisees and to our company-owned restaurants (typically ranging from $0.10 to $5.55 per gallon), depending on the item. This range may be adjusted in the future.

Not all suppliers pay rebates to us. The amounts may vary, and additional vendors may pay rebates to us in the future. We do not provide you with any type of accounting or report on these amounts or their uses. We will retain and use such payments as we deem appropriate or as required by the vendor or supplier.

You must issue and honor/redeem gift cards, coupons, and loyalty/rewards cards for Outback Steakhouse restaurants (and, with respect to loyalty/rewards cards, our affiliated concepts, including Bonefish Grill, Carrabba's Italian Grill and Fleming's Prime Steakhouse & Wine Bar) and participate in, and comply with the requirements of, our gift card and customer loyalty/rewards programs and similar programs. Franchisees may incur some costs to participate in these programs, including, but not limited to, initial and ongoing fees for software, technology and/or support. We may change these programs periodically, as we deem best.

We launched our national Dine Rewards customer loyalty program in 2016. Dine Rewards is a multi-brand loyalty program available to customers across several of our affiliated concepts (Outback Steakhouse, Bonefish Grill, Carrabba's Italian Grill, and Fleming's Prime Steakhouse & Wine Bar). Each restaurant must pay a call center support fee (estimated to be approximately $50 to $60 per restaurant per month, but amount will vary based on call volume). This fee may periodically increase. We may require you to pay this fee to us or directly to third party vendors. In addition to customer loyalty programs, you must at all times comply, at your expense, with our customer complaint resolution procedures and our commitment to a 100% customer satisfaction policy.

The Development Rights Rider does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. You must give us information and materials we request regarding each site at which you propose to operate a Restaurant, so we can assess and accept that site.

Collectively, the purchases and leases that you must make from us or our affiliates, from designated or approved suppliers, or according to our standards and specifications represent virtually 100% of your purchases and leases in establishing and operating the Restaurant. Franchisees paid us these amounts under our coordinated purchasing program and we used all of those funds to pay third-party suppliers for the items franchisees purchased. Other than the IT help desk services described above, neither we nor our affiliates derived revenue from products or services sold or leased directly to franchisees during our 2024 fiscal year.

If you buy an existing company-owned Outback Steakhouse restaurant from us, we may derive profit from your acquisition in excess of our cost to acquire the Restaurant. No revenue was derived by us or our affiliates from the sale of existing company-owned Outback Steakhouse restaurants to franchisees in our most recently completed fiscal year.

## Item 9

### FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

| Obligation | Section in Agreement | Disclosure Document Item |
|---|---|---|
| a. Site selection and acquisition/lease | Franchise Agreement, 4.1 to 4.3; Development Rights Rider, 6 | 5, 7, 8, 11 and 12 |
| b. Pre-opening purchases/leases | Franchise Agreement, 4.3 to 4.5, 5.2, 6.2, 6.8, 6.11, 6.19 and 6.20 | 5, 6, 7, 8 and 11 |
| c. Site development and other pre-opening requirements | Franchise Agreement, 4.4, 4.5, 5.1, 5.2, and 6.2 to 6.6; Development Rights Rider, 6 | 5, 7, 8 and 11 |
| d. Initial and ongoing training | Franchise Agreement, 5.1, 5.7 and 6.6; Development Rights Rider, 7 | 6, 7 and 11 |
| e. Opening | Franchise Agreement, 4.5, 6.2 and 6.5; Development Rights Rider, 3 | 5, 7 and 11 |
| f. Fees | Franchise Agreement, 2.2, 4.2, 6.5, 6.6, 6.11, 6.17, 11.3, 11.4, 12.7, 13.3, 13.7, 14.2, 14.4, 15.6, 15.7, 15.9 and Article III; Development Rights Rider, 5 | 5, 6, 7, 11 and 17 |
| g. Compliance with standards and policies/operations manual | Franchise Agreement, 4.4, 4.5, 5.2, 5.5, 11.2, 11.6 and Articles VI and IX | 8, 11 and 16 |
| h. Trademarks and proprietary information | Franchise Agreement, 6.12, 6.14, 7.3, 7.4, 7.10, 15.2 to 15.5 and Article VIII | 13, 14 and 17 |
| i. Restrictions on products/services offered | Franchise Agreement, 5.2, 5.6 and 6.10 to 6.13 | 8, 11 and 16 |
| j. Warranty and customer service requirements | Franchise Agreement, 6.10(k) | 8 |
| k. Territorial development and sales quotas | Development Rights Rider, 3 | 12 |
| l. Ongoing product/service purchases | Franchise Agreement, 5.6 and 6.10 to 6.13 | 8 and 11 |

| Obligation | Section in Agreement | Disclosure Document Item |
|---|---|---|
| m. Maintenance, appearance, and remodeling requirements | Franchise Agreement, 4.4, 4.5, 5.2, 6.10, 6.15, 6.16 and 8.3 | 11 and 13 |
| n. Insurance | Franchise Agreement, Article XII | 6 and 7 |
| o. Advertising | Franchise Agreement, 5.4, 6.5, 6.14, 8.1, 11.6 and Article XI | 6, 7, 8 and 11 |
| p. Indemnification | Franchise Agreement, 6.10(n), 13.7 and 16.4 | 6, 13 and 14 |
| q. Owner's participation/ management/staffing | Franchise Agreement, 1.4, 6.3, 6.4 and 6.8 | 11 and 15 |
| r. Records and reports | Franchise Agreement, Article X | 6 and 11 |
| s. Inspections and audits | Franchise Agreement, 4.5, 6.17 and 10.7 | 6 and 11 |
| t. Transfer | Franchise Agreement, Article XIII; Development Rights Rider, 12 | 6 and 17 |
| u. Renewal | Franchise Agreement, 2.2; Development Rights Rider, 11 | 6 and 17 |
| v. Post-termination obligations | Franchise Agreement, 7.3, 7.6 to 7.10, 16.4 and Article XV | 17 |
| w. Non-competition covenants | Franchise Agreement, 7.5 to 7.10, and 15.10; Development Rights Rider, 10 | 15 and 17 |
| x. Dispute resolution | Franchise Agreement, 18.9 to 18.17 | 17 |
| y. Restrictions on debt | Franchise Agreement, 7.2 | 15 |

## Item 10

### FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

## Item 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

**Except as listed below, we are not required to provide you with any assistance.**

Before you begin operating the Restaurant, we will:

1. Designate a Target Area (defined in Item 12) within which you may look for a site for your Restaurant, if we and you have not agreed on a site before signing the Franchise Agreement. We describe the Target Area in Item 12. (Franchise Agreement – Section 4.1)

2. Approve a site for the Restaurant that meets our criteria, if we and you have not agreed on a site before signing the Franchise Agreement. We will provide you our site selection guidelines and criteria for Outback Steakhouse restaurants. We do not require you to follow specific site selection procedures when selecting a site for the Restaurant. Instead, we will provide site selection counseling and assistance as we deem advisable. We will provide on-site evaluations as we deem advisable in response to your requests for site approval. We will provide up to two on-site visits at no charge, but you must pay us a reasonable fee and our costs if we conduct more than two on-site visits. (Franchise Agreement – Section 4.2)

   In considering sites, we will consider demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses and other Outback Steakhouse restaurants, the nature of other businesses near the site, other commercial characteristics and size, appearance and other physical characteristics. We will notify you of our approval or disapproval of a proposed site in writing within a period of 30 days following our receipt of all requested information. All of our decisions are final. You may not proceed to develop the Restaurant unless we have accepted the site in writing. (Franchise Agreement – Section 4.2)

   Your failure to obtain approval for a site for your Restaurant within 180 days after the execution of the Franchise Agreement, begin construction of the Restaurant within 120 days after execution of an approved lease or purchase of the premises and/or open the Restaurant for business within 21 days after the completion of construction will be a default of your Franchise Agreement, and we may terminate your Franchise Agreement upon written notice and retain all monies paid to us. (Franchise Agreement – Sections 4.1, 4.2, and 4.5)

   If we terminate the Franchise Agreement due to your default, we may also terminate the Development Rights Rider and retain the development fee paid to us. (Development Rights Rider – Section 9)

3. Approve a lease for the Restaurant's premises (the "Lease") that meets our requirements. You must submit the proposed Lease to us for our written approval before signing it. It must contain the provisions required in the Franchise Agreement. In addition, you must sign and deliver to us a Collateral Assignment of Lease and Consent and Agreement of Lessor, in the forms attached as exhibits to the Franchise Agreement. (Franchise Agreement Sections 4.1 and 4.3)

4. Approve a qualified architect or engineer whom you choose and who is reasonably acceptable to us to prepare preliminary plans and specifications for site improvement and construction of the Restaurant based on our prototype drawings. We will provide standard plans and specifications for the exterior and interior design and layout of an Outback Steakhouse restaurant and mandatory or suggested fixtures, furnishings, equipment and signs. You must adapt the standard plans and specifications to the Restaurant location, at your expense. (Franchise Agreement – Sections 4.4 and 5.2)

5. Approve a qualified licensed general contractor who is reasonably acceptable to us to construct the Restaurant and complete all improvements. (Franchise Agreement – Section 4.4)

6. Approve your Operations Director and Managing Partner (as defined in Item 15), who must meet our then-current requirements. (Franchise Agreement – Section 6.4)

7. Identify mandatory or suggested fixtures, furnishings, equipment, signs, food products, materials and other supplies necessary for the Restaurant to begin operations, the minimum standards and specifications that you must satisfy, and the suppliers from whom you may or must buy these items (including us and/or our

affiliates). We currently administer a coordinated purchasing program under which we can provide some items directly to you. We will also provide names of approved or designated suppliers for some items. (Franchise Agreement – Sections 4.5 and 5.2 and Article VI)

8. Provide you access (which may be electronic) during the term of the Franchise Agreement to our confidential and proprietary Operations Manual that details the standards, specifications and procedures incidental to the operation of the Restaurant. The Operations Manual's current table of contents is attached as Exhibit C to this disclosure document. We may periodically modify the Operations Manuals to reflect changes in System standards. Our System standards are designed to protect the System and the Proprietary Marks, and not to control the day-to-day operations of your Restaurant. We do not control the forms of employment agreements you use with your employees and are not responsible for your labor relations or employment practices. (Franchise Agreement – Section 5.5 and Article IX)

9. Provide the on-site pre-opening and opening supervision and assistance as we deem advisable, subject to the availability of our personnel. This assistance may, at our option, include our opening crew, which we describe in Item 5. (Franchise Agreement – Sections 5.3 and 6.5)

10. Provide initial training for your Managing Partner, Operations Director (if applicable), and up to two other Restaurant managers. (Franchise Agreement – Sections 5.1 and 6.6) We describe this training in detail later in this Item.

11. Conduct a final inspection of the Restaurant and its premises within a reasonable time after you notify us that construction is complete. (Franchise Agreement – Section 4.5)

Estimated Time for Opening Your Restaurant

We estimate that it will be approximately 18 to 36 months after you sign the Franchise Agreement and, if applicable, Development Rights Rider (which is when you first pay consideration for the franchise) before you begin operating your Restaurant. The specific timetable for opening depends on how quickly you finalize the Lease, the Restaurant's location and condition and the extent to which you must upgrade or remodel it, the construction schedule, delays in securing financing, the delivery schedule for Operating Assets and supplies, the schedule for completing training, and complying with local laws and regulations.

During your operation of your Restaurant, we will:

1. Provide to you, as we periodically deem appropriate, continuing advice and written materials concerning techniques of managing and operating an Outback Steakhouse restaurant. This advice might include new developments and improvements in restaurant equipment, food products, packaging and preparation. We will furnish this guidance, at our option, in our Operations Manual, bulletins or other written materials and/or during telephone consultations and/or consultations at our office or the Restaurant. (Franchise Agreement – Section 5.7)

2. Provide additional guidance, assistance and training as we deem necessary or appropriate. (Franchise Agreement – Section 6.6)

3. Periodically make available as we deem advisable research and/or other data relating to merchandising, marketing, and advertising for Outback Steakhouse restaurants. At your expense, we also will make available promotional materials for local advertising. (Franchise Agreement – Section 5.4)

4. At our option, conduct Multi-Unit Campaigns. (Franchise Agreement – Section 11.3)

5. Review all proposed marketing and advertising materials submitted to us by you for local advertising for your Restaurant. (Franchise Agreement – Sections 11.2 and 11.4)

6. At our option, establish a website or series of websites for the Outback Steakhouse restaurant network to advertise, market and promote Outback Steakhouse restaurants and the products and services they offer, the Outback Steakhouse restaurant franchise opportunity, and/or for any other purposes that we determine are appropriate for Outback Steakhouse restaurants (collectively, the "System Website"). (Franchise Agreement – Section 11.5)

**Advertising and Marketing Programs**

Local Advertising

You must spend, annually throughout the term of your Franchise Agreement, a percentage of your Restaurant's Net Sales on advertising, marketing, promotional and public relations programs and activities for the Restaurant ("Required Local Marketing Expenditure"). Currently, the Required Local Marketing Expenditure is equal to 0.22% of your Restaurant's Net Sales, but we will change the Required Local Marketing Expenditure periodically and we typically tie the percentage you must spend to the percentage of Restaurant Net Sales spent by us on local advertising for our affiliated Outback Steakhouse restaurants either generally or in the same region as your Restaurant (if applicable). We set the amount you must spend on the Required Local Marketing Expenditure and may, upon written notice, increase either or both the Required Local Marketing Expenditure percentage and the Multi-Unit Campaigns contribution rate (described below), up to a maximum of 8% of your Restaurant's annual Net Sales in the aggregate between the two expenses. (Franchise Agreement – Section 11.4)

Multi-Unit Campaigns

We have established a national marketing program to advertise and promote Outback Steakhouse restaurants, and may from time to time implement other continuing, periodic or temporary national, regional or local marketing programs or campaigns for Outback Steakhouse restaurants (collectively "Multi-Unit Campaigns"). You must contribute a percentage of your Net Sales to us for Multi-Unit Campaigns in the amounts, in the manner and at the times directed by us. Currently, the Multi-Unit Campaigns contribution rate is equal to 2.49% of your Restaurant's Net Sales, but similar to the Required Local Marketing Expenditure, we will change the Multi-Unit Campaigns contribution rate periodically and typically tie the percentage to the percentage of Restaurant Net Sales spent by us on our affiliated Outback Steakhouse restaurants either generally or in the same region as your Restaurant (if applicable).

We will spend amounts paid to us for Multi-Unit Campaigns on production, administration, placement and implementation of Multi-Unit Campaigns. This includes reimbursing us and our affiliates for any out-of-pocket costs and expenses that we and they incur relating to Multi-Unit Campaigns. Multi-Unit Campaigns may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. We and/or an outside national or regional advertising agency will produce all advertising and marketing for Multi-Unit Campaigns.

We will administer and oversee all Multi-Unit Campaigns and the associated advertising and promotional programs. We have the sole right to approve or disapprove the creative concepts, materials and media used in those programs and the placement, cost and allocation of those programs. We intend the Multi-Unit Campaigns to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System, and we undertake no obligation in administering the Multi-Unit Campaigns to make expenditures for you or in your Territory which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from the advertising or promotion conducted under the Multi-Unit Campaigns.

We need not establish separate segregated funds for Multi-Unit Campaigns. We will not hold payments for Multi-Unit Campaigns in trust, and we do not owe you fiduciary obligations for maintaining, directing or administering the Multi-Unit Campaigns or those payments or for any other reason. We will not use any funds contributed towards Multi-Unit Campaigns on advertising that principally is to solicit new franchise sales. During our 2024 fiscal year, we spent 16% of contributions on production, 68% on media placement, 10% on administrative expenses and 6% on other miscellaneous expenses (including partnerships/sponsorships/local activations/research).

If any amounts remain at the end of any year, we will use them to pay for Multi-Unit Campaigns during the next year(s) before using contributions made during that year. The Multi-Unit Campaigns and their contributions are not audited, but we will prepare an annual, unaudited accounting about how we spend the contributions and give it to you on your request. (Franchise Agreement – Section 11.3)

There currently is no franchisee advertising council that advises us on advertising policies and there are no local or regional advertising cooperatives in the Outback Steakhouse restaurant network.

System Website and Electronic Advertising

We or one or more of our designees may establish a System Website. If we include information about the Restaurant on the System Website, you must give us the information and materials that we periodically request concerning the Restaurant and otherwise participate in the System Website in the manner that we periodically specify. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party's rights.

We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website, the log of "hits" by visitors, and any personal or business data that visitors (including you and your personnel) supply. We may implement and periodically modify standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time.

All advertising, marketing and promotional materials that you develop for the Restaurant must contain notices of the System Website's URL in the manner we periodically designate. You may not develop, maintain or authorize any other website, other online presence or other electronic medium (including on social media outlets, including, without limitation, Instagram, TikTok, Facebook and Twitter, or other similar outlets that may exist in the future) that mentions or describes the Restaurant or displays any of the Proprietary Marks without our prior approval. You may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet. Nothing limits our right to maintain websites other than the System Website or to offer and sell products and services under the Proprietary Marks from the System Website, another website or otherwise over the Internet without payment or other obligation. (Franchise Agreement – Section 11.5)

Approval of Advertising and Marketing

You must conduct all local advertising, marketing and promotion in any medium in a dignified manner and conform to our standards and requirements as described in the Operations Manual or otherwise. You must obtain our prior approval of all advertising, marketing and promotional plans and materials that you desire to use and that we have not prepared or previously approved within one year. You must submit the unapproved plans and materials to us and we will approve or disapprove the plans and materials within ten business days after receiving them. You may not use any plans or materials until we approve them and must promptly discontinue using any advertising, marketing or promotional plans or materials upon notice from us. For the Restaurant's opening you must conduct, at your expense, the promotional and advertising activities that we may reasonably require. You also must comply with our Multi-Unit Campaign and Required Local Marketing Expenditures requirements. (Franchise Agreement – Sections 11.2 and 11.7)

Participation in Promotions and Limited Time Offers

We may occasionally develop and administer, or grant you permission to use, advertising and sales promotion programs, including gift card programs, voucher programs through vendors such as Groupon and Living Social and online ticket purchasing programs, designed to promote and enhance the collective success of all Outback Steakhouse restaurants operating under the System. You must participate in all such advertising and sales promotion programs in accordance with the terms and conditions we establish for each program (including payment of your pro rata costs) and must adhere to any restraints or limitations we set for your own use of such programs at your Restaurant. (Franchise Agreement – Section 11.6) Your participation may be in addition to or counted towards your Multi-Unit Campaign and Required Local Marketing Expenditures requirements, as we determine from time to time.

Pricing

You must comply with our maximum, minimum or other pricing requirements for products and services that the Restaurant offers, including in connection with promotions, special offers and discounts in which some or all Outback Steakhouse restaurants participate, in each case to the maximum extent the law allows. We may from time to time offer guidance with respect to the selling price for such goods, products and services, and may run advertising and promotions stating a specific selling price for goods, products or services. (Franchise Agreement – Section 6.10(f))

Wholesale Gift Card Program

We participate in one or more wholesale gift card programs pursuant to which a third-party vendor sells gift cards through various distribution channels. As part of this program, when these gift cards are redeemed at both company-owned and franchisee-owned Outback Steakhouse restaurants, the owner of such Outback Steakhouse restaurant receives less than the full purchase value of such transaction.

Participation in Customer Loyalty and Rewards Programs

You must participate in any customer loyalty and rewards program that we establish from time to time, and you are responsible for your costs associated with your participation in such programs. (Franchise Agreement – Section 6.10(j)). We launched our national Dine Rewards customer loyalty program in 2016. Dine Rewards is a multi-brand loyalty program available to customers across our affiliated concepts that include Outback Steakhouse, Bonefish Grill, Carrabba's Italian Grill and Fleming's Prime Steakhouse & Wine Bar. Each restaurant must pay call a center support fee (estimated to be approximately $50 to $60 per restaurant per month but varies based on call volume). This fee may periodically increase. We may require you to pay this fee to us or directly to third party vendors. In addition to customer loyalty programs, you must at all times comply, at your expense, with our customer complaint resolution procedures and our commitment to a 100% customer satisfaction policy.

**Computer System**

You must acquire a computer system for the Restaurant's back-office functions and point-of-sale ("POS") system. The back-office computer performs gift certificate/gift card reporting, creation of export files for external accounting and bookkeeping systems, sales and menu mix reporting, and it facilitates communications by collecting and disseminating information from the POS system. The system is also capable of time and attendance and invoice functions. However, the payroll feature is not supported, and the invoice functions are outdated and not recommended. The current POS system's primary software program is the POSitouch POS system, which we and our affiliates have customized for our and their restaurant networks (collectively, the "POS Software"). The POS Software performs point-of-sale and cash register functions and interacts with the back-office computer system. The computer system generates, stores and/or exports, as applicable, personnel, financial and operational data relating to the Restaurant.

Depending on the size of your Restaurant, it will cost approximately $65,000 to buy the computer system's components (including a six-terminal POS system with printers, back-office computer, training laptop, a router, switches, and battery backup) when you develop the Restaurant. This estimate assumes that you purchase six POS terminals. However, the size and configuration of your Restaurant may require more or less terminals, or you may choose to add Android handheld tablets, which will impact your overall price. You are also required to pay a POS SaaS monthly fee, estimated at $150, based on a six-terminal setup without a kitchen display system (optional). You will also incur monthly and annual hardware maintenance, support and repair costs. Because of varying market conditions and retailers who provide the computer system's components, we are unable to estimate the annual cost of any repair, maintenance, updating, upgrading or support contracts.

You are required to enter into an IT Help Desk Support Agreement (Exhibit H) with BBI and pay a monthly help desk support fee which allows you to access our home office IT support services for designated software and technology that we prescribe for the Restaurants. The current monthly charge for this support is $55 per month. However, we may change that price periodically. If you undertake or request any project that requires resources, you will incur a resource support fee. This fee will vary based on the amount and type of resources required.

You must also participate in the integrated online ordering solution we designate. The current cost for franchisees to participate in the online ordering program ranges from $150 to $255 per month per restaurant, depending on the number of online orders, with vendor packages ranging from ten online orders per month per restaurant (XS package) to 3,000 online orders per month per restaurant (XXL package). If the number of online orders in a given month exceeds the order limit for the package you select for your Restaurant, then additional per order charges will apply. These currently range from $0.06 to $0.50 per order). This online ordering fee is paid to the approved or designated supplier(s) of the technology and may be adjusted periodically.

Presently, we require you to use POSitouch for your point-of-sale solution with Windows 10 operating system. You are required to have appropriate firewalls on your point-of-sale network that adheres to the Payment Card Industry (PCI) DSS merchant requirements as stated on http://www.pcisecuritystandards.org. The point-of-sale network must be segmented off of other internal venue networks. You must use our endpoint security solution (presently SentinelOne) and endpoint management software (currently Tanium) to minimize risk, protect your systems, and be connected to the BBI network, as this is our standard configuration.

You are required to participate in our Security Licensing Program. This entails a monthly Security License Fee of $75 per restaurant, affording access to state-of-the-art security solutions like SentinelOne and Tanium, and comprehensive Microsoft licensing for all operational devices. This fee underpins the proactive upkeep and compliance of our IT systems, reinforcing our unwavering commitment to safeguarding data integrity and bolstering system resilience across the BBI network. We may designate third-party PCI compliance vendors that you must use. However, you remain solely responsible for PCI compliance at your Restaurant. For any hardware/software not supported by BBI, those devices will not be allowed to connect to any BBI network or device, and you will be responsible for any configuration, connectivity, and maintenance costs.

You must maintain high-speed internet access with 4G backup internet access using our approved or designated vendor. The current cost for internet access and 4G backup estimated at $440 per month (per Restaurant). The price may vary based on the geographical location of the restaurant and the local carrier. We may change this requirement as technological advancements occur.

Franchisees have the option to implement additional technologies, including both hardware and software, to enhance their operations. These optional technologies may include handheld devices, scheduling software, or upgrades to existing software capabilities. The implementation of these additional technologies will increase your overall expenses. We provide limited support for the installation and configuration of certain third-party hardware and software within the BBI environment, however, the daily sustaining support for this technology will be managed by you or the third-party vendor.

We reserve the right to require you to purchase equipment, software or services from a vendor or vendors we select, which may be us or our affiliate. We reserve the right to develop software on our own or in conjunction with a third-party provider. We may require you to use as well as pay appropriate fees to the developer or vendor (which may be us or our affiliate) for any software or technology developed. No contract limits the frequency or cost of changes, upgrades or updates. We will have independent, unlimited access to the information that the computer system generates and tracks (other than employee records, as you control exclusively your labor relations and employment practices). (Franchise Agreement – Sections 4.5 and 6.11)

We will maintain and manage critical software updates to the required and optional systems that we support; however, you are required to patch and maintain (update/upgrade) third party hardware and software that is not supported by us.

The Operations Manual will provide additional details about the hardware and software you must purchase and your support and maintenance obligations.

**Training**

Before the Restaurant's opening, we will provide initial training on the operation of an Outback Steakhouse restaurant to your Managing Partner, Operations Director (if applicable) and up to two Restaurant managers. This training program is provided to franchisees to protect the goodwill and reputation of our brand and the Proprietary Marks. (Franchise Agreement – Sections 5.1, 5.3, and 6.6). Currently, our standard initial training program is approximately 12 weeks (50 hours per week) (the "Standard MIT Training Program"). We may, at our sole and absolute discretion, modify the program based on the trainees' skills and experience. The Managing Partner, Operations Director (if applicable) and all other Outback Steakhouse restaurant managers must attend and satisfactorily complete the Standard Training Program. We provide initial training to the Managing Partner, Operations Director and up to two of your Restaurant managers without charging an additional training fee. We have the right to charge a training fee for additional Restaurant managers (beyond two) or any subsequent Managing Partner, Operations Director, or Restaurant manager you employ, but we currently do not charge that fee. You also must pay all expenses that your personnel incur while training, including the costs of transportation, lodging, meals, benefits and wages. If training in any week results in your employees incurring overtime pay, you will be responsible for that pay. If any person fails to complete satisfactorily the training program, you must send a substitute person to attend and complete the program. Each person attending training must complete it to our satisfaction before the Restaurant opens for business.

We will conduct initial training for your personnel after we and you sign the Franchise Agreement and while you are developing the Restaurant. Your personnel must complete initial training at least six weeks before opening the Restaurant. You must be flexible in scheduling training to accommodate our training personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. However, we may periodically require certain of your personnel to participate in additional training programs. We may also require your Franchise Principal to attend and satisfactorily complete an orientation program, which may, at our option, include portions of the Standard Training Program. We anticipate that orientation will last between five to seven days. We do not charge any fees for this orientation, but you must pay all expenses of your Franchise Principal, including transportation, lodging and meals.

The following chart describes our current Standard MIT Training Program:

**TRAINING PROGRAM**
**(Standard MIT Training Program)**

| Subject | Hours of Classroom Training(1) | Hours of On the Job Training | Location(2) |
|---|---|---|---|
| Orientation | 10 | 0 | An Outback Steakhouse restaurant we designate |
| BOH/Kitchen | 3 | 120 | An Outback Steakhouse restaurant we designate |
| FOH/Service | 4 | 76 | An Outback Steakhouse restaurant we designate |
| Management/Administrative | 39 | 302 | An Outback Steakhouse restaurant we designate |
| TOTAL | 56 | 498 | |

(1) "Classroom Training" includes orientation and online training courses.

(2) We have several certified training restaurants. They are generally located in the east and southeast part of the United States. In choosing the Outback Steakhouse restaurant at which your training occurs, we will consider which operating Outback Steakhouse restaurant is near your Restaurant and has a similar size, market and operations. The location and duration of training may be altered by us based on your training needs and other factors including the availability of a certified training restaurant.

Nicole Cornwell Mcmickle oversees all aspects of our training program. Ms. Mcmickle has been the Senior Director of Training and Operations Excellence for Outback Steakhouse since February 2023. Prior to this role, she served as the Senior Director of Training for Bonefish Grill and Carrabba's Italian Grill from February 2019 to April 2023. Ms. Mcmickle has been with BBI since September 2006, serving in various roles supporting our concepts.

Our and our affiliates' other employees (such as the proprietors of their Outback Steakhouse restaurants) also will assist with training, and we expect that they generally will have at least two years of experience in their appropriate subject areas. We use the Operations Manual, standard accounting forms, outlines, and updates as instructional materials for our training programs. We have also recently introduced a blended approach to training using the Bloomin' Brands Learning Management System (the "BBI LMS"). The BBI LMS is an online learning application accessed through our online portal. This application targets hourly employee training with direct access to our limited time offer menu training and front of the house operations training.

As described in Item 5, we also may, at our sole option, require that our specially-trained opening crew be on-site to assist you with training your personnel and opening your Restaurant. (See Item 5)

Any Restaurant manager you employ during the Franchise Agreement's term and any subsequent Managing Partner(s) must attend and complete, to our satisfaction, the initial training program we then require. The Franchise Principal, Managing Partner, Operations Director, and your managers and other employees at the Restaurant also must attend and complete, to our satisfaction, any additional courses, seminars, and other training programs that we periodically require. They also may attend any optional courses, seminars, and other training programs that we periodically offer. We may charge a reasonable training fee for this additional required or optional training and you must pay your personnel's expenses, including the costs of transportation, lodging, meals, and wages. (See Item 6)

## Item 12

## TERRITORY

**Franchise Agreement**

The Franchise Agreement grants you the right to establish and operate one full-service Outback Steakhouse restaurant at a single location that we approve. You must operate the Restaurant only at this approved location and may not relocate the Restaurant without first obtaining our written consent. Whether we will allow relocation depends on the circumstances at the time and what we believe is in the best interests of the Restaurant and our System. Factors include, for example, the new site's market area, its proximity to other Outback Steakhouse restaurants and competitive restaurants, whether you are in compliance with your Franchise Agreement, and how long it will take you to open at the new site.

If you have not yet located an approved site for the Restaurant when you sign the Franchise Agreement, you must obtain possession of a suitable site within 180 days afterward (or by the date specified in the Development Schedule under your Development Rights Rider, if applicable). In that case, we will designate a "Target Area" when you sign the Franchise Agreement. The Target Area will be located within the Development Area granted to you under the Development Rights Rider (as described below). We typically identify Target Areas using streets or political boundaries. There is no minimum size for Target Areas, which vary greatly depending on the market and our other prospects for Outback Steakhouse restaurants in the area. You will have the exclusive right to locate a site for an Outback Steakhouse restaurant within the Target Area (excluding any Non-Traditional Locations as defined below) until the earlier of the date upon which we approve the Restaurant's location or 180 days from when you sign the Franchise Agreement. Once we approve the Restaurant's location, any rights you had in the Target Area end. We may terminate the Franchise Agreement if you do not locate an approved site within the Target Area within 180 days from the effective date of the Franchise Agreement (or by the date specified in the Development Schedule, if sooner). We will also have the right to terminate the Development Rights Rider if you fail to comply with the Development Schedule. In the event of any conflict between the terms of the Franchise Agreement and the Development Rights Rider, the Development Rights Rider will control.

You will not receive an exclusive territory. You may face competition from other franchisees, from restaurants that we own, or from other channels of distribution or competitive brands that we or our affiliates control. However, if you and your Principals are in compliance with all your agreements with us and our affiliates, neither we nor our affiliates will operate, or authorize any other party to operate, a casual dining, full service Outback Steakhouse restaurant the physical premises of which are located within a geographic area surrounding your Restaurant that we will determine based on the demographics and population of the area in which your Restaurant will be located (the "Territory"), except for Outback Steakhouse restaurants located at Non-Traditional Locations within your Territory and Alternative Segment Outback restaurants located within your Territory.

Although the actual size of each Territory may vary, a typical Territory consists of the geographic area within a three-mile radius from the Restaurant's front entrance. Local market conditions may warrant a smaller Territory. We will determine the size of the Territory, in our sole and final judgment.

"Non-Traditional Locations" means airports, amusement parks, sports stadiums, college and university buildings, hospitals and other medical centers, Indian reservations, casinos, military bases, and other venues to which the general public customarily does not have unlimited access or at which the food services are managed by service providers with national or international operations.

We (and our affiliates) retain the right during the Franchise Agreement's term to engage in all activities that we (and they) desire, at any time or place, and whether or not these activities compete with the Restaurant. This includes the right to:

(a) establish and operate, and authorize other parties to establish and operate, Outback Steakhouse restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Territory, on any terms and conditions we deem appropriate;

(b) establish and operate, and authorize other parties to establish and operate, Alternative Segment Outback Steakhouse restaurants, whether within or outside the Territory, on any terms and conditions we deem appropriate;

(c) establish and operate, and authorize other parties to establish and operate, restaurants that are not Outback Steakhouse restaurants at any locations, whether within or outside the Territory, on any terms and conditions we deem appropriate;

(d) establish and operate, and authorize other parties to establish and operate, Outback Steakhouse restaurants at any location outside the Territory, on any terms and conditions we deem appropriate;

(e) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Proprietary Marks or any other trademarks or service marks, including, but not limited to Stored Value Cards (e.g. gift certificates, gift cards, stored value cards, and similar programs), and food products and merchandise, to any customers we desire (wherever located) and through any distribution channels or methods we desire (wherever located or operating, whether within or outside the Territory), including by selling products identified by the Proprietary Marks through grocery stores, club stores, convenience stores, other retail outlets, wholesale, catering, delivery, temporary events, mail order and/or the Internet (or any other existing or future form of electronic commerce), without any compensation to you; and

(f) engage in any other activities not expressly prohibited by the Franchise Agreement.

Continuation of your exclusivity in the Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. Once you and we have signed the Franchise Agreement, we may not alter the definition of your Territory without your consent.

Neither we nor our affiliates or other franchisees are restricted from soliciting or accepting orders from consumers within the Territory. We and they may do so without compensation or liability to you. We and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales within the market served by your Restaurant under the Proprietary Marks and other trademarks. You are not restricted from soliciting or accepting orders from consumers, wherever located. However, you may not use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales, because you may only make sales at the Restaurant. You may offer catering, delivery, or event services with our prior written approval, which includes approving your catering menu and meeting all of our related standards and specifications. You may not ship products, regardless of the destination, nor distribute products through wholesale channels. You may not advertise on the Internet or use any Proprietary Marks on the Internet without our prior written consent. We have the right to control all use of the Proprietary Marks on the Internet.

Except for the Development Rights Rider (described below), you have no options, rights of first refusal, or similar rights to acquire additional franchises or to establish additional Outback Steakhouse restaurants.

As described in Item 1, we and our affiliates operate and, in some cases franchise (or plan to franchise), other restaurant concepts in the United States and internationally. Our affiliate, Fleming's, offers franchises for Fleming's Prime Steakhouse & Wine Bar restaurants, which also feature steak as a primary focus of their menu. However, we do not expect that there will be material conflicts between Outback Steakhouse and Fleming's Prime Steakhouse and & Wine Bar since each concept targets a different demographic segment, offers menus at different price points and promotes a unique experience.

Aussie Grill by Outback, originally developed as an independent brand, is now positioned as an alternative segment within the Outback Steakhouse System. This shift means that while Aussie Grill shares some menu items with Outback Steakhouse, such as sandwiches, burgers, chicken, and steak, we do not expect that there will be material conflicts between Aussie Grill and Outback Steakhouse restaurants regarding territory, customers or support. Aussie Grill targets a younger demographic and offers a fast-casual dining experience, which differentiates it from the full-service model of Outback Steakhouse.

As of the date of this disclosure document, there is one franchised Aussie Grill location in operation in Florida, United States. The principal business address for Aussie Grill operations is the same as Outback Steakhouse, and there are no separate offices or training facilities for Aussie Grill.

**Development Rights Rider**

If you sign a Development Rights Rider, we will grant you an exclusive area in which you may develop multiple Outback Steakhouse restaurants. We refer to this territory as your "Development Area." You and we will agree on the boundaries of the Development Area before you sign the Development Rights Rider. The boundaries will generally be all or a portion of a city or county. We base the Development Area's size primarily on the number of Outback Steakhouse restaurants you agree to develop, demographics, and site availability. We and you will negotiate the number of Restaurants you must develop to keep your development rights and the dates by which you must develop them. We refer to this schedule as your "Development Schedule." The Development Schedule will be described in Exhibit A to the Development Rights Rider before you sign it.

While the Development Rights Rider is in effect, we (and our affiliates) will not establish, or grant to others the right to establish, other full-service Outback Steakhouse restaurants the physical premises of which are located within the Development Area, except for Non-Traditional Locations and Alternative Segment Outback Steakhouse restaurants (as defined above). There are no other restrictions on us (or our affiliates). You may not develop or operate Outback Steakhouse restaurants outside the Development Area. We may terminate the Development Rights Rider if you do not comply with the Development Schedule. If we do so, you will lose all your rights to the Development Area, except for the Territories granted to you under any then-existing Franchise Agreements for Restaurants in your Development Area.

We will have the right to approve each site within the Development Area where you propose to locate a Restaurant. We will accept the proposed locations of your additional Restaurants only if they meet our then-current standards for new Outback Steakhouse restaurant sites. You will sign a Franchise Agreement for each Outback Steakhouse restaurant that you develop under the Development Rights Rider. For each Restaurant, you will receive a protected Territory, as described above.

Despite the Development Schedule under the Development Rights Rider, we may delay your development of additional Outback Steakhouse restaurants within the Development Area for the time period we deem best if we believe, when you apply for the next Outback Steakhouse restaurant, that you are not yet operationally, managerially, or otherwise prepared to develop, open and/or operate the additional Restaurant according to our standards and specifications. We may delay additional development as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Development Schedule (unless we are willing to extend the schedule to account for the delay).

Except as described above, continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency. We may not alter your Development Area during the term of the Development Rights Rider.

## Item 13

### TRADEMARKS

We grant you the right to use the Proprietary Marks to operate the Restaurant. Our primary Proprietary Marks appear in the table below. We registered these Proprietary Marks on the Principal Register of the United States Patent and Trademark Office (“PTO”). We intend to make all required affidavit and renewal filings if the Proprietary Mark is still important for our system.

| Mark | Registration Number | Registration Date | Affidavits of Use and Incontestability Filed? | Registration Renewed? |
|---|---|---|---|---|
| OUTBACK STEAKHOUSE | 1523949 | 02/07/1989 | Yes | Yes |
| OUTBACK STEAKHOUSE (with design) | 3626269 | 05/26/2009 | Yes | Yes |
| OUTBACK | 2052618 | 04/15/1997 | Yes | Yes |
| BLOOMIN’ ONION | 1532205 | 03/28/1989 | Yes | Yes |
| NO RULES. JUST RIGHT. | 1857996 | 10/11/1994 | Yes | Yes |

There are no currently effective agreements that significantly limit our rights to use or sublicense the use of our Marks in a manner material to the franchise. There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material federal or state court litigation, involving the principal Proprietary Marks. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in your market.

You may use only the Proprietary Marks we periodically designate and must use them only in the manner we periodically approve and permit. Your unauthorized use of any Proprietary Mark is an infringement of our rights and a breach of the Franchise Agreement. We own all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.

You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Proprietary Mark, or of any person's claim of any rights in any Proprietary Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Proprietary Mark. You may not communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge or claim. We may take the action that we deem appropriate (including no action) and control exclusively any litigation, PTO proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Proprietary Mark. You must sign any documents and take any other reasonable actions that, in our opinion, are necessary or advisable to protect and maintain our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Proprietary Marks.

We may periodically in our sole judgment add or discontinue use of any Proprietary Marks, and/or substitute different Proprietary Marks, for use in identifying the System and Outback Steakhouse restaurants. You must comply with our directions concerning additional, substitute or discontinued Proprietary Marks within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs that you incur in changing signs or replacing supplies for the Restaurant), for any loss of revenue due to any modified or discontinued Proprietary Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

We need not protect your right to use the Proprietary Marks nor protect you against claims of infringement or unfair competition arising from your use of the Proprietary Marks. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Proprietary Mark or if the proceeding is resolved unfavorably to you.

## Item 14

## PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. There are no copyrights currently registered that are material to the franchise, although we do claim copyright ownership and protection in various materials that we approve and license for use in the development and operation of Outback Steakhouse restaurants from time to time, including the Operations Manual, menus, training materials, and advertising and promotional materials. We have not filed these copyrighted works with the United States Copyright Office but need not do so to protect them. You may use these copyrighted works to operate the Restaurant.

There are no currently effective material determinations of, or pending material proceedings before, the PTO, the United States Copyright Office, or any court regarding the copyrighted works. No agreement limits our right to use or allow others to use the copyrighted materials. We do not know of any copyright infringement that could materially affect you.

You must follow our rules when using the copyrighted works. If we believe at any time that it is advisable for us and/or you to modify, discontinue using and/or replace any of the copyrighted works, and/or use one or more additional or substitute copyrighted or copyrightable items, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions.

We need not protect your right to use the copyrighted works nor protect you against claims arising from your use of the copyrighted works, although we intend to do so when this action is in the best interests of the System. The Franchise Agreement does not require you to notify us of any infringement claims. We need not take any affirmative action to protect the copyrighted works, although we have the right to control any litigation relating to the copyrighted works. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a copyrighted work or if the proceeding is resolved unfavorably to you.

The Operations Manual and other materials contain our "Confidential Information," some of which constitutes trade secrets under applicable law. Our Confidential Information includes site selection and market development plans, standards and criteria; layouts, designs, and other plans and specifications for Outback Steakhouse restaurants; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Outback Steakhouse restaurants; marketing research and promotional, marketing and advertising programs for Outback Steakhouse restaurants; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, materials and supplies that Outback Steakhouse restaurants use and sell; knowledge of the operating results and financial performance of Outback Steakhouse restaurants other than the Restaurant; customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs; all data and all other information generated by, or used or developed in, the operation of the Restaurant and other Outback Steakhouse restaurants, including customer names, contact information and related information ("Customer Data"); recipes, food preparation techniques and product and ingredient specifications; and any other information that we reasonably designate as confidential or proprietary. You may use our Confidential Information to operate your Restaurant under the terms of the Franchise Agreement. You may not use any Confidential Information in any other business or capacity and you must keep the Confidential Information absolutely confidential, both during and after the term of the Franchise Agreement.

## Item 15

### OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We expect only companies and not individuals will sign our Franchise Agreement and Development Rights Rider (if applicable). Only you are authorized to operate the Restaurant. Except for approved transfers, you may not delegate or assign any of your rights or obligations under the Franchise Agreement or any aspect of the Restaurant's management and operation. You must at all times faithfully and diligently perform your obligations and fully exploit the rights granted under the Franchise Agreement and the Development Rights Rider (if applicable).

Before signing the Franchise Agreement, you must designate an individual whom we approve to serve as the "Franchise Principal." The Franchise Principal must at all times:

(a) own (directly or indirectly) at least 51% of the ownership interests in you and have the voting power needed unilaterally to direct and cause the direction of your and the Restaurant's day-to-day operations and affairs; and

(b) be your chief executive officer with responsibilities commensurate with that position and devote sufficient time and attention to your and the Restaurant's operations, and the operations of other franchisees and Outback Steakhouse restaurants for which he or she serves as the franchise principal (if any), to actively oversee and control their operations and affairs.

The Franchise Principal must sign the "Franchise Principal Agreement" attached to the Franchise Agreement when you sign the Franchise Agreement. Under the Franchise Principal Agreement, the Franchise Principal must personally guarantee all of your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the non-competition, confidentiality and transfer requirements. All of your other owners must sign the "Owner/ Executive Agreement" attached to the Franchise Agreement under which they agree personally to be bound by certain non-monetary obligations under the Franchise Agreement, including the non-competition, confidentiality and transfer requirements.

We believe that the qualifications and experience of the Restaurant's full-time, general manager (known as the "Proprietor" or "Managing Partner") and the operations director (known as the "Operations Director" or "JVP") are critical to the operation of your Outback Steakhouse restaurant(s) and the reputation and goodwill associated with the Proprietary Marks. During the Franchise Agreement's term, you must at all times employ one full-time Managing Partner to manage the day-to-day operations of the Restaurant. If you and/or your affiliates own and operate three or more Outback Steakhouse restaurants, you must also employ a full-time Operations Director to supervise the Managing Partner and your and your affiliates' Outback Steakhouse restaurants. These individuals are subject to our prior approval, which we will not unreasonably withhold. The Managing Partner and the Operations Director must successfully complete our training program and sign the Owner/Executive Agreement.

The Restaurant must at all times be under the direct, on-premises supervision of your Managing Partner or an approved manager who has successfully completed training. The Managing Partner must devote sufficient time and attention to perform his/her duties. Restaurant employees are under your control in implementing and maintaining Outback Steakhouse System standards at the Restaurant during operating hours.

We do not require the Managing Partner, Operations Director or other Restaurant managers to have an ownership interest in the Restaurant. We do not control the forms of employment agreements you use with your managers or other employees and are not responsible for your labor relations or employment practices. You have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must communicate clearly with your employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Outback Steakhouse restaurants, are not their employer and do not engage in any employer-type activities (including those described above), for which only you are solely responsible.

At our request, you must get signed Owner/Executive Agreements or similar agreements from the following persons: (1) all of your managers and any other personnel you employ who have received or will receive training from us or Confidential Information; and (2) all officers and directors of you and of any entity directly or indirectly owning more than 25% of your ownership interests. You must obtain our approval of these forms of agreement, which must specifically identify us as a third-party beneficiary with the independent right to enforce them.

## Item 16

### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may use the Restaurant's premises only to operate the Restaurant, must keep the Restaurant open and in normal operation for the hours and days we periodically specify in the Operations Manual, and may not use or permit the use of the premises for any other purpose or activity at any time without first obtaining our written consent. You may sell or offer for sale only those menu items, products, and services that we periodically expressly approve for sale in writing. You must sell or offer for sale all types of menu items, products, and services we periodically specify and may not deviate from our standards and specifications relating to those menu items, products, and services. You must discontinue selling and offering for sale any menu items, products, or services that we, at our option, disapprove in writing at any time. You may sell or offer for sale products and services only at the Restaurant's premises and must refrain from off-premises sales or catering unless we expressly authorize in writing. You may not offer or sell any products at wholesale. You may not install or operate games or vending machines on the premises of your Restaurant without our prior written consent. No contract limits our rights to modify the products and services that your Restaurant may or must provide. We have the right, to the fullest extent allowed by law, to establish maximum, minimum or other prices for the products and services offered for sale at Outback Steakhouse restaurants. You must participate, at your expense, in all national or regional promotions, special offers, and customer loyalty/rewards programs, as directed by us from time to time.

## Item 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

| Provision | Section in franchise or other agreement | Summary |
|---|---|---|
| a. Length of the franchise term | Franchise Agreement, Section 2.1; Development Rights Rider, Section 8 | If you or affiliated landowner owns property, 20 years from the date the Restaurant first opens. If you or affiliated landowner does not own property, earlier of 20 years from the date the Restaurant first opens and expiration of lease (if you exercise renewal rights and options).<br><br>The term of the Development Rights Rider depends on development obligations. The term will end when the final Restaurant has opened (or is required to be opened) under the Development Schedule. |
| b. Renewal or extension of the term | Franchise Agreement, Section 2.2; Development Rights Rider, Section 11 | If you give timely notice, renovate and modernize the Restaurant to reflect then-current standards and image, are (and the Franchise principal is) in full compliance with and have substantially complied with obligations (including monetary obligations) during the Franchise Agreement's term, give us evidence that you have the right to possess the Restaurant's location for renewal term, and comply with then-current qualification and training requirements, you may acquire a renewal franchise for 20-year term.<br><br>No renewal or extension of Development Rights Rider. |

| Provision | Section in franchise or other agreement | Summary |
|---|---|---|
| c. Requirements for franchisee to renew or extend | Franchise Agreement, Section 2.2 | Sign then-current franchise agreement and releases (if state law allows) and pay renewal fee. "Renewal" means signing our then-current franchise agreement for the 20-year renewal franchise term, which could contain materially different terms (including fees and territory) and will not offer additional renewal rights, and paying our renewal fee of 50% of our then-standard initial franchise fee. |
| d. Termination by franchisee | Not Applicable | You may not terminate except on grounds available by law. |
| e. Termination by franchisor without cause | Not Applicable | We may not terminate your franchise (or development rights) without cause. |
| f. Termination by franchisor with cause | Franchise Agreement, Sections 14.1 to 14.3; Development Rights Rider, Section 9 | We may terminate Franchise Agreement (and development rights) if you or your owners commit one of several violations. |
| g. "Cause" defined – curable defaults | Franchise Agreement, Section 14.3 | You must immediately begin curing, and finish curing within 30 days (or shorter period we reasonably specify), any defaults not listed in (h) below which are susceptible of being cured. |

| Provision | Section in franchise or other agreement | Summary |
|---|---|---|
| h. “Cause” defined – non-curable defaults | Franchise Agreement, Sections 14.1 and 14.2; Development Rights Rider, Section 9 | Non-curable defaults include: unsatisfied judgments, dissolution, foreclosure on property and other bankruptcy-related events; failing to meet Restaurant development or opening deadlines; abandonment or failure to operate for required hours unless premises are damaged or destroyed; conviction of or pleading no contest to a felony, crime of moral turpitude, or other crime or offense, or engaging in conduct, reasonably likely to adversely affect System or Proprietary Marks or related goodwill; danger to public health or safety; failing to maintain approved Franchise Principal, Operations Director or Managing Partner; unauthorized transfer; breach of confidentiality or non-competition obligations or debt restrictions; failure to obtain personal covenants (see Item 15); disclosure of Operations Manual or other Confidential Information; failure to transfer after Franchise Principal’s death or incapacity; knowingly maintaining false books or submitting false reports; misuse or unauthorized use of Proprietary Marks or materially impairing goodwill; engaging in business or offering product or service under confusingly similar mark; providing false, misleading or incomplete application information; not paying amounts owed to authorized vendors when due; repeated defaults (even if cured); and termination of another franchise agreement or other agreement for which Franchise Principal serves in similar capacity. |
| i. Franchisee’s obligations on termination/ non-renewal | Franchise Agreement, Article XV | Stop operating and representing that you are current or former franchisee, stop using Proprietary Marks or similar marks and System and other intellectual property, cancel assumed name registrations, assign lease or de-identify premises (at our option), pay amounts owed (including damages and enforcement costs), and surrender the Operations Manual and other Confidential Information. We also may manage the Restaurant while deciding whether to exercise our purchase option. (See Item 6) Also see (o) and (r) below. |
| j. Assignment of contract by franchisor | Franchise Agreement, Section 13.1 | No restriction on our right to assign or transfer ownership interests without your approval. |
| k. “Transfer” by franchisee – defined | Franchise Agreement, Section 13.2; Development Rights Rider, Section 12 | Includes transfer of direct or indirect interest in Franchise Agreement or the Restaurant (or its assets) or ownership interests in you. |

| Provision | Section in franchise or other agreement | Summary |
|---|---|---|
| l. Franchisor's approval of transfer by franchisee | Franchise Agreement, Article XIII; Development Rights Rider, Section 12 | No transfers without our prior written consent. Your development rights under Development Rights Rider are not assignable. However, transfer of a non-controlling ownership interest in you is permitted to the extent allowed under the Franchise Agreement. |
| m. Conditions for franchisor approval of transfer | Franchise Agreement, Section 13.3 | You must notify us and provide information at least 30 days before transfer. We will not unreasonably withhold approval of non-control transfer if you pay transfer fee (see Item 6) and transferee and owners are of good character, comply with non-competition requirements and meet then-current requirements. We will not unreasonably withhold approval of control transfer if all monetary obligations are satisfied, you are in full compliance, transferor signs release (if state law allows), we determine purchase price and terms will not adversely affect the Restaurant, transferee and owners qualify, transferee signs (at our option) either assignment of existing franchise agreement or our then-current franchise agreement and other documents, transferee upgrades the Restaurant, you remain liable, transferee's personnel complete training, and transfer fee paid (see Item 6). Also see (r) below. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Franchise Agreement, Section 13.4 | We can match the offer for the Restaurant or its assets, the Franchise Agreement or an ownership interest in you. |
| o. Franchisor's option to purchase franchisee's business | Franchise Agreement, Section 15.9 | We may buy the Restaurant's assets at fair market value after Franchise Agreement is terminated or expires. |
| p. Death or disability of franchisee | Franchise Agreement, Section 13.5 | Must transfer to approved party within 9 months (or 12 months if heirs do not qualify) after Franchise Principal's death or incapacity. |
| q. Non-competition covenants during the term of the franchise | Franchise Agreement, Section 7.5 | No owning, operating, performing services for or assisting any Full Service Food Business, wherever located. "Full Service Food Business" means any restaurant or other business serving prepared food which offers table service, regardless of the type of food served at such business. "Table service" means that (i) a customer's order is (or may be) taken at the table by a person and (ii) food is (or may be) delivered to the customer's table by a person. Also, no diverting business or performing acts injurious to our Proprietary Marks. |

| Provision | Section in franchise or other agreement | Summary |
|---|---|---|
| r. Non-competition covenants after the franchise is terminated or expires | Franchise Agreement, Section 7.6; Development Rights Rider, Section 10 | For two years no owning, operating, performing services for, or assisting any Full Service Food Business located at the Restaurant's premises or within ten miles of the Restaurant or any other Outback Steakhouse restaurant (same restrictions apply after transfer).<br><br>Upon expiration of termination of the Development Rights Rider, for a period of two years, no direct or indirect interest in a Full Service Food Business located or operating within the Development Area or within a ten-mile radius of any Outback Steakhouse restaurant in operation or under construction on the date of expiration or termination. |
| s. Modification of the agreement | Franchise Agreement, Section 18.2 | No modifications without signed writing, but we may change Operations Manual, System and standards. |
| t. Integration/merger clause | Franchise Agreement, Section 18.2 | Only terms of Franchise Agreement are binding (subject to applicable state law). Any other promises may not be enforceable. Nothing in agreements is intended to disclaim any representation made in this disclosure document. |
| u. Dispute resolution by arbitration or mediation | Not Applicable | Not Applicable. |
| v. Choice of forum | Franchise Agreement, Section 18.10 | Litigation generally must be in Florida in judicial circuit where we have our principal place of business (currently Tampa), subject to applicable state law. |
| w. Choice of law | Franchise Agreement, Section 18.9 | Florida law governs (subject to applicable state law). |

## Item 18

### PUBLIC FIGURES

We do not use any public figure to promote our franchise.

## Item 19

### FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance of a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Legal Department (Attn: Kelly Lefferts) at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 and (813) 282-1225, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Item 20

### OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**

**Systemwide Outlet Summary**
**For Years 2022 to 2024[1][2]**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchise | 2022 | 130 | 127 | -3 |
| | 2023 | 127 | 126 | -1 |
| | 2024 | 126 | 122 | -4 |
| Company-Owned | 2022 | 564 | 566 | 2 |
| | 2023 | 566 | 562 | -4 |
| | 2024 | 562 | 553 | -9 |
| **Total Outlets** | **2022** | **694** | **693** | **-1** |
| | **2023** | **693** | **688** | **-5** |
| | **2024** | **688** | **675** | **-13** |

(1) As of December 25, 2022, December 31, 2023, and December 29, 2024 respectively.

(2) As of December 29, 2024, there was one franchised location in Guam. Our affiliate, Outback International, is the franchisor for this restaurant. We do not include it in our domestic franchise store count since, for operational purposes, it is not substantially similar to the model of restaurant offered to our prospective domestic franchisees. As an example, franchise oversight of our Guam location is managed by BBI's international team and the store is counted, for operational purposes, as an international location.

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**
**For Years 2022 to 2024[1]**

| State | Year | Number of Transfers |
|---|---|---|
| All States | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 0 |
| **Total** | **2022** | **0** |
| | **2023** | **0** |
| | **2024** | **0** |

(1) As of December 25, 2022, December 31, 2023 and December 29, 2024, respectively.

**Table No. 3**

**Status of Franchised Outlets**
**For Years 2022 to 2024[1]**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations – Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| AK | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| AZ | 2022 | 13 | 0 | 1 | 0 | 0 | 0 | 12 |
| | 2023 | 12 | 0 | 0 | 0 | 0 | 1 | 11 |
| | 2024 | 11 | 0 | 0 | 0 | 0 | 1 | 10 |
| CA | 2022 | 46 | 0 | 0 | 0 | 0 | 2 | 44 |
| | 2023 | 44 | 0 | 0 | 0 | 0 | 0 | 44 |
| | 2024 | 44 | 0 | 0 | 0 | 0 | 2 | 42 |
| CO | 2022 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2023 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| | 2024 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| FL[2] | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| ID | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| KY[2] | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations – Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| MI | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| MS | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| MT | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| NM | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| NV | 2022 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2024 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| OR | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| SD | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| TN | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| UT | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| WA | 2022 | 14 | 0 | 0 | 0 | 0 | 1 | 13 |
| | 2023 | 13 | 0 | 0 | 0 | 0 | 0 | 13 |
| | 2024 | 13 | 0 | 0 | 0 | 0 | 0 | 13 |
| WY | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Totals** (3) | **2022** | **130** | **1** | **1** | **0** | **0** | **3** | **127** |
| | **2023** | **127** | **0** | **0** | **0** | **0** | **1** | **126** |
| | **2024** | **126** | **0** | **0** | **0** | **0** | **4** | **122** |

(1) As of December 25, 2022, December 31, 2023 and December 29, 2024, respectively.

(2) These restaurants are airport locations.

(3) As of December 29, 2024, there was one franchised location in Guam. Our affiliate Outback International is the franchisor for this restaurant. We do not include it in our domestic franchise store count since, for operational

purposes, it is not substantially similar to the model of restaurant offered to our prospective domestic franchisees. As an example, franchise oversight of our Guam location is managed by BBI's international team and the store is counted, for operational purposes, as an international location. As of December 29, 2024, there were two franchised Aussie Grill by Outback locations operating in the United States. We do not include them in our domestic franchise store count since they are considered Alternative Segment Outback locations.

**Table No. 4**

**Status of Company-Owned Outlets**
**For Years 2022 to 2024[(1)]**

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| AL | 2022 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2023 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2024 | 13 | 1 | 0 | 0 | 0 | 14 |
| AR | 2022 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 8 |
| CT | 2022 | 7 | 0 | 0 | 1 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 6 |
| DE | 2022 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 1 | 0 | 0 | 0 | 4 |
| FL | 2022 | 93 | 1 | 0 | 0 | 0 | 94 |
| | 2023 | 94 | 0 | 0 | 0 | 0 | 94 |
| | 2024 | 94 | 1 | 0 | 3 | 0 | 92 |
| GA | 2022 | 24 | 1 | 0 | 0 | 0 | 25 |
| | 2023 | 25 | 1 | 0 | 0 | 0 | 26 |
| | 2024 | 26 | 0 | 0 | 0 | 0 | 26 |
| HI | 2022 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 2 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 3 | 0 | 0 |
| IA | 2022 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 1 | 0 | 3 |
| IL | 2022 | 17 | 0 | 0 | 0 | 0 | 17 |
| | 2023 | 17 | 0 | 0 | 2 | 0 | 15 |
| | 2024 | 15 | 1 | 0 | 1 | 0 | 15 |
| IN | 2022 | 15 | 0 | 0 | 0 | 0 | 15 |
| | 2023 | 15 | 0 | 0 | 0 | 0 | 15 |
| | 2024 | 15 | 0 | 0 | 0 | 0 | 15 |

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| KS | 2022 | 3 | 0 | 0 | 1 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 2 |
| KY | 2022 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2024 | 10 | 0 | 0 | 0 | 0 | 10 |
| LA | 2022 | 14 | 0 | 0 | 0 | 0 | 14 |
| | 2023 | 14 | 0 | 0 | 0 | 0 | 14 |
| | 2024 | 14 | 0 | 0 | 0 | 0 | 14 |
| MA | 2022 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 0 | 0 | 1 | 0 | 9 |
| | 2024 | 9 | 0 | 0 | 0 | 0 | 9 |
| MD | 2022 | 23 | 0 | 0 | 0 | 0 | 23 |
| | 2023 | 23 | 0 | 0 | 0 | 0 | 23 |
| | 2024 | 23 | 2 | 0 | 1 | 0 | 24 |
| MI | 2022 | 20 | 0 | 0 | 1 | 0 | 19 |
| | 2023 | 19 | 0 | 0 | 0 | 0 | 19 |
| | 2024 | 19 | 0 | 0 | 2 | 0 | 17 |
| MN | 2022 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2023 | 7 | 0 | 0 | 1 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 6 |
| MO | 2022 | 9 | 0 | 0 | 1 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 8 |
| NC | 2022 | 35 | 1 | 0 | 0 | 0 | 36 |
| | 2023 | 36 | 0 | 0 | 0 | 0 | 36 |
| | 2024 | 36 | 2 | 0 | 0 | 0 | 38 |
| NE | 2022 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 4 |
| NH | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 1 | 0 | 0 |
| NJ | 2022 | 19 | 0 | 0 | 0 | 0 | 19 |
| | 2023 | 19 | 0 | 0 | 0 | 0 | 19 |
| | 2024 | 19 | 0 | 0 | 0 | 0 | 19 |
| NY | 2022 | 25 | 0 | 0 | 0 | 0 | 25 |
| | 2023 | 25 | 0 | 0 | 1 | 0 | 24 |
| | 2024 | 24 | 0 | 0 | 3 | 0 | 21 |

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| OH | 2022 | 29 | 1 | 0 | 0 | 0 | 30 |
| | 2023 | 30 | 0 | 0 | 0 | 0 | 30 |
| | 2024 | 30 | 3 | 0 | 2 | 0 | 31 |
| OK | 2022 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 8 |
| PA | 2022 | 26 | 1 | 0 | 0 | 0 | 27 |
| | 2023 | 27 | 0 | 0 | 1 | 0 | 26 |
| | 2024 | 26 | 0 | 0 | 3 | 0 | 23 |
| SC | 2022 | 21 | 0 | 0 | 0 | 0 | 21 |
| | 2023 | 21 | 1 | 0 | 0 | 0 | 22 |
| | 2024 | 22 | 1 | 0 | 1 | 0 | 22 |
| SD | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 1 |
| TN | 2022 | 18 | 0 | 0 | 0 | 0 | 18 |
| | 2023 | 18 | 0 | 0 | 0 | 0 | 18 |
| | 2024 | 18 | 0 | 0 | 0 | 0 | 18 |
| TX | 2022 | 46 | 1 | 0 | 0 | 0 | 47 |
| | 2023 | 47 | 4 | 0 | 0 | 0 | 51 |
| | 2024 | 51 | 2 | 0 | 1 | 0 | 52 |
| VA | 2022 | 33 | 0 | 0 | 0 | 0 | 33 |
| | 2023 | 33 | 0 | 0 | 2 | 0 | 31 |
| | 2024 | 31 | 0 | 0 | 0 | 0 | 31 |
| WI | 2022 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 1 | 0 | 4 |
| WV | 2022 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 8 |
| **Totals** | **2022** | **564** | **6** | **0** | **4** | **0** | **566** |
| | **2023** | **566** | **6** | **0** | **10** | **0** | **562** |
| | **2024** | **562** | **14** | **0** | **23** | **0** | **553** |

(1) As of December 25, 2022, December 31, 2023 and December 29, 2024, respectively.

**Table No. 5**

**Projected Openings as of December 29, 2024**[1]

| State | Franchise Agreements Signed but Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year (2025) | Projected New Company-Owned Outlets in the Next Fiscal Year (2025) |
|---|---|---|---|
| AL | 0 | 0 | 3 |
| FL | 0 | 0 | 7 |
| GA | 0 | 0 | 1 |
| NC | 0 | 0 | 2 |
| NJ | 0 | 0 | 1 |
| OK | 0 | 0 | 1 |
| TX | 0 | 0 | 1 |
| **Total** | **0** | **0** | **16** |

(1) December 29, 2024 was the last day of our 2024 fiscal year.

Exhibit D-1 is a list of our current franchisees in the United States as of the issuance date of this disclosure document and the addresses and telephone numbers of their Outback Steakhouse restaurants (or their contact information if their restaurants are not yet open). Exhibit D-2 lists the name, city, state, and current business telephone number (or, if unknown, last known home telephone number) of each franchisee who (i) had their outlet terminated, canceled, or not renewed, or otherwise has voluntarily or involuntarily ceased to do business under the Franchise Agreement, from January 1, 2024 to December 29, 2024; or (ii) has not communicated with us within ten weeks of this disclosure document's issuance date.

**If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

If we offer to sell any previously-owned franchised Outback Steakhouse restaurant that we now own, specific information about that restaurant will be provided to you in a separate supplement to this disclosure document.

No franchisees have signed confidentiality clauses during our last three fiscal years restricting them from discussing with you their experience as a franchisee in our system.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document and there are no franchisee organizations sponsored or endorsed by us.

## Item 21

### FINANCIAL STATEMENTS

Exhibit A contains the following audited consolidated financial statements of our Ultimate Parent (Bloomin' Brands, Inc.):

1. Consolidated Balance Sheets as of December 29, 2024 and December 31, 2023;
2. Consolidated Statements of Operations and Comprehensive (Loss) Income – years ended December 29, 2024, December 31, 2023 and December 25, 2022;
3. Consolidated Statements of Changes in Stockholders' Equity – years ended December 29, 2024, December 31, 2023 and December 25, 2022;
4. Consolidated Statements of Cash Flows – years ended December 29, 2024, December 31, 2023 and December 25, 2022; and
5. Notes to consolidated financial statements.

Both we and our Ultimate Parent have a 52-53 week fiscal year ending on the last Sunday in December. As a result, our 2024 fiscal year ended on December 29, 2024; our 2023 fiscal year ended on December 31, 2023; and our 2022 fiscal year ended on December 25, 2022.

Bloomin' Brands, Inc. is our Ultimate Parent and guarantees our obligations to you under the Franchise Agreement. Our Ultimate Parent's guarantee does not extend to third parties. Exhibit A contains a copy of this guarantee.

## Item 22

### CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

| | |
|---|---|
| Exhibit B-1 | Form of Franchise Agreement (including form of general release we currently use in connection with renewals and transfers) |
| Exhibit B-2 | Form of Development Rights Rider to Franchise Agreement |
| Exhibit F | State Specific Addenda and Riders |
| Exhibit G | Form of Successor Franchise Rider to Franchise Agreement (Renewal) |
| Exhibit H | IT Help Desk Support Agreement |

## Item 23

### RECEIPT

Our and your copies of the Franchise Disclosure Document Receipt are located at the last two pages of this disclosure document.

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**

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**FINANCIAL STATEMENTS AND GUARANTEE**

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**GUARANTEE OF PERFORMANCE**

For value received, Bloomin' Brands, Inc., a Delaware corporation (the "Guarantor"), located at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607, absolutely and unconditionally guarantees to assume the duties and obligations of Outback Steakhouse of Florida, LLC, located at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 (the "Franchisor") under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Tampa, Florida on the 25th day of April 2025.

**Guarantor:**

**Bloomin' Brands, Inc.**
a Delaware corporation

By:________________________________
Name: Kelly Lefferts
Title: Executive Vice President, Chief Legal Officer and Secretary

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Bloomin' Brands, Inc.

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Bloomin' Brands, Inc. and its subsidiaries (the "Company") as of December 29, 2024 and December 31, 2023 and the related consolidated statements of operations and comprehensive (loss) income, of changes in stockholders' equity and of cash flows for each of the three years in the period ended December 29, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 29, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 29, 2024 and December 31, 2023 and the results of its operations and its cash flows for each of the three years in the period ended December 29, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 29, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Valuation of Insurance Reserves*

As described in Notes 2 and 18 to the consolidated financial statements, the Company's consolidated discounted insurance reserves balance was $53.0 million as of December 29, 2024. The Company carries insurance programs with specific retention levels or high per-claim deductibles for a significant portion of expected losses under its workers' compensation, general or liquor liability, health, property and management liability insurance programs. The Company records a liability for all unresolved claims and for an estimate of incurred but not reported claims at the anticipated cost that falls below its specified retention levels or per-claim deductible amounts. In establishing reserves, management considers certain actuarial assumptions and judgments regarding economic conditions and the frequency and severity of claims. Reserves recorded for workers' compensation and general liability claims are discounted using the average of the one-year and five-year risk-free rate of monetary assets that have comparable maturities. The principal considerations for our determination that performing procedures relating to the valuation of insurance reserves is a critical audit matter are (i) the significant judgment by management when developing the estimated reserves, which in turn led to (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the actuarial assumptions related to economic conditions and the frequency and severity of claims, and (iii) the audit effort included the involvement of professionals with specialized skill and knowledge. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of insurance reserves. These procedures also included, among others, (i) evaluating management's process for developing the insurance reserves, (ii) evaluating the appropriateness of management's actuarial methods used, (iii) evaluating the reasonableness of the actuarial assumptions related to economic conditions and the frequency and severity of claims, and (iv) testing the completeness and accuracy of underlying data used in the valuation. Evaluating the actuarial assumptions related to economic conditions and the frequency and severity of claims involved evaluating whether the assumptions were reasonable considering inflation and the environment, and whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management's actuarial methods used in determining the insurance reserves and evaluating the reasonableness of assumptions related to economic conditions.

PricewaterhouseCoopers LLP

Tampa, Florida
February 26, 2025

We have served as the Company's auditor since 1998.

# BLOOMIN' BRANDS, INC.
# CONSOLIDATED BALANCE SHEETS
### (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

| | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | $ 70,056 | $ 111,519 |
| Restricted cash and cash equivalents | — | 2,854 |
| Inventories | 68,699 | 62,948 |
| Other current assets, net | 158,775 | 137,898 |
| Current assets of discontinued operations held for sale | 22,989 | 28,095 |
| Total current assets | 320,519 | 343,314 |
| Property, fixtures and equipment, net | 948,521 | 928,165 |
| Operating lease right-of-use assets | 1,012,857 | 1,031,271 |
| Goodwill | 213,323 | 213,323 |
| Intangible assets, net | 429,091 | 432,916 |
| Deferred income tax assets, net | 185,522 | 155,172 |
| Other assets, net | 74,471 | 60,090 |
| Non-current assets of discontinued operations held for sale | 200,501 | 259,830 |
| Total assets | $ 3,384,805 | $ 3,424,081 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | $ 153,161 | $ 155,874 |
| Current operating lease liabilities | 158,806 | 163,724 |
| Accrued and other current liabilities | 178,314 | 197,681 |
| Unearned revenue | 374,099 | 380,154 |
| Current liabilities of discontinued operations held for sale | 87,956 | 104,902 |
| Total current liabilities | 952,336 | 1,002,335 |
| Non-current operating lease liabilities | 1,088,518 | 1,087,353 |
| Deferred income tax liabilities, net | 33,822 | — |
| Long-term debt, net | 1,027,398 | 780,719 |
| Other long-term liabilities, net | 93,420 | 83,026 |
| Non-current liabilities of discontinued operations held for sale | 49,865 | 58,645 |
| Total liabilities | 3,245,359 | 3,012,078 |
| Commitments and contingencies (Note 18) | | |
| Stockholders' equity | | |
| Bloomin' Brands stockholders' equity | | |
| Preferred stock, $0.01 par value, 25,000,000 shares authorized; no shares issued and outstanding as of December 29, 2024 and December 31, 2023 | — | — |
| Common stock, $0.01 par value, 475,000,000 shares authorized; 84,854,768 and 86,968,536 shares issued and outstanding as of December 29, 2024 and December 31, 2023, respectively | 849 | 870 |
| Additional paid-in capital | 1,273,288 | 1,115,387 |
| Accumulated deficit | (925,834) | (528,831) |
| Accumulated other comprehensive loss | (212,793) | (178,304) |
| Total Bloomin' Brands stockholders' equity | 135,510 | 409,122 |
| Noncontrolling interests | 3,936 | 2,881 |
| Total stockholders' equity | 139,446 | 412,003 |
| Total liabilities and stockholders' equity | $ 3,384,805 | $ 3,424,081 |

The accompanying notes are an integral part of these consolidated financial statements.

## BLOOMIN' BRANDS, INC.
## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

| | FISCAL YEAR | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Revenues | | | |
| Restaurant sales | $ 3,866,344 | $ 4,077,789 | $ 3,923,894 |
| Franchise and other revenues | 84,131 | 90,371 | 85,356 |
| Total revenues | 3,950,475 | 4,168,160 | 4,009,250 |
| Costs and expenses | | | |
| Food and beverage | 1,147,859 | 1,240,485 | 1,237,418 |
| Labor and other related | 1,202,520 | 1,219,839 | 1,141,626 |
| Other restaurant operating | 1,001,034 | 988,668 | 955,328 |
| Depreciation and amortization | 175,580 | 169,266 | 149,900 |
| General and administrative | 219,383 | 233,559 | 212,932 |
| Provision for impaired assets and restaurant closings | 64,291 | 33,574 | 5,964 |
| Total costs and expenses | 3,810,667 | 3,885,391 | 3,703,168 |
| Income from operations | 139,808 | 282,769 | 306,082 |
| Loss on extinguishment of debt | (136,022) | — | (107,630) |
| Loss on fair value adjustment of derivatives, net | — | — | (17,685) |
| Interest expense, net | (62,593) | (51,582) | (53,364) |
| (Loss) income before (benefit) provision for income taxes | (58,807) | 231,187 | 127,403 |
| (Benefit) provision for income taxes | (12,134) | 18,402 | 34,253 |
| Net (loss) income from continuing operations | (46,673) | 212,785 | 93,150 |
| Net (loss) income from discontinued operations, net of tax | (75,982) | 41,629 | 16,053 |
| Net (loss) income | (122,655) | 254,414 | 109,203 |
| Less: net income attributable to noncontrolling interests | 5,363 | 7,028 | 7,296 |
| Net (loss) income attributable to Bloomin' Brands | $ (128,018) | $ 247,386 | $ 101,907 |
| | | | |
| Net (loss) income | $ (122,655) | $ 254,414 | $ 109,203 |
| Other comprehensive (loss) income: | | | |
| Foreign currency translation, net of reclassification adjustments | (34,483) | 7,622 | 10,169 |
| Net (loss) gain on derivatives, net of tax | (6) | (615) | 10,509 |
| Comprehensive (loss) income | (157,144) | 261,421 | 129,881 |
| Less: comprehensive income attributable to noncontrolling interests | 5,363 | 7,028 | 7,296 |
| Comprehensive (loss) income attributable to Bloomin' Brands | $ (162,507) | $ 254,393 | $ 122,585 |
| | | | |
| Basic (loss) earnings per share: | | | |
| Continuing operations | $ (0.61) | $ 2.36 | $ 0.97 |
| Discontinued operations | (0.88) | 0.48 | 0.18 |
| Net basic (loss) earnings per share | $ (1.49) | $ 2.84 | $ 1.15 |
| | | | |
| Diluted (loss) earnings per share: | | | |
| Continuing operations | $ (0.61) | $ 2.13 | $ 0.87 |
| Discontinued operations | (0.88) | 0.43 | 0.16 |
| Net diluted (loss) earnings per share | $ (1.49) | $ 2.56 | $ 1.03 |
| | | | |
| Weighted average common shares outstanding: | | | |
| Basic | 85,905 | 87,230 | 88,846 |
| Diluted | 85,905 | 96,453 | 98,512 |
| | | | |
| Cash dividends declared per common share | $ 0.96 | $ 0.96 | $ 0.56 |

The accompanying notes are an integral part of these consolidated financial statements.

## BLOOMIN' BRANDS, INC.
## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
### (IN THOUSANDS, EXCEPT PER SHARE DATA)

| | BLOOMIN' BRANDS, INC. | | | | | | |
|---|---|---|---|---|---|---|---|
| | COMMON STOCK | | ADDITIONAL PAID-IN CAPITAL | ACCUM-ULATED DEFICIT | ACCUMULATED OTHER COMPREHENSIVE LOSS | NON-CONTROLLING INTERESTS | TOTAL |
| | SHARES | AMOUNT | | | | | |
| Balance, December 26, 2021 | 89,253 | $ 893 | $ 1,119,728 | $ (698,171) | $ (205,989) | $ 6,389 | $222,850 |
| Net income | — | — | — | 101,907 | — | 7,296 | 109,203 |
| Other comprehensive income, net of tax | — | — | — | 100 | 20,678 | — | 20,778 |
| Cash dividends declared, $0.56 per common share | — | — | (49,736) | — | — | — | (49,736) |
| Repurchase and retirement of common stock | (5,429) | (54) | — | (109,945) | — | — | (109,999) |
| Stock-based compensation | — | — | 16,514 | — | — | — | 16,514 |
| Common stock issued under stock plans (1) | 1,559 | 15 | 12,940 | — | — | — | 12,955 |
| Purchase of noncontrolling interests, net of tax of $489 | — | — | (1,415) | — | — | (3,400) | (4,815) |
| Distributions to noncontrolling interests | — | — | — | — | — | (9,127) | (9,127) |
| Contributions from noncontrolling interests | — | — | — | — | — | 1,382 | 1,382 |
| Issuance of common stock from repurchase of convertible senior notes | 2,313 | 23 | 48,542 | — | — | — | 48,565 |
| Retirement of convertible senior note hedges | — | — | 112,956 | — | — | — | 112,956 |
| Retirement of warrants | — | — | (97,617) | — | — | — | (97,617) |
| Balance, December 25, 2022 | 87,696 | $ 877 | $ 1,161,912 | $ (706,109) | $ (185,311) | $ 2,540 | $273,909 |
| Net income | — | — | — | 247,386 | — | 7,028 | 254,414 |
| Other comprehensive income, net of tax | — | — | — | — | 7,007 | — | 7,007 |
| Cash dividends declared, $0.96 per common share | — | — | (83,742) | — | — | — | (83,742) |
| Repurchase and retirement of common stock, including excise tax of $136 | (2,807) | (28) | — | (70,108) | — | — | (70,136) |
| Stock-based compensation | — | — | 11,911 | — | — | — | 11,911 |
| Common stock issued under stock plans (1) | 2,080 | 21 | 25,306 | — | — | — | 25,327 |
| Distributions to noncontrolling interests | — | — | — | — | — | (8,684) | (8,684) |
| Contributions from noncontrolling interests | — | — | — | — | — | 1,997 | 1,997 |
| Balance, December 31, 2023 | 86,969 | $ 870 | $ 1,115,387 | $ (528,831) | $ (178,304) | $ 2,881 | $412,003 |

(CONTINUED...)

# BLOOMIN' BRANDS, INC.
## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
### (IN THOUSANDS, EXCEPT PER SHARE DATA)

| | BLOOMIN' BRANDS, INC. | | | | | | |
|---|---|---|---|---|---|---|---|
| | COMMON STOCK | | ADDITIONAL PAID-IN CAPITAL | ACCUM-ULATED DEFICIT | ACCUMULATED OTHER COMPREHENSIVE LOSS | NON-CONTROLLING INTERESTS | TOTAL |
| | SHARES | AMOUNT | | | | | |
| Balance, December 31, 2023 | 86,969 | $ 870 | $ 1,115,387 | $ (528,831) | $ (178,304) | $ 2,881 | $412,003 |
| Net (loss) income | — | — | — | (128,018) | — | 5,363 | (122,655) |
| Other comprehensive loss, net of tax | — | — | — | — | (34,489) | — | (34,489) |
| Cash dividends declared, $0.96 per common share | — | — | (82,574) | — | — | — | (82,574) |
| Repurchase and retirement of common stock, including excise tax of $325 | (10,073) | (100) | (5,681) | (260,642) | — | — | (266,423) |
| Stock-based compensation | — | — | 7,484 | — | — | — | 7,484 |
| Common stock issued under stock plans (1) | 759 | 8 | (1,736) | — | — | — | (1,728) |
| Distributions to noncontrolling interests | — | — | — | — | — | (7,113) | (7,113) |
| Contributions from noncontrolling interests | — | — | — | — | — | 2,805 | 2,805 |
| Issuance of common stock from repurchase of convertible senior notes | 7,489 | 74 | 216,078 | — | — | — | 216,152 |
| Retirement of convertible senior note hedges | (289) | (3) | 126,543 | (8,343) | — | — | 118,197 |
| Retirement of warrants | — | — | (102,213) | — | — | — | (102,213) |
| Balance, December 29, 2024 | 84,855 | $ 849 | $ 1,273,288 | $ (925,834) | $ (212,793) | $ 3,936 | $139,446 |

(1) Net of shares withheld for employee taxes.

The accompanying notes are an integral part of these consolidated financial statements.

## BLOOMIN' BRANDS, INC.
## CONSOLIDATED STATEMENTS OF CASH FLOWS
### (DOLLARS IN THOUSANDS)

| | FISCAL YEAR | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Cash flows provided by operating activities: | | | |
| Net (loss) income | $ (122,655) | $ 254,414 | $ 109,203 |
| Net (loss) income from discontinued operations, net of tax | (75,982) | 41,629 | 16,053 |
| Net (loss) income from continuing operations | (46,673) | 212,785 | 93,150 |
| Adjustments to reconcile Net (loss) income from continuing operations to cash provided by operating activities of continuing operations: | | | |
| Depreciation and amortization | 175,580 | 169,266 | 149,900 |
| Amortization of debt discounts and issuance costs | 2,769 | 3,115 | 3,538 |
| Amortization of deferred gift card sales commissions | 22,559 | 23,695 | 24,091 |
| Provision for impaired assets and restaurant closings | 64,291 | 33,574 | 5,964 |
| Non-cash interest expense from terminated interest rate swaps | — | — | 12,215 |
| Benefit for expected credit losses and contingent lease liabilities | (549) | (864) | (1,054) |
| Stock-based compensation expense | 7,484 | 11,690 | 16,282 |
| Deferred income tax (benefit) expense | (30,337) | (8,411) | 11,457 |
| Loss on extinguishment of debt | 136,022 | — | 107,630 |
| Loss on fair value adjustment of derivatives, net | — | — | 17,685 |
| Gain on foreign currency forward contracts | (15,728) | — | — |
| Other, net | (2,943) | (3,115) | 3,209 |
| Change in assets and liabilities: | | | |
| (Increase) decrease in inventories | (7,484) | 2,797 | 1,823 |
| (Increase) decrease in other current assets | (43,170) | 10,511 | (44,460) |
| (Increase) decrease in other assets | (3,954) | 3,523 | (2,300) |
| (Decrease) increase in accounts payable and accrued and other current liabilities | (30,930) | 13,738 | (42,277) |
| Decrease in unearned revenue | (6,059) | (13,009) | (5,025) |
| (Decrease) increase in operating lease liabilities | (11,096) | (9,525) | 782 |
| Increase (decrease) in other long-term liabilities | 6,218 | 4,396 | (4,278) |
| Net cash provided by operating activities of continuing operations | 216,000 | 454,166 | 348,332 |
| Net cash provided by operating activities of discontinued operations | 12,132 | 78,255 | 42,590 |
| Net cash provided by operating activities | $ 228,132 | $ 532,421 | $ 390,922 |
| Cash flows used in investing activities: | | | |
| Proceeds from disposal of property, fixtures and equipment | $ 5,735 | $ 2,515 | $ 1,607 |
| Proceeds received from company-owned life insurance | — | 3,460 | 16,092 |
| Capital expenditures | (220,737) | (282,229) | (192,791) |
| Proceeds from foreign currency forward contracts | 15,070 | — | — |
| Other investments, net | 650 | 1,174 | 827 |
| Net cash used in investing activities of continuing operations | (199,282) | (275,080) | (174,265) |
| Net cash used in investing activities of discontinued operations | (39,744) | (42,026) | (26,873) |
| Net cash used in investing activities | $ (239,026) | $ (317,106) | $ (201,138) |

(CONTINUED...)

## BLOOMIN' BRANDS, INC.
## CONSOLIDATED STATEMENTS OF CASH FLOWS
**(DOLLARS IN THOUSANDS)**

| | FISCAL YEAR | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Cash flows used in financing activities: | | | |
| Proceeds from borrowings on revolving credit facilities | $ 2,265,000 | $ 1,079,000 | $ 1,239,500 |
| Repayments of borrowings on revolving credit facilities | (1,936,000) | (1,128,000) | (889,500) |
| Financing fees | (8,985) | — | (1,205) |
| Repayments of long-term debt and finance lease obligations | (1,777) | (1,593) | (196,296) |
| Principal settlements and repurchase of convertible senior notes | (2,335) | (214) | (196,919) |
| Proceeds from retirement of convertible senior note hedges | 118,197 | — | 131,869 |
| Payments for retirement of warrants | (102,213) | — | (114,825) |
| (Payment of taxes) proceeds from share-based compensation, net | (1,728) | 25,327 | 12,955 |
| Distributions to noncontrolling interests | (7,113) | (8,684) | (9,127) |
| Contributions from noncontrolling interests | 2,805 | 1,997 | 1,382 |
| Purchase of noncontrolling interests | (100) | (100) | (5,004) |
| Payments for partner equity plan | — | — | (9,292) |
| Repurchase of common stock | (265,695) | (70,847) | (109,152) |
| Cash dividends paid on common stock | (82,574) | (83,742) | (49,736) |
| Net cash used in financing activities of continuing operations | (22,518) | (186,856) | (195,350) |
| Net cash used in financing activities of discontinued operations | (990) | (269) | (151) |
| Net cash used in financing activities | (23,508) | (187,125) | (195,501) |
| Effect of exchange rate changes on cash and cash equivalents | (9,915) | 1,448 | 1,395 |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (44,317) | 29,638 | (4,322) |
| Cash, cash equivalents and restricted cash as of the beginning of the period | 114,373 | 84,735 | 89,057 |
| Cash, cash equivalents and restricted cash as of the end of the period | $ 70,056 | $ 114,373 | $ 84,735 |
| Supplemental disclosures of cash flow information: | | | |
| Cash paid for interest | $ 59,989 | $ 50,931 | $ 39,126 |
| Cash paid for income taxes, net of refunds | $ 21,084 | $ 27,750 | $ 35,450 |
| Supplemental disclosures of non-cash investing and financing activities: | | | |
| Leased assets obtained in exchange for new operating lease liabilities | $ 91,305 | $ 74,539 | $ 54,271 |
| Leased assets obtained in exchange for new finance lease liabilities | $ 4,038 | $ 6,480 | $ 4,066 |
| (Decrease) increase in liabilities from the acquisition of property, fixtures and equipment | $ (8,367) | $ 3,428 | $ 12,762 |
| Shares issued on settlement of convertible senior notes | $ 216,152 | $ — | $ — |
| Shares received and retired on exercise of call option under bond hedge upon settlement of convertible senior notes | $ (8,346) | $ — | $ — |

The accompanying notes are an integral part of these consolidated financial statements.

## 1. Description of the Business

Bloomin' Brands, Inc. ("Bloomin' Brands" or the "Company"), a holding company that conducts its operations through its subsidiaries, is one of the largest casual dining restaurant companies in the world, with a portfolio of leading, differentiated restaurant concepts. OSI Restaurant Partners, LLC ("OSI") is the Company's primary operating entity.

The Company owns and operates casual, polished casual and fine dining restaurants. The Company's restaurant portfolio includes Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar. Additional Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill restaurants in which the Company has no direct investment are operated under franchise agreements.

## 2. Summary of Significant Accounting Policies

*Basis of Presentation* - The Company's consolidated financial statements include the accounts and operations of Bloomin' Brands and its subsidiaries.

*Principles of Consolidation* - All intercompany accounts and transactions have been eliminated in consolidation.

The Company consolidates variable interest entities where it has been determined that the Company is the primary beneficiary of those entities' operations. As of December 29, 2024, the Company franchised 291 restaurants but did not possess any ownership interests in its franchisees and did not provide material direct financial support to its franchisees. These franchise relationships are not deemed variable interest entities and are not consolidated.

Investments in entities the Company does not control, but where the Company's interest is between 20% and 50% and the Company has the ability to exercise significant influence over the entity, are accounted for under the equity method and are not consolidated into the Company's financial statements. See *Equity Method Investments* below for the Company's equity method investment accounting policies.

To ensure timely reporting, the Company consolidates the results of its Brazil operations on a one-month calendar lag. On December 30, 2024, the Company completed the sale of 67% of its Brazil operations, with the Company retaining a 33% interest accounted for under the equity method of accounting. The balance sheets, results of operations and cash flows of the Company's Brazil operations are reported as discontinued operations for all periods presented and accounted for under the equity method of accounting following the sale. Unless otherwise noted, disclosures within these Notes to Consolidated Financial Statements relate solely to the Company's continuing operations. For additional information regarding the Brazil sale and discontinued operations, see Note 3 - *Discontinued Operations.*

*Fiscal Year* - The Company utilizes a 52-53-week year ending on the last Sunday in December. In a 52-week fiscal year, each quarterly period is comprised of 13 weeks. The additional week in a 53-week fiscal year is added to the fourth quarter. Fiscal year 2023 consisted of 53 weeks and fiscal years 2024 and 2022 consisted of 52 weeks. The additional operating week of 2023 resulted in increases of $83.5 million of Total revenues and $0.15 of GAAP diluted earnings per share in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Use of Estimates* - The preparation of the accompanying consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

*Cash and Cash Equivalents* - Cash equivalents consist of investments that are readily convertible to cash with an original maturity date of three months or less. Cash and cash equivalents include $49.1 million and $56.2 million, as of December 29, 2024 and December 31, 2023, respectively, for amounts in transit from credit card companies since settlement is reasonably assured.

*Restricted Cash* - From time to time, the Company may have short-term restricted cash balances consisting of amounts pledged for settlement of deferred compensation plan obligations.

*Concentrations of Credit and Counterparty Risk* - Financial instruments that potentially subject the Company to a concentration of credit risk and credit losses are through credit card and trade receivables consisting primarily of amounts due for gift card, vendor, franchise and other receivables. Gift card, vendor and other receivables consist primarily of amounts due from gift card resellers and vendor rebates. The Company considers the concentration of credit risk for gift card, vendor and other receivables to be minimal due to the payment histories and general financial condition of its gift card resellers and vendors. Amounts due from franchisees consist of initial franchise fees, royalty income and advertising fees. See Note 8 - *Supplemental Balance Sheet Information* - *Other current assets, net* for disclosure of trade receivables by category as of December 29, 2024 and December 31, 2023.

Financial instruments that potentially subject the Company to concentrations of counterparty risk are cash and cash equivalents and derivatives. The Company attempts to limit its counterparty risk by investing in certificates of deposit, money market funds, noninterest-bearing accounts and other highly rated investments. Whenever possible, the Company selects investment grade counterparties and rated money market funds in order to mitigate its counterparty risk. At times, cash balances may be in excess of FDIC insurance limits. See Note 13 - *Derivative Instruments and Hedging Activities* for a discussion of the Company's use of derivative instruments and management of credit risk inherent in derivative instruments.

*Allowance for Expected Credit Losses* - The Company evaluates the collectability of credit card and trade receivables based on historical loss experience by risk pool and records periodic adjustments for factors such as deterioration of economic conditions, specific customer circumstances and changes in the aging of accounts receivable balances. In instances where there is no established loss history, S&P speculative-grade default rates are utilized as an estimated expected credit loss rate. Losses are charged off in the period in which they are determined to be uncollectible. See Note 16 - *Allowance for Expected Credit Losses* for a discussion of the Company's allowance for expected credit losses.

The Company assigns its interest, and is contingently liable, under certain real estate leases, primarily related to divested restaurant properties. Contingent lease liabilities related to these guarantees are calculated based on management's estimate of exposure to losses which includes historical analysis of credit losses, including known instances of default, and existing economic conditions. See Note 18 - *Commitments and Contingencies* for a discussion of the Company's contingent lease liabilities.

*Fair Value* - Fair value is the price that would be received for an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants on the measurement date. Fair value is categorized into one of the following three levels based on the lowest level of significant input:

| | |
|---|---|
| Level 1 | Unadjusted quoted market prices in active markets for identical assets or liabilities |
| Level 2 | Observable inputs available at measurement date other than quoted prices included in Level 1 |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data |

*Inventories* - Inventories consist of food and beverages and are stated at the lower of cost (first-in, first-out) or net realizable value.

*Cloud-Based Computing Arrangements* - The Company defers costs incurred under the application development stage for cloud-based computing arrangements and amortizes those costs over the related service agreement. Capitalized cloud computing implementation costs were $4.6 million, net of accumulated amortization, as of December 29, 2024, primarily related to human resource management systems, and are included in Other current assets, net and Other assets, net on the Company's Consolidated Balance Sheets. Capitalized cloud computing implementation costs were immaterial as of December 31, 2023. Related amortization expense is included in General and administrative expenses in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income and was immaterial for all periods presented.

*Property, Fixtures and Equipment* - Property, fixtures and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful life of the assets. Estimated useful lives by major asset category are generally as follows:

| | |
|---|---|
| Buildings (1) | 5 to 30 years |
| Furniture and fixtures | 5 to 7 years |
| Equipment | 2 to 7 years |
| Computer equipment and software | 2 to 7 years |

(1) Includes improvements to leased properties which are depreciated over the shorter of their useful life or reasonably certain lease term, including reasonably certain renewal periods.

Repair and maintenance costs that maintain the appearance and functionality of the restaurant, but do not extend the useful life of any restaurant asset, are expensed as incurred. The cost and related accumulated depreciation of assets sold or disposed of are removed from the Company's Consolidated Balance Sheets, and any resulting gain or loss is generally recognized in Other restaurant operating expense in its Consolidated Statements of Operations and Comprehensive (Loss) Income.

Depreciation and repair and maintenance expense are as follows for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Depreciation expense | $ 171,755 | $ 165,190 | $ 145,961 |
| Repair and maintenance expense | $ 113,245 | $ 114,768 | $ 107,369 |

The Company capitalizes direct and indirect internal costs associated with the acquisition, development, design and construction of Company-owned restaurant locations as these costs have a future benefit to the Company. Upon restaurant opening, these costs are charged to Depreciation and amortization expense over the reasonably certain lease term. Internal costs of $5.3 million and $4.9 million were capitalized during 2024 and 2023, respectively.

For 2024 and 2023, computer equipment and software costs of $8.1 million and $10.8 million, respectively, were capitalized. As of December 29, 2024 and December 31, 2023, there was $11.4 million and $12.5 million, respectively, of unamortized computer equipment and software included in Property, fixtures and equipment, net on the Company's Consolidated Balance Sheets.

*Equity Method Investments* - Revenue and expenses of equity method investees are not consolidated into the Company's financial statements. The Company's proportionate share of earnings or losses is recorded in Income from operations of unconsolidated affiliates in its Consolidated Statements of Operations and Comprehensive (Loss) Income and as an adjustment to the carrying value in the Company's Consolidated Balance Sheets. Equity method investments are evaluated for impairment when facts and circumstances indicate that the carrying value may not be recoverable.

*Goodwill and Intangible Assets* - Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations and is assigned to the reporting unit in which the acquired business will operate. The Company's indefinite-lived intangible assets consist of trade names recorded at fair value as of the date of acquisition. Goodwill and indefinite-lived intangible assets are tested for impairment annually, as of the first day of the second fiscal quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company may elect to perform a qualitative assessment to determine whether it is more likely than not that a reporting unit is impaired. If the qualitative assessment is not performed or if the Company determines that it is not more likely than not that the fair value of the reporting unit exceeds the carrying value, the fair value of the reporting unit is calculated. The carrying value of the reporting unit is compared to its calculated fair value, with any excess of carrying value over fair value deemed to be an impairment.

Definite-lived intangible assets, which consist of trademarks, are recorded at fair value as of the date of acquisition, amortized over their estimated useful lives and tested for impairment, using the relief from royalty method, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. See Note 9 - *Goodwill and Intangible Assets, Net* for goodwill, indefinite-lived intangibles and definite-lived intangibles balances by reporting unit.

*Derivatives* - The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting.

Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. If the derivative qualifies for hedge accounting treatment, any gain or loss on the derivative instrument is recognized in equity as a change to Accumulated other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Unrealized gains or losses on the Company's interest rate swaps are reclassified to Interest expense, net as interest payments are made on the hedged portion of the Company's revolving credit facility. The Company has elected to record cash flows from interest rate swaps within operating activities, the same category as the items being hedged, in its Consolidated Statements of Cash Flows. The Company has elected not to offset derivative positions in the balance sheet with the same counterparty under the same agreement.

The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting. Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements, foreign currency exchange rate movements, changes in energy prices and other identified risks. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings.

During 2024, the Company entered into foreign currency forward contracts not designated as hedges to mitigate a portion of the exchange rate risk associated with purchase price installment payments in connection with the sale of the majority ownership of its Brazil operations. The change in fair value of the foreign currency forward contracts is recorded in General and administrative expense, consistent with the related underlying exposure. See Note 13 - *Derivative Instruments and Hedging Activities* for additional details regarding the foreign currency forward contracts.

*Deferred Debt Issuance Costs* - For its revolving credit facility, the Company records deferred debt issuance costs related to the issuance of debt obligations in Other assets, net on its Consolidated Balance Sheets. For fees associated with all other debt obligations, the Company records deferred debt issuance costs as a reduction of Long-term debt, net.

The Company amortizes deferred debt issuance costs to interest expense over the term of the respective financing arrangement, primarily using the effective interest method. The Company amortized deferred debt issuance costs of $2.8 million, $3.1 million and $3.5 million to Interest expense, net for 2024, 2023 and 2022, respectively.

*Liquor Licenses* - The fees from obtaining non-transferable liquor licenses directly issued by local government agencies for nominal fees are expensed as incurred. The costs of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived intangible assets and included in Other assets, net on the Company's Consolidated Balance Sheets. Liquor licenses are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.

*Insurance Reserves* - The Company carries insurance programs with specific retention levels or high per-claim deductibles for a significant portion of expected losses under its workers' compensation, general or liquor liability, health, property and management liability insurance programs. The Company records a liability for all unresolved claims and for an estimate of incurred but not reported claims at the anticipated cost that falls below its specified retention levels or per-claim deductible amounts. In establishing reserves, the Company considers actuarial assumptions and judgments regarding economic conditions, and the frequency and severity of claims. Reserves recorded for workers' compensation and general liability claims are discounted using the average of the one-year and five-year risk-free rate of monetary assets that have comparable maturities.

*Share Repurchase* - The par value of the repurchased shares is deducted from common stock and the excess of the purchase price over the par value of the shares, including broker commissions, certain transaction related costs and excises taxes, are recorded to Accumulated deficit. All shares of common stock acquired through share repurchase programs are retired and restored to authorized but unissued shares of common stock. The Company has elected to record excise taxes in connection with share repurchases within operating activities in its Consolidated Statements of Cash Flows.

*Revenue Recognition* - The Company records food and beverage revenues, net of discounts and taxes, upon delivery to the customer. Franchise-related revenues are included in Franchise and other revenues in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. Royalties, which are generally a percentage of net sales of the franchisee, are recognized as revenue in the period in which they occurred provided collectability is reasonably assured.

Proceeds from the sale of gift cards, which do not have expiration dates, are recorded as deferred revenue and recognized as revenue upon redemption by the customer. The Company applies the portfolio approach practical expedient to account for gift card contracts and performance obligations. Gift card breakage, the amount of gift cards which will not be redeemed, is recognized using estimates based on historical redemption patterns. If actual redemptions vary from assumptions used to estimate breakage, gift card breakage income may differ from the amount recorded. The Company periodically updates its estimates used for breakage. Breakage revenue is recorded as a component of Restaurant sales in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. Approximately 84% of deferred gift card revenue is expected to be recognized within 12 months of inception.

Gift card sales commissions paid to third-party providers are capitalized and subsequently amortized to Other restaurant operating expense based on historical gift card redemption patterns. See Note 4 - *Revenue Recognition* for rollforwards of deferred gift card sales commissions and unearned gift card revenue.

Advertising fees charged to franchisees are recognized in Franchise and other revenues in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income provided collectability is reasonably assured. Initial franchise and renewal fees are recognized over the term of the franchise agreement and renewal period, respectively. The weighted average remaining term of franchise agreements and renewal periods was approximately 11 years as of December 29, 2024. On December 30, 2024, in connection with the sale of a majority ownership of the Company's Brazil operations, the Company entered into 20-year franchise agreements for its existing restaurants in that market.

The Company maintains a customer loyalty program, Dine Rewards, in the U.S., where customers earn a reward after attaining qualified spend amounts. The Company's estimate of the fair value of the reward is recorded as deferred revenue. Each reward must be redeemed within specified time limits of earning such reward. Revenue is recorded upon redemption and breakage for unredeemed rewards is recorded proportional to historical redemption patterns. The Company applies the practical expedient to exclude disclosures regarding loyalty program remaining performance obligations, which have original expected durations of less than one year.

The Company collects and remits sales, food and beverage, alcoholic beverage and hospitality taxes on transactions with customers and reports revenue net of taxes in its Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Leases* - The Company's determination of whether an arrangement contains a lease is based on an evaluation of whether the arrangement conveys the right to use and control specific property or equipment. The Company leases restaurant and office facilities and certain equipment under operating leases primarily having initial terms between one and 20 years. Restaurant facility leases generally have renewal periods totaling five to 30 years, exercisable at the option of the Company. Contingent rentals represent payment of variable lease obligations based on a percentage of gross revenues, as defined by the terms of the applicable lease agreement for certain restaurant facility leases. The Company also has certain leases which reset periodically based on a specified index. Such leases are recorded using the index that existed at lease commencement. Subsequent changes in the index are recorded as variable rental payments. Variable rental payments are expensed as incurred in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income and future variable rent obligations are not included within the lease liabilities on the Consolidated Balance Sheets. The depreciable life of lease assets and leasehold improvements are limited by the expected lease term. None of the Company's leases contain any material residual value guarantees or restrictive covenants.

Upon the 2019 adoption of ASC Topic 842 - *Leases* ("ASC 842"), the Company elected the practical expedient to not separate U.S. lease and non-lease components for real estate leases entered into after adoption. Additionally, for certain equipment leases, the Company applies a portfolio approach to account for lease assets and liabilities. Leases with an initial term of 12 months or less are not recorded on its Consolidated Balance Sheets and are recognized on a straight-line basis over the lease term within Other restaurant operating expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

Rent expense for the Company's operating leases, which generally have escalating rentals over the term of the lease and may include rent holidays, is recorded on a straight-line basis over the initial lease term and those renewal periods that are reasonably certain. Operating lease rent expense for open Company-owned restaurants is recorded in Other restaurant operating expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. Payments received from landlords as incentives for leasehold improvements are recorded as a reduction of the right-of-use asset and amortized on a straight-line basis over the term of the lease as a reduction of rent expense.

*Pre-Opening Expenses* - Non-capital expenditures associated with opening new restaurants are expensed as incurred and are included in Other restaurant operating expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Consideration Received from Vendors* - The Company receives consideration for a variety of vendor-sponsored programs, such as volume rebates, promotions and advertising allowances. Advertising allowances are intended to offset the Company's costs of promoting and selling menu items in its restaurants. Vendor consideration is recorded as a reduction of Food and beverage cost or Other restaurant operating expense when recognized in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Impairment of Long-Lived Assets and Costs Associated with Exit Activities* - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. For long-lived assets deployed at its restaurants, the Company reviews for impairment at the individual restaurant level. When evaluating for impairment, the total future undiscounted cash flows expected to be generated by the asset are compared to the carrying amount. If the total future undiscounted cash flows of the asset are less than its carrying amount, recoverability is measured by comparing the fair value of the assets to the carrying amount. An impairment loss is recognized in earnings when the asset's carrying value exceeds its fair value. Fair value is generally estimated using a discounted cash flow model.

Restaurant closure costs, including lease termination fees, are expensed as incurred. For U.S. restaurant facility leases executed subsequent to the adoption of ASC 842, the Company accounts for fixed lease and non-lease components as a single lease component included within the lease liability at least commencement. For all leases executed prior to such date, when the Company ceases using the property rights under a non-cancelable operating lease, it records a liability for the net present value of any remaining non-rent lease-related obligations, less the estimated subtenant cost recovery that can reasonably be obtained for the property. Any subsequent adjustment to that liability as a result of lease termination or changes in estimates of cost recovery is recorded in the period incurred. The associated expense is recorded in Provision for impaired assets and restaurant closings in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Held for Sale and Discontinued Operations* - Restaurant sites and certain other assets to be sold are included in assets held for sale when certain criteria are met, including the requirement that the likelihood of selling the assets within one year is probable.

Assets and liabilities classified as held for sale are presented separately within the Consolidated Balance Sheets at the lower of its carrying value or fair value less costs to sell. Depreciation of property, plant and equipment and amortization of intangible and right-of-use assets are not recorded while these assets are classified as held for sale.

The Company reports the results of operations of a business as discontinued operations if a disposal represents a strategic shift that will have a major effect on its operations and financial results. The results of discontinued operations are reported as Net (loss) income from discontinued operations, net of tax in the Consolidated Statements of Operations and Comprehensive (Loss) Income for the current and prior periods beginning in the period in which the held for sale criteria are met.

*Advertising Costs* - Advertising production costs are expensed in the period when the advertising first occurs. All other advertising costs are expensed in the period in which the costs are incurred. Advertising expense of $111.3 million, $96.2 million and $80.1 million for 2024, 2023 and 2022, respectively, was recorded in Other restaurant operating expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Legal Costs* - Settlement costs for employment litigation are recorded to Other restaurant operating expense when they are deemed probable and reasonably estimable. Legal fees are recognized as incurred and are reported in General and administrative expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Research and Development Expenses ("R&D")* - R&D is expensed as incurred in General and administrative expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. R&D primarily consists of payroll and benefit costs. R&D was $3.5 million, $3.1 million and $2.5 million for 2024, 2023 and 2022, respectively.

*Partner Compensation* - In addition to base salary, field-level operators and multi-unit supervisors receive performance-based bonuses for providing management and supervisory services to their restaurants, certain of which may be based on their restaurants' monthly operating results or cash flows. The Company accrues for these obligations using current and historical restaurant performance information. Most field-level compensation is recorded in Labor and other related expense, with compensation for multi-unit supervisors recorded in General and administrative expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Stock-based Compensation* - Stock-based compensation awards are measured at fair value at the date of grant and expensed over their vesting or service periods. Stock-based compensation expense is recognized only for those awards expected to vest. The expense is recognized using the straight-line method and recorded in General and administrative expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. Forfeitures of share-based compensation awards are recognized as they occur.

Performance-based share units ("PSUs") issued by the Company may include a relative total shareholder return ("Relative TSR") modifier to the final payout outcome, which can adjust the payout percentage based on the achieved performance metric. The Relative TSR is measured by comparing the Company's Relative TSR to that of the constituents of the S&P 1500 Restaurants index.

*Basic and Diluted (Loss) Earnings per Share* - The Company computes basic (loss) earnings per share based on the weighted average number of common shares that were outstanding during the period. Except where the result would be antidilutive, diluted (loss) earnings per share includes the dilutive effect of common stock equivalents, consisting of stock options, restricted stock units, PSUs and warrants, measured using the treasury stock method, and the Company's convertible senior notes, measured using the if-converted method. PSUs are considered dilutive when the related performance criterion has been met.

The Company has provided the trustee of the Company's convertible senior notes due 2025 (the "2025 Notes") notice of its irrevocable election under the 2025 Notes indenture to settle the principal portion of the 2025 Notes upon conversion in cash and any excess in shares. As a result, only the amounts in excess of the principal amount, if applicable, are considered in diluted earnings per share.

*Foreign Currency Translation and Transactions* - For non-U.S. operations, the functional currency is the local currency. Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date with the translation adjustments recorded in Accumulated other comprehensive loss in the Company's Consolidated Statements of Changes in Stockholders' Equity. Results of operations are translated using the average exchange rates for the reporting period. Foreign currency exchange transaction losses are recorded in General and administrative expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income.

*Income Taxes* - Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in the tax rate is recognized within income in the period that includes the enactment date of the rate change. A valuation allowance may reduce deferred income tax assets to the amount that is more likely than not to be realized.

The Company records a tax benefit for an uncertain tax position using the highest cumulative tax benefit that is more likely than not to be realized. The Company adjusts its liability for unrecognized tax benefits in the period in which it determines the issue is effectively settled, the statute of limitations expires or when more information becomes available. Liabilities for unrecognized tax benefits are recorded as a reduction of Deferred income tax assets, net and within Other long-term liabilities, net, with related interest and penalties recorded in Other long-term liabilities, net, on the Company's Consolidated Balance Sheets. Interest and penalties recognized on liabilities for unrecognized tax benefits are included in (Benefit) provision for income taxes.

*Recently Adopted Financial Accounting Standards* - On December 29, 2024, the Company adopted Accounting Standards Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," ("ASU No. 2023-07") which requires disclosure of significant segment expenses regularly provided to the Company's chief operating decision-maker ("CODM"). ASU No. 2023-07 also allows for multiple measures of segment profit (loss) if the CODM utilizes such measures to allocate resources or assess performance. The adoption of ASU No. 2023-07 did not impact the Company's results of operations, cash flows, or financial condition. See Note 19 - *Segment Reporting* for the Company's segment disclosures.

*Recently Issued Financial Accounting Standards Not Yet Adopted* - In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," ("ASU No. 2023-09") which expands existing income tax disclosures, including disaggregation of the Company's effective income tax rate reconciliation table and income taxes paid disclosures. ASU No. 2023-09 is effective for the Company beginning with the 2025 Form 10-K, with early adoption permitted. The Company is currently evaluating the impact ASU No. 2023-09 will have on its disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income (Subtopic 220-40): Disaggregation of Income Statement Expenses," ("ASU No. 2024-03") which requires detailed disclosures in the notes to financial statements of expense categories within relevant income statement captions including purchases of inventory, employee compensation, depreciation and intangible asset amortization. ASU No. 2024-03 is effective for the Company beginning with the 2027 Form 10-K, with early adoption permitted, and may be applied either prospectively for reporting periods after the effective date or retrospectively to prior periods presented. The Company is currently evaluating the impact ASU No. 2024-03 will have on its disclosures.

Recent accounting guidance not discussed herein is not applicable, did not have or is not expected to have a material impact to the Company.

*Reclassifications* - The Company reclassified certain items in the accompanying consolidated financial statements for prior periods to be comparable with the classification for the current period, including presentation of certain items within consolidated statements of cash flows and the notes to the consolidated financial statements. These reclassifications had no effect on previously reported net income.

3. Discontinued Operations

On November 6, 2024, an indirect wholly owned subsidiary of the Company (the "Seller") entered into a Quota Purchase Agreement and Other Covenants (the "Purchase Agreement") with a fund managed by an affiliate of Vinci Partners Investments Ltd. (the "Buyer") for the sale of 67% of its business in Brazil (the "Disposal Group"). The sale (the "Brazil Sale Transaction") closed on December 30, 2024 (the "Closing Date").

The aggregate consideration paid to the Seller consists of 67% of the enterprise valuation of the Disposal Group in the amount of R$2.06 billion Brazilian Reais, which equals R$1.4 billion Brazilian Reais (approximately $225.3 million in U.S. Dollars based on the exchange rate on the Closing Date), subject to customary adjustments, and withholding for Brazilian taxes (the "Purchase Price"). On December 30, 2024 the Company received cash proceeds, net of withheld income taxes, of $103.9 million, in U.S. dollars based on the exchange rate on the Closing Date, representing 52% of the Purchase Price. The proceeds were applied to the Company's revolving credit facility during the thirteen weeks ended March 30, 2025. The second installment payment, representing 48% of the Purchase Price is due on the first anniversary of the Closing Date (based on the exchange rate on the date of payment) and will generate interest income based on the interbank deposit rate in Brazil until paid.

Following the closing, the Brazil restaurants began operating as unconsolidated franchisees. The sale represents a strategic shift to a primarily franchised model for the Company's international operations. The assets and liabilities of the Disposal Group are classified as held for sale on the Company's Consolidated Balance Sheets as of December 29, 2024 and December 31, 2023. For fiscal years 2024, 2023 and 2022, all sales, direct costs and expenses and income taxes attributable to restaurants classified as discontinued operations have been aggregated to a single caption titled (Loss) income from discontinued operations, net of tax in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income for all periods presented.

The Company entered into foreign exchange forward contracts to mitigate most of the exchange rate risk associated with the Purchase Price installment payments. See Note 13 - *Derivative Instruments and Hedging Activities* for details regarding the foreign exchange forward contracts.

On the Closing Date, the Seller and the Buyer entered into a shareholders agreement (the "Shareholders Agreement"), pursuant to which Buyer and Seller will have representation on a board of directors and in executive management based on their respective equity interests.

During the thirteen weeks ended December 29, 2024, the Company recorded $68.3 million of impairment in connection with the Brazil Sale Transaction within (Loss) income from discontinued operations, net of tax in its Consolidated Statements of Operations and Comprehensive (Loss) Income. The impairment represents the difference between the estimated fair value of the Disposal Group and its carrying value, which included $212.2 million of cumulative currency translation adjustment losses and the impact of measurement of the Company's 33% retained interest.

As of the Closing Date, the fair value of the Company's retained interest was $59.9 million based on the proportional enterprise valuation of the Disposal Group negotiated as a part of the Purchase Agreement, adjusted for debt used by the Buyer to fund a portion of the Purchase Price and to be pushed down to the operating entity subsequent to the Closing Date. Under the Shareholders Agreement, the Buyer may cause the Seller to sell or the Seller may cause the Buyer to purchase the totality of the remaining interest in the Disposal Group for a period between October 1, 2028 and December 31, 2028 at a defined multiple of earnings less net indebtedness.

The following table presents the carrying amounts of the major classes of assets and liabilities of the Disposal Group classified as held for sale on the Company's Consolidated Balance Sheets as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Assets: | | |
| Current assets | | |
| Inventories | $ 7,872 | $ 12,991 |
| Other current assets, net | 15,117 | 15,104 |
| Total current assets of disposal group classified as held for sale | $ 22,989 | $ 28,095 |
| Non-current assets | | |
| Property, fixtures and equipment, net | $ 99,532 | $ 103,757 |
| Operating lease right-of-use assets | 43,884 | 53,679 |
| Goodwill | 51,906 | 62,995 |
| Intangible assets, net | 6,841 | 10,069 |
| Deferred income tax assets, net | 2,056 | 4,233 |
| Other assets, net | 64,553 | 25,097 |
| Total non-current assets | 268,772 | 259,830 |
| Impairment of disposal group assets | (68,271) | — |
| Net non-current assets of disposal group classified as held for sale | $ 200,501 | $ 259,830 |
| | | |
| Liabilities: | | |
| Current liabilities | | |
| Accounts Payable | $ 24,168 | $ 33,328 |
| Current operating lease liabilities | 10,109 | 11,718 |
| Accrued and other current liabilities | 52,442 | 58,133 |
| Unearned revenue | 1,237 | 1,723 |
| Total current liabilities of disposal group classified as held for sale | $ 87,956 | $ 104,902 |
| Non-current liabilities | | |
| Non-current operating lease liabilities | $ 36,297 | $ 44,286 |
| Other long-term liabilities, net | 13,568 | 14,359 |
| Total non-current liabilities of disposal group classified as held for sale | $ 49,865 | $ 58,645 |

Included in discontinued operations are benefits from a law in Brazil that provided a 100% exemption from income tax (IRPJ and CSLL) and federal value added taxes (PIS and COFINS). These exemptions impacted GAAP diluted earnings per share from discontinued operations by approximately $0.25 for 2023. After receipt of an unfavorable court ruling in January 2024, a cash judicial deposit of $42.9 million, inclusive of principal, interest and potential penalties, was made during 2024 to appeal the unfavorable court ruling.

During 2024, new tax legislation granted certain industries additional exemptions from income and federal value added taxes for varying timeframes resulting in a benefit of $0.15 GAAP diluted earnings per share from discontinued operations during 2024.

Following closing of the Brazil Sale Transaction, the Company retained certain rights to favorable resolution of the ongoing litigation and recorded a contingent consideration asset at fair value on the Closing Date. See *Contingent Consideration Assets and Indemnification Liabilities* section below for details.

(Loss) income from discontinued operations, net of tax in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income includes the following for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Revenues | | | |
| Restaurant sales | $ 525,216 | $ 529,619 | $ 428,801 |
| Other revenue | 52 | 52 | 39 |
| Total revenues | 525,268 | 529,671 | 428,840 |
| Costs and expenses | | | |
| Food and beverage | 167,741 | 169,164 | 146,214 |
| Labor and other related | 109,853 | 105,500 | 84,834 |
| Other restaurant operating (1) | 165,492 | 163,816 | 131,916 |
| Depreciation and amortization | 22,191 | 21,905 | 19,717 |
| General and administrative | 28,744 | 26,911 | 21,820 |
| Provision for impaired assets and restaurant closings | 1,577 | — | — |
| Impairment of assets held for sale | 68,271 | — | — |
| Total costs and expenses | 563,869 | 487,296 | 404,501 |
| (Loss) income from operations | (38,601) | 42,375 | 24,339 |
| Interest income (expense), net | 1,545 | (587) | 165 |
| (Loss) income before provision for income taxes | (37,056) | 41,788 | 24,504 |
| Provision for income taxes | 38,926 | 159 | 8,451 |
| (Loss) income from discontinued operations, net of tax | $ (75,982) | $ 41,629 | $ 16,053 |

(1) Includes royalty expense of $25.9 million, $26.4 million and $21.6 million for fiscal years 2024, 2023 and 2022, respectively, eliminated in consolidation prior to the Brazil Sale Transaction, with the corresponding royalty revenues recorded within Franchise and other revenues from continuing operations in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. On December 30, 2024, the Company entered into franchise agreements that include royalty rates that are lower than its historical intercompany rates and on the low end of its international franchisee royalty percentage range.

*Contingent Consideration Assets and Indemnification Liabilities* - Subsequent to December 29, 2024, the Company recognized contingent consideration assets of $29.3 million and indemnifications liabilities of $6.9 million within Other assets, net and Other long-term liabilities, net, respectively, on the Company's Consolidated Balance Sheet in connection with the Brazil Sale Transaction.

Contingent consideration assets relate to supervening rights to certain tax benefits, including from judicial deposits paid prior to the sale. Collection of amounts in connection with these assets will be net of applicable taxes and related costs incurred. Indemnification liabilities primarily relate to known labor and tax exposures.

Contingent consideration assets and indemnification liabilities were valued utilizing a probability-adjusted discounted cash flow model using inputs not observable in the market. The key internally developed assumptions used in these models are: (i) the probabilities of outcomes, (ii) interest rates for contingencies entitled to interest, (iii) discount rates and (iv) the anticipated timing of recognition. The Company utilized discount rates of approximately 13%, in its calculations of the estimated fair values of its contingent assets and liabilities as of the Closing Date.

Subsequent measurement of contingent consideration assets is based on ASC 450 gain contingency guidance and indemnification liabilities under ASC 460 guarantees guidance. Any subsequent recognition and measurement of contingent consideration and indemnification liabilities will be presented within discontinued operations.

4. Revenue Recognition

The following table includes the disaggregation of Restaurant sales and franchise revenues by restaurant concept and segment for the periods indicated:

| | FISCAL YEAR | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | |
| (dollars in thousands) | RESTAURANT SALES | FRANCHISE REVENUES | RESTAURANT SALES | FRANCHISE REVENUES | RESTAURANT SALES | FRANCHISE REVENUES |
| U.S. | | | | | | |
| Outback Steakhouse | $ 2,219,812 | $ 31,253 | $ 2,316,449 | $ 32,289 | $ 2,240,432 | $ 31,418 |
| Carrabba's Italian Grill | 693,421 | 2,771 | 721,946 | 3,036 | 676,467 | 2,938 |
| Bonefish Grill | 523,634 | 479 | 570,578 | 505 | 559,583 | 662 |
| Fleming's Prime Steakhouse & Wine Bar | 368,663 | — | 382,729 | — | 374,388 | — |
| Other | 7,074 | 120 | 13,351 | 78 | 12,146 | 49 |
| U.S. total | 3,812,604 | 34,623 | 4,005,053 | 35,908 | 3,863,016 | 35,067 |
| International Franchise (1) | — | 39,490 | — | 41,524 | — | 36,202 |
| Other (2) | 53,740 | — | 72,736 | — | 60,878 | — |
| Total | $ 3,866,344 | $ 74,113 | $ 4,077,789 | $ 77,432 | $ 3,923,894 | $ 71,269 |

(1) Includes revenues from franchised restaurants and intercompany royalties from Brazil.
(2) Includes Restaurant sales for Company-owned restaurants in Hong Kong and China.

The following table includes a detail of assets and liabilities from contracts with customers included on the Company's Consolidated Balance Sheets as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Other current assets, net | | |
| Deferred gift card sales commissions | $ 16,935 | $ 18,081 |
| | | |
| Unearned revenue | | |
| Deferred gift card revenue | $ 366,059 | $ 372,551 |
| Deferred loyalty revenue | 6,073 | 5,664 |
| Deferred franchise fees - current | 490 | 473 |
| Other | 1,477 | 1,466 |
| Total Unearned revenue | $ 374,099 | $ 380,154 |
| | | |
| Other long-term liabilities, net | | |
| Deferred franchise fees - non-current | $ 3,901 | $ 4,036 |

The following table is a rollforward of deferred gift card sales commissions for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Balance, beginning of the period | $ 18,081 | $ 17,755 | $ 17,793 |
| Deferred gift card sales commissions amortization | (22,559) | (23,695) | (24,091) |
| Deferred gift card sales commissions capitalization | 24,052 | 26,706 | 26,743 |
| Other | (2,639) | (2,685) | (2,690) |
| Balance, end of the period | $ 16,935 | $ 18,081 | $ 17,755 |

The following table is a rollforward of unearned gift card revenue for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Balance, beginning of the period | $ 372,551 | $ 385,444 | $ 387,339 |
| Gift card sales | 290,481 | 322,291 | 322,288 |
| Gift card redemptions | (279,810) | (316,139) | (306,427) |
| Gift card breakage | (17,163) | (19,045) | (17,756) |
| Balance, end of the period | $ 366,059 | $ 372,551 | $ 385,444 |

*Franchisee Deferred Payment Agreement* - Effective December 31, 2023, the Company entered into an Amended & Restated Holistic Resolution Agreement (the "2023 Resolution Agreement") with Cerca Trova Southwest Restaurant Group, LLC (d/b/a Out West Restaurant Group) and certain of its affiliates (collectively, "Out West"), who currently operate 75 franchised Outback Steakhouse restaurants in the western United States, primarily in California. The 2023 Resolution Agreement ends on December 27, 2026 or upon the earlier occurrence of certain specified events, including the sale of all or substantially all of the assets or equity of Out West, bankruptcy or a liquidation event. The 2023 Resolution Agreement includes agreements between Out West and its lenders prioritizing rents, royalties, national advertising fees and local marketing expenditures, and provides a mechanism to settle its obligations with its lenders and provide for capital expenditures, within certain limitations.

## 5. Impairments and Exit Costs

The components of Provision for impaired assets and restaurant closings are as follows for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Impairment losses | | | |
| U.S. (1) | $ 33,947 | $ 39,812 | $ 3,942 |
| Corporate | — | — | 7 |
| Other (2) | 12,488 | 600 | 1,537 |
| Total impairment losses | 46,435 | 40,412 | 5,486 |
| Restaurant closure charges (benefit) | | | |
| U.S. (1) | 14,045 | (7,143) | 478 |
| Other (2) | 3,811 | 305 | — |
| Total restaurant closure charges (benefit) | 17,856 | (6,838) | 478 |
| Provision for impaired assets and restaurant closings | $ 64,291 | $ 33,574 | $ 5,964 |

(1) Primarily includes charges related to the 2023 Restaurant Closures and the Q4 2024 Restaurant Impairment, as discussed below.
(2) Primarily includes charges related to the 2024 closure of nine restaurants in Hong Kong.

*2023 Restaurant Closures* - During 2023, the Company closed three U.S. and two Hong Kong Aussie Grill restaurants and made the decision to close 36 predominantly older, underperforming U.S. restaurants (the "2023 Restaurant Closures"). Following is a summary of 2023 Restaurant Closures expenses recognized in the Consolidated Statements of Operations and Comprehensive (Loss) Income for the periods indicated (dollars in thousands):

| DESCRIPTION | CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME CLASSIFICATION | FISCAL YEAR 2024 | FISCAL YEAR 2023 |
|---|---|---|---|
| Asset impairments and closure charges | Provision for impaired assets and restaurant closings | $ 12,034 | $ 34,200 |
| Severance and other expenses | General and administrative | 3,798 | 622 |
| Closure-related labor costs | Labor and other related | 434 | — |
| Lease remeasurement gains | Other restaurant operating | — | (2,450) |
| Total | | $ 16,266 | $ 32,372 |

During 2023, the Company recognized a lease termination gain of $6.7 million, net of related asset impairments, in connection with the closure of one U.S. restaurant.

*Q4 2024 Restaurant Impairment* - During the thirteen weeks ended December 29, 2024, the Company recorded asset impairment charges of $25.5 million primarily related to 41 older, underperforming U.S. restaurants based on an assessment of each restaurant's historical operating performance and trends, combined with updated expected cash flow projections over the respective remaining lease term (the "Q4 2024 Restaurant Impairment"). The projections considered, among other factors, continued challenging operating and macroeconomic conditions since these restaurants tend to underperform Company-wide averages for sales and operating income.

The remaining impairment and closure charges during the periods presented resulted primarily from locations identified for closure, including the closure of all Company-owned U.S. Aussie Grill restaurants.

## 6. (Loss) Earnings Per Share

In connection with the offering of the 2025 Notes, the Company entered into the Convertible Note Hedge Transactions and Warrant Transactions described in Note 11 - *Convertible Senior Notes.* However, the Convertible Note Hedge Transactions are not considered when calculating dilutive shares given their antidilutive impact as an offset to dilution of shares underlying the 2025 Notes. The Warrant Transactions have a dilutive effect on the Company's common stock to the extent the price of its common stock exceeds the strike price of the Warrant Transactions. See Note 11 - *Convertible Senior Notes* for additional information regarding the 2025 Notes, Convertible Note Hedge Transactions and Warrant Transactions.

The following table presents the computation of basic and diluted (loss) earnings per share for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| **(in thousands, except per share data)** | **2024** | **2023** | **2022** |
| Net (loss) income attributable to Bloomin' Brands | $ (128,018) | $ 247,386 | $ 101,907 |
| Net (loss) income from discontinued operations, net of tax | (75,982) | 41,629 | 16,053 |
| Net (loss) income attributable to Bloomin' Brands from continuing operations | $ (52,036) | $ 205,757 | $ 85,854 |
| Basic weighted average common shares outstanding | 85,905 | 87,230 | 88,846 |
| Effect of dilutive securities: | | | |
| Stock-based compensation awards | — | 767 | 623 |
| Convertible senior notes (1) | — | 5,067 | 6,089 |
| Warrants (1) | — | 3,389 | 2,954 |
| Diluted weighted average common shares outstanding | 85,905 | 96,453 | 98,512 |
| Basic (loss) earnings per share: | | | |
| Continuing operations | $ (0.61) | $ 2.36 | $ 0.97 |
| Discontinued operations | (0.88) | 0.48 | 0.18 |
| Net basic (loss) earnings per share | $ (1.49) | $ 2.84 | $ 1.15 |
| Diluted (loss) earnings per share: | | | |
| Continuing operations | $ (0.61) | $ 2.13 | $ 0.87 |
| Discontinued operations | (0.88) | 0.43 | 0.16 |
| Net diluted (loss) earnings per share | $ (1.49) | $ 2.56 | $ 1.03 |
| Antidilutive stock-based compensation awards | 1,706 | 924 | 2,502 |

(1) During 2024, the Company repurchased $83.6 million of the 2025 Notes and settled the corresponding portion of the related warrants. See Note 11 - *Convertible Senior Notes* for additional details.

7. Stock-based and Deferred Compensation Plans

**Stock-based Compensation Plans**

The Company recognized stock-based compensation expense as follows for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Stock-based compensation expense, net of capitalized expense (1) | $ 7,415 | $ 11,613 | $ 16,134 |

(1) For 2024, 2023 and 2022, includes a cumulative life-to-date adjustment to decrease expense for PSUs granted in fiscal years 2024 and 2023, 2022 and 2020, respectively, based on updated assumptions regarding the criteria set forth in the award agreements.

*PSUs and Restricted Stock Units ("RSUs")* - The number of PSUs that vest is determined for each year based on the achievement of certain performance criteria as set forth in the award agreement and may range from zero to 200% of the annual target grant. The PSUs are settled in shares of common stock, with holders receiving one share of common stock for each performance-based share unit that vests. Compensation expense for PSUs is recognized over the vesting period when it is probable the performance criteria will be achieved. RSUs generally vest over a period of three years in an equal number of shares each year.

The following table presents a summary of the Company's PSU and RSU activity:

| | | | WEIGHTED AVERAGE GRANT DATE FAIR VALUE PER UNIT | | AGGREGATE INTRINSIC VALUE (1) | |
|---|---|---|---|---|---|---|
| **(in thousands, except per unit data)** | **PSUs** | **RSUs** | **PSUs** | **RSUs** | **PSUs** | **RSUs** |
| Outstanding as of December 31, 2023 | 818 | 631 | $ 26.92 | $ 23.58 | $ 23,026 | $ 17,757 |
| Granted | 290 | 807 | $ 27.26 | $ 18.76 | | |
| Performance adjustment (2) | 237 | — | $ 25.40 | $ — | | |
| Vested | (473) | (321) | $ 25.40 | $ 23.73 | | |
| Forfeited | (150) | (73) | $ 27.55 | $ 23.93 | | |
| Outstanding as of December 29, 2024 | 722 | 1,044 | $ 27.42 | $ 19.80 | $ 8,860 | $ 12,814 |
| Expected to vest as of December 29, 2024 (3) | 132 | 1,044 | | | $ 1,618 | $ 12,814 |

(1) Based on the $28.15 and $12.27 share price of the Company's common stock on December 29, 2023 and December 27, 2024, the last trading day of the years ended December 31, 2023 and December 29, 2024, respectively.
(2) Represents adjustment to 200% payout for PSUs granted during 2021.
(3) For PSUs, estimated number of units to be issued upon the vesting of outstanding PSUs based on Company performance projections of performance criteria set forth in the 2022, 2023 and 2024 PSU award agreements.

The Company granted PSUs subject to final payout modification by a Relative TSR modifier for all periods presented. This Relative TSR modifier can adjust the final payout outcome by 75%, 100% or 125% of the achieved performance metric, with the overall payout capped at 200% of the annual target grant. These PSUs have a three-year cliff vesting period and their fair value was estimated using the Monte Carlo simulation model. The Monte Carlo simulation model utilizes multiple input variables to estimate the probability that the market conditions will be achieved and is applied to the closing price of the Company's common stock on the date of the grant.

Assumptions used in the Monte Carlo simulation model and the grant date fair value of PSUs granted were as follows for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Assumptions: | | | |
| Risk-free interest rate (1) | 4.37 % | 4.26 % | 1.64 % |
| Dividend yield (2) | 3.49 % | 3.47 % | 2.31 % |
| Volatility (3) | 51.41 % | 51.02 % | 49.11 % |

(1) Risk-free interest rate is the U.S. Treasury yield curve in effect as of the grant date for the performance period of the unit.
(2) Dividend yield is the level of dividends expected to be paid on the Company's common stock over the expected term.
(3) Based on the historical volatility of the Company's stock over the last seven years.

The following represents PSU and RSU compensation information for the periods indicated:

| | FISCAL YEAR | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | |
| (dollars in thousands, except per unit data) | PSUs | RSUs | PSUs | RSUs | PSUs | RSUs |
| Grant date fair value per unit (1) | $ 27.26 | $ 18.76 | $ 29.01 | $ 24.18 | $ 26.10 | $ 21.59 |
| | | | | | | |
| Intrinsic value for vested units | $ 12,593 | $ 8,072 | $ 12,908 | $ 10,275 | $ 7,626 | $ 9,070 |
| Grant date fair value of vested units | $ 12,025 | $ 7,603 | $ 9,332 | $ 8,257 | $ 6,646 | $ 8,025 |
| Tax benefits for compensation expense | $ 622 | $ 1,152 | $ 745 | $ 1,528 | $ 348 | $ 1,113 |
| | | | | | | |
| Unrecognized expense | $ 2,595 | $ 14,309 | | | | |
| Remaining weighted average vesting period | 2.2 years | 2.0 years | | | | |

(1) For PSUs, represents a (discount) premium above the grant date per share value of the Company's common stock for the Relative TSR modifier of (1.6)%, 2.7% and 7.9% for grants during 2024, 2023 and 2022, respectively. For RSUs, the weighted average dividend yield was 4.83%, 3.63% and 2.43% for 2024, 2023 and 2022, respectively.

*Stock Options* - Stock options generally vest and become exercisable over a period of four years in an equal number of shares each year. Stock options have an exercisable life of no more than ten years from the date of grant. The Company settles stock option exercises with authorized but unissued shares of the Company's common stock.

The following table presents a summary of the Company's stock option activity:

| (in thousands, except exercise price and contractual life data) | OPTIONS | WEIGHTED AVERAGE EXERCISE PRICE | WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS) | AGGREGATE INTRINSIC VALUE |
|---|---|---|---|---|
| Outstanding as of December 31, 2023 | 1,725 | $ 21.04 | 3.2 | $ 12,263 |
| Exercised | (298) | $ 23.74 | | |
| Forfeited or expired | (227) | $ 22.58 | | |
| Outstanding and exercisable as of December 29, 2024 (1) | 1,200 | $ 20.08 | 2.1 | $ — |

(1) No stock options were granted during 2024.

The following represents stock option compensation information for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Intrinsic value of options exercised | $ 718 | $ 6,200 | $ 6,367 |
| Cash received from option exercises, net of tax withholding | $ 4,354 | $ 31,778 | $ 17,888 |
| Grant date fair value of stock options vested | $ — | $ 1,037 | $ 7,645 |
| Tax benefits for stock option compensation expense | $ 111 | $ 757 | $ 1,495 |

As of December 29, 2024, the maximum number of shares of common stock available for issuance for equity instruments pursuant to the 2020 Omnibus Incentive Compensation Plan was 5,305,102.

### Deferred Compensation Plans

*401(k) Plan* - The Company has a qualified defined contribution plan that qualifies under Section 401(k) of the Internal Revenue Code of 1986, as amended. The Company incurred contribution costs of $5.7 million, $5.6 million and $5.6 million for the 401(k) Plan for 2024, 2023 and 2022, respectively.

*Highly Compensated Employee Plan* - The Company provides a deferred compensation plan for its highly compensated employees who are not eligible to participate in the 401(k) Plan. The deferred compensation plan allows these employees to contribute a percentage of their base salary and cash bonus on a pre-tax basis. The deferred compensation plan is unsecured and funded through the Company's voluntary contributions.

## 8. Supplemental Balance Sheet Information

*Other current assets, net,* consisted of the following as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Prepaid expenses | $ 23,102 | $ 21,902 |
| Accounts receivable - gift cards, net (1) | 73,113 | 67,424 |
| Accounts receivable - vendors, net (1) | 29,233 | 13,648 |
| Accounts receivable - franchisees, net (1) | 2,975 | 3,671 |
| Accounts receivable - other, net (1) | 9,280 | 9,099 |
| Deferred gift card sales commissions | 16,935 | 18,081 |
| Other current assets, net | 4,137 | 4,073 |
| | $ 158,775 | $ 137,898 |

(1) See Note 16 - *Allowance for Expected Credit Losses* for a rollforward of the related allowance for expected credit losses.

*Property, fixtures and equipment, net*, consisted of the following as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Land | $ 29,458 | $ 34,650 |
| Buildings | 1,201,949 | 1,180,004 |
| Furniture and fixtures | 511,291 | 493,037 |
| Equipment | 760,058 | 717,939 |
| Construction in progress | 65,068 | 75,894 |
| Less: accumulated depreciation | (1,619,303) | (1,573,359) |
| | $ 948,521 | $ 928,165 |

*Other assets, net*, consisted of the following as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Company-owned life insurance | $ 31,971 | $ 28,018 |
| Deferred debt issuance costs - revolving credit facility (1) | 10,743 | 3,813 |
| Liquor licenses | 22,422 | 23,125 |
| Other assets | 9,335 | 5,134 |
| | $ 74,471 | $ 60,090 |

(1) Net of accumulated amortization of $0.6 million and $11.7 million as of December 29, 2024 and December 31, 2023, respectively. During 2024, the Company recorded $9.0 million of deferred debt issuance costs in connection with the Third Amended and Restated Credit Agreement, as defined and discussed in more detail within Note 10 - *Long-term Debt, Net* below.

*Accrued and other current liabilities* consisted of the following as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Accrued payroll and other compensation | $ 64,522 | $ 71,848 |
| Accrued insurance | 19,527 | 19,310 |
| Other current liabilities | 94,265 | 106,523 |
| | $ 178,314 | $ 197,681 |

*Other long-term liabilities, net*, consisted of the following as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Accrued insurance | $ 33,519 | $ 26,616 |
| Deferred compensation obligations | 32,597 | 27,283 |
| Other long-term liabilities | 27,304 | 29,127 |
| | $ 93,420 | $ 83,026 |

## 9. Goodwill and Intangible Assets, Net

*Goodwill* - The following table is a rollforward of goodwill and the related accumulated impairment losses for the periods indicated:

| (dollars in thousands) | U.S. | INTERNATIONAL FRANCHISE (1) | CONSOLIDATED |
|---|---|---|---|
| **Balance as of December 31, 2023** | | | |
| Goodwill, gross | $ 838,827 | $ 162,549 | $ 1,001,376 |
| Accumulated impairment losses | (668,170) | (119,883) | (788,053) |
| Goodwill, net | 170,657 | 42,666 | 213,323 |
| | | | |
| **Changes in goodwill** | — | — | — |
| | | | |
| **Balance as of December 29, 2024** | | | |
| Goodwill, gross | 838,827 | 162,549 | 1,001,376 |
| Accumulated impairment losses | (668,170) | (119,883) | (788,053) |
| Goodwill, net | $ 170,657 | $ 42,666 | $ 213,323 |

(1) Excludes $51.9 million and $63.0 million of Goodwill, net as of December 29, 2024 and December 31, 2023, respectively, classified as held for sale.

The Company performs its annual assessment for impairment of goodwill and other indefinite-lived intangible assets during its second fiscal quarter. The Company's 2024 and 2022 assessments were qualitative and its 2023 assessment was quantitative. In connection with these assessments, the Company did not record any goodwill asset impairment charges during the periods presented.

*Intangible Assets, net* - Intangible assets, net, consisted of the following as of the periods indicated:

| (dollars in thousands) | WEIGHTED AVERAGE REMAINING AMORTIZATION PERIOD (in years) | DECEMBER 29, 2024 GROSS CARRYING VALUE | DECEMBER 29, 2024 ACCUMULATED AMORTIZATION | DECEMBER 29, 2024 NET CARRYING VALUE | DECEMBER 31, 2023 GROSS CARRYING VALUE | DECEMBER 31, 2023 ACCUMULATED AMORTIZATION | DECEMBER 31, 2023 NET CARRYING VALUE |
|---|---|---|---|---|---|---|---|
| Trade names | Indefinite | $ 414,716 | | $ 414,716 | $ 414,716 | | $ 414,716 |
| Trademarks | 4 | 81,952 | $ (67,577) | 14,375 | 81,952 | $ (63,752) | 18,200 |
| Total intangible assets | | $ 496,668 | $ (67,577) | $ 429,091 | $ 496,668 | $ (63,752) | $ 432,916 |

The Company did not record any intangible asset impairment charges during the periods presented.

The following table presents goodwill, trade names and trademarks balances by reporting unit as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 GOODWILL | DECEMBER 29, 2024 TRADE NAMES | DECEMBER 29, 2024 TRADEMARKS | DECEMBER 31, 2023 GOODWILL | DECEMBER 31, 2023 TRADE NAMES | DECEMBER 31, 2023 TRADEMARKS |
|---|---|---|---|---|---|---|
| Outback Steakhouse | $ 123,188 | $ 287,000 | $ — | $ 123,188 | $ 287,000 | $ — |
| Carrabba's Italian Grill | 18,826 | 69,000 | — | 18,826 | 69,000 | — |
| Bonefish Grill | 28,188 | — | 6,957 | 28,188 | — | 9,788 |
| Fleming's Prime Steakhouse & Wine Bar | 455 | — | 7,418 | 455 | — | 8,412 |
| U.S. total | 170,657 | 356,000 | 14,375 | 170,657 | 356,000 | 18,200 |
| International Franchise | 42,666 | 58,716 | — | 42,666 | 58,716 | — |
| Total | $ 213,323 | $ 414,716 | $ 14,375 | $ 213,323 | $ 414,716 | $ 18,200 |

Definite-lived intangible assets are amortized on a straight-line basis. The following table presents the aggregate expense related to the amortization of the Company's trademarks for the periods indicated:

| (dollars in thousands) | FISCAL YEAR 2024 | FISCAL YEAR 2023 | FISCAL YEAR 2022 |
|---|---|---|---|
| Amortization expense | $ 3,825 | $ 4,076 | $ 3,939 |

The following table presents expected annual amortization of intangible assets as of December 29, 2024:

| (dollars in thousands) | FISCAL YEAR 2025 | FISCAL YEAR 2026 | FISCAL YEAR 2027 | FISCAL YEAR 2028 | FISCAL YEAR 2029 |
|---|---|---|---|---|---|
| Amortization of intangible assets | $ 3,825 | $ 3,825 | $ 2,292 | $ 995 | $ 995 |

10. Long-term Debt, Net

Following is a summary of outstanding long-term debt, net, as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 OUTSTANDING BALANCE | DECEMBER 29, 2024 INTEREST RATE | DECEMBER 31, 2023 OUTSTANDING BALANCE | DECEMBER 31, 2023 INTEREST RATE |
|---|---|---|---|---|
| Senior secured credit facility - revolving credit facility (1)(2) | $ 710,000 | 6.52 % | $ — | |
| Former credit facility - revolving credit facility (2) | — | | 381,000 | 6.96 % |
| 2025 Notes (3)(4) | 20,724 | 5.00 % | 104,786 | 5.00 % |
| 2029 Notes | 300,000 | 5.13 % | 300,000 | 5.13 % |
| Long-term debt | 1,030,724 | | 785,786 | |
| Less: unamortized debt discount and issuance costs (3) | (3,326) | | (5,067) | |
| Long-term debt, net | $ 1,027,398 | | $ 780,719 | |

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(1) Subsequent to December 29, 2024, the Company repaid $140.0 million on its revolving credit facility, primarily with proceeds from the Brazil Sale Transaction.

(2) Interest rate represents the weighted average interest rate as of the respective periods.

(3) During 2024, the Company repurchased $83.6 million of the 2025 Notes and as a result, wrote off $0.8 million of debt issuance costs. See Note 11 - *Convertible Senior Notes* for additional details.

(4) Obligations under the 2025 Notes, which mature on May 1, 2025, have been classified as long-term, reflecting the Company's intent and ability to refinance these notes through borrowings on its existing revolving credit facility.

Bloomin' Brands, Inc. is a holding company and conducts its operations through its subsidiaries, certain of which have incurred indebtedness as described below.

*Credit Agreement* – On September 19, 2024, the Company and OSI, as co-borrowers, entered into the Third Amended and Restated Credit Agreement (the "Credit Agreement"), which provides for senior secured financing of up to $1.2 billion consisting of a revolving credit facility (the "Senior Secured Credit Facility"). The Senior Secured Credit Facility matures on September 19, 2029 and replaced the Company's prior senior secured financing of up to $1.0 billion (the "Former Credit Facility"). The total indebtedness of the Company and interest rate applied to the Company's borrowings remained unchanged as a result of the Credit Agreement.

The commitments under the Credit Agreement may be increased in an aggregate principal amount of up to; (i) $550.0 million or (ii) at the Company's option, up to an unlimited amount of incremental facilities, so long as the Consolidated Senior Secured Net Leverage Ratio, as defined in the Credit Agreement, is no more than 3.00 to 1.00 as of the last day of the most recent period of four consecutive fiscal quarters ended, after giving effect to any such incurrence on a pro forma basis.

Under the Third Amended and Restated Credit Agreement, the Company may elect an interest rate at each reset period based on the Base Rate or Term SOFR, plus an applicable spread. The Term SOFR rate is the forward-looking term rate based on the secured overnight financing rate ("SOFR") that is published by CME Group Benchmark Administration Limited ("Term SOFR"). The Base Rate option is the highest of: (i) the prime rate of Wells Fargo Bank, National Association, (ii) the federal funds effective rate plus 0.5 of 1.0% or (iii) the one-month Term SOFR plus a 0.10% Term SOFR Adjustment, plus 1.0% (the "Base Rate"). The Adjusted Term SOFR option is the Term SOFR rate plus a 0.10% Term SOFR Adjustment, subject to a 0% floor. The interest rate spreads are as follows:

| | BASE RATE ELECTION | ADJUSTED TERM SOFR ELECTION |
|---|---|---|
| Revolving credit facility | 50 to 150 basis points over the Base Rate | 150 to 250 basis points over the Adjusted Term SOFR |

The Third Amended and Restated Credit Agreement requires a Total Net Leverage Ratio ("TNLR") not to exceed 4.50 to 1.00 (with a limited ability to temporarily increase TNLR to 5.00 to 1.00 in connection with material acquisitions). TNLR is the ratio of Consolidated Total Debt (Current portion of long-term debt and Long-term debt, net of cash, excluding the 2025 Notes) to Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization and certain other adjustments as defined in the Third Amended and Restated Credit Agreement).

As of December 29, 2024 and December 31, 2023, the Company was in compliance with its debt covenants.

*2029 Notes* - On April 16, 2021, the Company and its wholly-owned subsidiary OSI, as co-issuers, issued $300.0 million aggregate principal amount of senior unsecured notes due 2029 (the "2029 Notes").

The 2029 Notes were issued pursuant to an Indenture, dated April 16, 2021 (the "Indenture"), by and among the Company, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee. The 2029 Notes are guaranteed by each of the Company's existing and future domestic restricted subsidiaries (other than OSI) that are guarantors or borrowers under its Senior Secured Credit Facility or certain other indebtedness. The 2029 Notes mature on April 15, 2029, unless earlier redeemed or purchased by the Company. The 2029 Notes bear cash interest at an annual rate of 5.125% payable semi-annually in arrears on April 15 and October 15 of each year.

The Company may redeem some or all of the 2029 Notes at the redemption prices set forth in the Indenture, plus accrued and unpaid interest.

The Indenture contains restrictive covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness or issue certain preferred stock; pay dividends above certain thresholds, redeem stock or make other distributions; make certain investments; create restrictions on the ability of the Company's restricted subsidiaries to pay dividends or make other payments to the Company; create certain liens; transfer or sell certain assets; merge or consolidate; enter into certain transactions with the Company's affiliates; and designate subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of exceptions and qualifications as set forth in the Indenture.

The Indenture contains customary events of default, including, without limitation, failure to make required payments, failure to comply with certain agreements or covenants, cross-acceleration to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, and failure to pay certain judgments.

*Maturities* - Following is a summary of principal payments of the Company's total consolidated debt outstanding as of December 29, 2024:

| | FISCAL YEAR | | | | | | |
|---|---|---|---|---|---|---|---|
| **(dollars in thousands)** | **2025** | **2026** | **2027** | **2028** | **2029** | **THEREAFTER** | **TOTAL** |
| Debt repayments | $ 20,724 | $ — | $ — | $ — | $ 1,010,000 | $ — | $ 1,030,724 |

11. Convertible Senior Notes

*2025 Notes* - In May 2020, the Company completed a $230.0 million principal amount private offering of 5.00% convertible senior unsecured notes due in 2025 (the "2025 Notes"). The 2025 Notes are governed by the terms of an indenture between the Company and Wells Fargo Bank, National Association, as the Trustee. The 2025 Notes mature on May 1, 2025, unless earlier converted, redeemed or purchased by the Company. The 2025 Notes bear cash interest at an annual rate of 5.00%, payable semi-annually in arrears on May 1 and November 1 of each year.

The initial conversion rate applicable to the 2025 Notes was 84.122 shares of common stock per $1,000 principal amount of 2025 Notes, or a total of approximately 19.348 million shares for the total $230.0 million principal amount. This initial conversion rate was equivalent to an initial conversion price of approximately $11.89 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events.

Holders may convert all or a portion of their 2025 Notes at any time prior to the close of business on the second scheduled trading day immediately before the maturity date.

The 2025 Notes are redeemable by the Company, in whole or in part, at the Company's option at any time, and from time to time, on or before the 40th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the 2025 Notes to be redeemed, plus accrued and unpaid interest, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on: (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice. In addition, calling any of the 2025 Notes for redemption will constitute a make-whole fundamental change with respect to that note, in which case the conversion rate applicable to the conversion of the 2025 Notes will be increased in certain circumstances if it is converted after it is called for redemption.

If a fundamental change occurs prior to the maturity date, holders may require the Company to repurchase all or a portion of their 2025 Notes for cash at a price equal to 100% of the principal amount of the 2025 Notes to be repurchased, plus accrued and unpaid interest. Holders of 2025 Notes who convert their 2025 Notes in connection with a notice of redemption or a make-whole fundamental change may be entitled to a premium in the form of an increase in the conversion rate of the 2025 Notes.

The Company has provided the trustee of the 2025 Notes notice of its irrevocable election under the 2025 Notes indenture to settle the principal portion of the 2025 Notes upon conversion in cash and any excess in shares.

On May 25, 2022, the Company entered into exchange agreements (the "2022 Exchange Agreements") with certain holders of the 2025 Notes. These holders agreed to exchange $125.0 million in aggregate principal amount of the Company's outstanding 2025 Notes for $196.9 million in cash, plus accrued interest, and approximately 2.3 million shares of the Company's common stock (the "First 2025 Notes Partial Repurchase"). Under the 2022 Exchange Agreements, the total amount of cash paid and number of shares of common stock issued by the Company were based upon the volume-weighted average price per share of the Company's common stock during a ten-trading day averaging period ending on June 14, 2022. Upon entering into the 2022 Exchange Agreements, the conversion feature related to the 2025 Notes repurchased, as well as the settlements of the related convertible senior note hedges and warrants, were subject to derivative accounting. In connection with the First 2025 Notes Partial Repurchase, the Company recognized a loss on extinguishment of debt of $104.7 million and a loss on fair value adjustment of derivatives, net of $17.7 million, and recorded a $48.5 million increase to Additional paid-in capital during 2022.

On February 29, 2024, the Company entered into exchange agreements (the "2024 Exchange Agreements") with certain holders of the 2025 Notes. The 2024 Exchange Agreements provided for the Company to deliver and pay at the closing of the transactions on March 5, 2024, an aggregate of approximately 7.5 million shares of its common stock and $3.3 million in cash, including accrued interest, in exchange for $83.6 million in aggregate principal amount of the Company's outstanding 2025 Notes (the "Second 2025 Notes Partial Repurchase"). In connection with the Second 2025 Notes Partial Repurchase, the Company recognized a loss on extinguishment of debt of $135.8 million and recorded a $216.1 million increase to Additional paid-in capital during 2024.

In connection with dividends paid during 2024, the conversion rate for the Company's remaining 2025 Notes decreased to approximately $10.60 per share, which represents 94.360 shares of common stock per $1,000 principal amount of the 2025 Notes, or a total of approximately 1.956 million shares.

The following table includes the outstanding principal amount and carrying value of the 2025 Notes as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Principal | $ 20,724 | $ 104,786 |
| Less: unamortized debt issuance costs (1) | (56) | (1,138) |
| Net carrying amount | $ 20,668 | $ 103,648 |

(1) During 2024, the Company wrote off $0.8 million of debt issuance costs as a result of the Second 2025 Notes Partial Repurchase.

Following is a summary of interest expense for the 2025 Notes by component for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Coupon interest | $ 1,783 | $ 5,242 | $ 8,080 |
| Debt issuance cost amortization | 280 | 798 | 1,156 |
| Total interest expense (1) | $ 2,063 | $ 6,040 | $ 9,236 |

(1) The effective rate of the 2025 Notes over their expected life is 5.85%.

*Convertible Note Hedge and Warrant Transactions* - In connection with the offering of the 2025 Notes, the Company entered into convertible note hedge transactions (the "Convertible Note Hedge Transactions") with certain of the initial purchasers of the 2025 Notes and/or their respective affiliates and other financial institutions (in this capacity, the "Hedge Counterparties"). Concurrently with the Company's entry into the Convertible Note Hedge Transactions, the Company also entered into separate, warrant transactions with the Hedge Counterparties collectively relating to the same number of shares of the Company's common stock, subject to customary anti-dilution adjustments, and for which the Company received proceeds that partially offset the cost of entering into the Convertible Note Hedge Transactions (the "Warrant Transactions").

The Convertible Note Hedge Transactions cover, subject to customary anti-dilution adjustments, the number of shares of the Company's common stock that initially underlie the 2025 Notes, and are expected generally to reduce the potential equity dilution in excess of the principal amount due upon conversion of the 2025 Notes. The Warrant Transactions have a dilutive effect on the Company's common stock to the extent that the price of its common stock exceeds the strike price of the Warrant Transactions. The strike price was initially $16.64 per share and is subject to certain adjustments under the terms of the Warrant Transactions.

The Convertible Note Hedge Transactions are exercisable upon conversion of the 2025 Notes and expire upon maturity of the 2025 Notes. The Warrant Transactions are exercisable on the expiration dates included in the related forms of confirmation.

In connection with the First 2025 Notes Partial Repurchase, the Company entered into partial unwind agreements with certain financial institutions relating to a portion of the convertible note hedge transactions (the "2022 Note Hedge Early Termination Agreements") and a portion of the Warrant Transactions (the "2022 Warrant Early Termination Agreements"). Upon settlement, the Company received $131.9 million for the 2022 Note Hedge Early Termination Agreements and paid $114.8 million for the 2022 Warrant Early Termination Agreements. In connection with the 2022 Note Hedge Early Termination Agreements and the 2022 Warrant Early Termination Agreements the Company recorded a $113.0 million increase and a $97.6 million decrease, respectively, to Additional paid-in capital during 2022.

In connection with the Second 2025 Notes Partial Repurchase, the Company entered into partial unwind agreements with certain financial institutions relating to a portion of the convertible note hedge transactions (the "2024 Note Hedge Early Termination Agreements") and a portion of the warrant transactions (the "2024 Warrant Early Termination Agreements", together the "2024 Early Termination Agreements"), that were previously entered into by the Company in connection with the issuance of the 2025 Notes. Pursuant to the 2024 Early Termination Agreements, the Company received a termination payment which consisted of approximately $118.2 million in cash and 0.3 million shares of common stock, and the Company made a termination payment in an aggregate amount of approximately $102.2 million in cash. In connection with the 2024 Early Termination Agreements, the Company recorded a $126.5 million increase and a $102.2 million decrease, respectively, to Additional paid-in capital during 2024. The Company also recorded an $8.3 million increase to Accumulated deficit in connection with the 2024 Note Hedge Early Termination Agreements.

The remaining Warrant Transactions have a dilutive effect on the Company's common stock to the extent that the price of its common stock exceeds the strike price of the Warrant Transactions. In connection with dividends paid during 2024, the strike price for the remaining Warrant Transactions decreased to $14.84.

## 12. Stockholders' Equity

*Share Repurchases* - In February 2024, the Company's Board of Directors (the "Board") canceled the remaining $57.5 million under the Company's former share repurchase authorization and approved a new $350.0 million share repurchase authorization (the "2024 Share Repurchase Program"). The 2024 Share Repurchase Program includes capacity above the Company's normal repurchase activity to provide flexibility in retiring the 2025 Notes at or prior to their maturity. The 2024 Share Repurchase Program will expire on August 13, 2025.

On March 1, 2024, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement"), in connection with the 2024 Share Repurchase Program, with Wells Fargo Bank, National Association ("Wells Fargo") to repurchase $220.0 million of the Company's common stock. Under the ASR Agreement, the Company repurchased 7.9 million shares of common stock through April 23, 2024 based generally on the average of the daily volume-weighted average price per share of common stock during the repurchase period, subject to discounts and certain adjustments. The repurchase resulted in a $214.3 million increase in Accumulated deficit. The Company funded the payment under the ASR Agreement, together with the cash portion of the amounts payable under the 2024 Exchange Agreements, primarily with borrowings under the revolving credit facility and net proceeds from the 2024 Early Termination Agreements.

Following is a summary of the shares repurchased during fiscal year 2024:

| (in thousands, except per share data) | NUMBER OF SHARES | AVERAGE REPURCHASE PRICE PER SHARE | AMOUNT |
|---|---|---|---|
| First fiscal quarter | 6,948 | $ 27.13 | $ 188,500 |
| Second fiscal quarter | 2,156 | $ 27.36 | 59,000 |
| Third fiscal quarter | 969 | $ 18.78 | 18,195 |
| Total common stock repurchases | 10,073 | $ 26.38 | 265,695 |
| Share repurchase-related ASR Agreement fees and excise taxes | | | 728 |
| Total | 10,073 | | $ 266,423 |

*Dividends* - The Company declared and paid dividends per share during the periods presented as follows:

| | DIVIDENDS PER SHARE | | AMOUNT | |
|---|---|---|---|---|
| | FISCAL YEAR | | FISCAL YEAR | |
| (dollars in thousands, except per share data) | 2024 | 2023 | 2024 | 2023 |
| First fiscal quarter | $ 0.24 | $ 0.24 | $ 21,075 | $ 21,014 |
| Second fiscal quarter | 0.24 | 0.24 | 20,762 | 20,990 |
| Third fiscal quarter | 0.24 | 0.24 | 20,375 | 20,901 |
| Fourth fiscal quarter | 0.24 | 0.24 | 20,362 | 20,837 |
| Total cash dividends declared and paid | $ 0.96 | $ 0.96 | $ 82,574 | $ 83,742 |

In February 2025, the Board declared a quarterly cash dividend of $0.15 per share, payable on March 26, 2025 to shareholders of record at the close of business on March 11, 2025.

*Accumulated Other Comprehensive Loss ("AOCL")* - The following table is a rollforward of the components of *AOCL* for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| **Foreign currency translation:** | | | |
| Balance, beginning of the period | $ (177,689) | $ (185,311) | $ (195,480) |
| Foreign currency translation adjustment | (35,178) | 7,622 | 10,169 |
| Reclassification of foreign currency translation adjustments related to the liquidation of foreign entities | 695 | — | — |
| Balance, end of the period | $ (212,172) | $ (177,689) | $ (185,311) |
| **(Loss) gain on derivatives, net of tax:** | | | |
| Balance, beginning of the period | $ (615) | $ — | $ (10,509) |
| Change in fair value of derivatives, net of tax | 1,527 | (606) | 573 |
| Reclassification realized in Net (loss) income, net of tax | (1,533) | (9) | 954 |
| Impact of terminated interest rate swaps included in Net income, net of tax | — | — | 8,982 |
| Balance, end of the period | $ (621) | $ (615) | $ — |
| **Accumulated other comprehensive loss:** | | | |
| Balance beginning of the period | $ (178,304) | $ (185,311) | $ (205,989) |
| Other comprehensive (loss) income attributable to Bloomin' Brands | (34,489) | 7,007 | 20,678 |
| Balance, end of the period | $ (212,793) | $ (178,304) | $ (185,311) |

13. Derivative Instruments and Hedging Activities

*Interest Rate Risk* - The Company manages economic risks, including interest rate variability, primarily by managing the amount, sources and duration of its debt funding and through the use of derivative financial instruments. The Company's objectives in using interest rate derivatives are to manage its exposure to interest rate movements. To accomplish this objective, the Company uses interest rate swaps.

*Currency Exchange Rate Risk* - The Company is exposed to foreign currency exchange rate risk arising from transactions and balances denominated in currencies other than the U.S. dollar. The Company may use foreign currency forward contracts to manage certain foreign currency exposures.

## Designated Hedges

*Cash Flow Hedges of Interest Rate Risk* - In March 2024 and December 2023, OSI entered into 11 interest rate swap agreements with ten counterparties (the "Swap Transactions") to manage its exposure to fluctuations in variable interest rates. The Swap Transactions have an aggregate notional amount of $375.0 million and include one and two-year tenors with the following terms:

| NOTIONAL AMOUNT | WEIGHTED AVERAGE FIXED INTEREST RATE (1) | EFFECTIVE DATE | TERMINATION DATE |
|---|---|---|---|
| $ 100,000,000 | 4.92% | December 29, 2023 | December 31, 2024 |
| 100,000,000 | 4.34% | December 29, 2023 | December 31, 2025 |
| 175,000,000 | 4.40% | March 29, 2024 | March 31, 2026 |
| $ 375,000,000 | 4.52% | | |

(1) The weighted average fixed interest rate excludes the term SOFR adjustment and interest rate spread described below.

In connection with the Swap Transactions, the Company converted $375.0 million of its outstanding indebtedness from SOFR, plus a term SOFR adjustment of 0.10% and a spread of 150 to 250 basis points to the weighted average fixed interest rates within the table above, plus a term SOFR adjustment of 0.10% and a spread of 150 to 250 basis points. The Swap Transactions have an embedded floor of minus 0.10%.

The Swap Transactions have been designated and qualify as cash flow hedges, are recognized on the Company's Consolidated Balance Sheets at fair value as of December 29, 2024 and are classified based on the instruments' maturity dates. The Company estimates $0.7 million of interest expense will be reclassified from AOCL to Interest expense, net over the next 12 months related to the Swap Transactions.

The following table presents the fair value and classification of the Company's swap agreements as of the periods indicated:

| (dollars in thousands) | CONSOLIDATED BALANCE SHEET CLASSIFICATION | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|---|
| Interest rate swaps - asset (1) | Other current assets, net | $ — | $ 320 |
| | | | |
| Interest rate swaps - liability | Accrued and other current liabilities | $ 579 | $ 253 |
| Interest rate swaps - liability | Other long-term liabilities, net | 255 | 893 |
| Total fair value of derivative instruments - liabilities (1) | | $ 834 | $ 1,146 |

(1) See Note 15 - *Fair Value Measurements* for fair value discussion of the interest rate swaps.

By utilizing the interest rate swaps, the Company is exposed to credit-related losses in the event that the counterparty fails to perform under the terms of the derivative contract. To mitigate this risk, the Company enters into derivative contracts with major financial institutions based upon credit ratings and other factors. The Company continually assesses the creditworthiness of its counterparties. As of December 29, 2024, all counterparties to the Swap Transactions performed in accordance with their contractual obligations.

As of December 29, 2024 and December 31, 2023, the fair value of the Company's Swap Transactions was in a net liability position, including accrued interest but excluding any adjustment for nonperformance risk, of $0.8 million. As of December 29, 2024 and December 31, 2023, the Company has not posted any collateral related to the Swap Transactions.

The Swap Transactions contain provisions whereby the Company could be declared in default on its derivative obligations if the repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on indebtedness. If the Company had breached any of these provisions as of December 29, 2024 and December 31, 2023, it could have been required to settle its obligations under the Swap Transactions at their termination value of $0.8 million.

**Non-Designated Hedges**

During the fourth quarter of 2024, the Company entered into foreign currency forward contracts to partially offset the foreign currency exchange gains and losses generated by the Brazilian Reais rate risk associated with the purchase price installment payments from the Brazil Sale Transaction. As of December 29, 2024, the Company had $184.6 million of outstanding notional amounts related to its foreign currency forward contracts. Subsequent to December 29, 2024, the outstanding notional amounts related to the Company's foreign currency forward contracts decreased to $107.7 million following the collection of the first installment payment from the Brazil Sale Transaction. As of December 29, 2024, the Company has not posted any collateral related to the foreign currency forward contracts.

The following table presents the fair value and classification of the Company's foreign exchange forward contracts as of the period indicated:

| (dollars in thousands) | CONSOLIDATED BALANCE SHEET CLASSIFICATION | DECEMBER 29, 2024 |
|---|---|---|
| Foreign currency forward contracts - asset (1) | Other current assets, net | $ 304 |

(1) See Note 15 - *Fair Value Measurements* for fair value discussion of the interest rate swaps.

The following table summarizes the effects of the Company's foreign exchange forward contracts on the Consolidated Statements of Operations and Comprehensive (Loss) Income for the period indicated:

| (dollars in thousands) | CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME CLASSIFICATION | FISCAL YEAR 2024 |
|---|---|---|
| Gains on foreign currency forward contracts | General and administrative | $ 15,728 |

The Company's interest rate swaps and foreign currency forward contracts are subject to master netting arrangements. As of December 29, 2024, the Company elected not to offset derivative positions in the balance sheet with the same counterparty under the same agreement.

## 14. Leases

The following table includes a detail of lease assets and liabilities included on the Company's Consolidated Balance Sheets as of the periods indicated:

| (dollars in thousands) | CONSOLIDATED BALANCE SHEET CLASSIFICATION | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|---|
| Operating lease right-of-use assets | Operating lease right-of-use assets | $ 1,012,857 | $ 1,031,271 |
| Finance lease right-of-use assets (1) | Property, fixtures and equipment, net | 10,058 | 8,858 |
| Total lease assets, net | | $ 1,022,915 | $ 1,040,129 |
| | | | |
| Current operating lease liabilities | Current operating lease liabilities | $ 158,806 | $ 163,724 |
| Current finance lease liabilities | Accrued and other current liabilities | 2,618 | 2,171 |
| Non-current operating lease liabilities | Non-current operating lease liabilities | 1,088,518 | 1,087,353 |
| Non-current finance lease liabilities | Other long-term liabilities, net | 8,359 | 7,347 |
| Total lease liabilities | | $ 1,258,301 | $ 1,260,595 |

(1) Net of accumulated amortization of $4.0 million and $3.5 million as December 29, 2024 and December 31, 2023, respectively.

Following is a summary of expenses and income related to leases recognized in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income for the periods indicated:

| (dollars in thousands) | CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME CLASSIFICATION | FISCAL YEAR 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Operating lease cost (1) | Other restaurant operating | $ 169,661 | $ 171,248 | $ 172,874 |
| Variable lease cost | Other restaurant operating | 3,878 | 2,930 | 53 |
| Finance lease costs: | | | | |
| Amortization of leased assets | Depreciation and amortization | 2,032 | 1,975 | 1,279 |
| Interest on lease liabilities | Interest expense, net | 710 | 667 | 156 |
| Sublease revenue | Franchise and other revenues | (7,060) | (7,614) | (8,978) |
| Lease costs, net | | $ 169,221 | $ 169,206 | $ 165,384 |

(1) Excludes rent expense for office facilities and Company-owned closed or subleased properties of $14.3 million, $12.1 million and $11.9 million for 2024, 2023 and 2022, respectively, which is included in General and administrative expense.

As of December 29, 2024, future minimum lease payments and sublease revenues under non-cancelable leases are as follows:

| (dollars in thousands) | OPERATING LEASES | FINANCE LEASES | SUBLEASE REVENUES |
|---|---|---|---|
| 2025 (1) | $ 165,372 | $ 2,699 | $ (5,559) |
| 2026 | 182,009 | 2,281 | (5,511) |
| 2027 | 173,983 | 1,970 | (5,638) |
| 2028 | 165,855 | 1,181 | (5,557) |
| 2029 | 161,723 | 1,125 | (5,363) |
| Thereafter | 1,327,887 | 6,712 | (28,065) |
| Total minimum lease payments (receipts) (2) | 2,176,829 | 15,968 | $ (55,693) |
| Less: Interest | (929,505) | (4,991) | |
| Present value of future lease payments | $ 1,247,324 | $ 10,977 | |

(1) Net of operating lease prepaid rent of $15.3 million.
(2) Includes $988.4 million related to operating lease renewal options that are reasonably certain of exercise and excludes $172.4 million of signed operating leases that have not yet commenced.

The following table is a summary of the weighted average remaining lease terms and weighted average discount rates of the Company's leases as of the periods indicated:

| | FINANCE LEASES | | OPERATING LEASES | |
|---|---|---|---|---|
| | DECEMBER 29, 2024 | DECEMBER 31, 2023 | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
| Weighted average remaining lease term (1): | 9.1 years | 10.5 years | 13.4 years | 13.3 years |
| Weighted average discount rate (2): | 7.70 % | 7.80 % | 8.22 % | 8.33 % |

(1) Includes lease renewal options that are reasonably certain of exercise.
(2) Based on the Company's incremental borrowing rate at lease commencement or lease remeasurement.

The following table is a summary of cash flow impacts from the Company's Consolidated Financial Statements related to its leases for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Cash flows from operating activities: | | | |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ 184,969 | $ 185,861 | $ 183,817 |

## 15. Fair Value Measurements

*Fair Value Measurements on a Recurring Basis* - The following table summarizes the Company's financial assets and liabilities measured at fair value by hierarchy level on a recurring basis as of the periods indicated:

| | | | FAIR VALUE | |
|---|---|---|---|---|
| (dollars in thousands) | CONSOLIDATED BALANCE SHEET CLASSIFICATION | MEASUREMENT LEVEL | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
| **Assets:** | | | | |
| Short-term investments | Cash and cash equivalents | Level 1 | $ 11,868 | $ 23,920 |
| Short-term investments | Restricted cash and cash equivalents | Level 1 | $ — | $ 2,854 |
| Interest rate swaps | Other current assets, net | Level 2 | $ — | $ 320 |
| Foreign currency forward contracts | Other current assets, net | Level 2 | $ 304 | $ — |
| **Liabilities:** | | | | |
| Interest rate swaps | Accrued and other current liabilities | Level 2 | $ 579 | $ 253 |
| Interest rate swaps | Other long-term liabilities | Level 2 | $ 255 | $ 893 |

Fair value of each class of financial instruments is determined based on the following:

| FINANCIAL INSTRUMENT | METHODS AND ASSUMPTIONS |
|---|---|
| Short-term investments | Carrying value approximates fair value because maturities are less than three months. |
| Derivative instruments | The Company's derivative instruments include interest rate swaps and foreign currency forward contracts. Fair value measurements are based on the contractual terms of the derivatives and observable market-based inputs. Interest rate swaps are valued using a discounted cash flow analysis on the expected cash flows of each derivative using observable inputs including interest rate curves and credit spreads. Foreign currency forwards are valued by comparing the contracted forward exchange rate to the current market forward exchange rate. Key inputs for the valuation of the foreign currency forwards are spot rates, foreign currency forward rates, and the interest rate curve of the domestic currency. The Company also considers its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. As of December 29, 2024 and December 31, 2023, the Company determined that the credit valuation adjustments were not significant to the overall valuation of its derivatives. |

*Fair Value Measurements on a Nonrecurring Basis* - Assets and liabilities that are measured at fair value on a nonrecurring basis relate primarily to property, fixtures and equipment, operating lease right-of-use assets, goodwill and other intangible assets, which are remeasured when carrying value exceeds fair value. Carrying value after impairment approximates fair value. The following table summarizes the Company's assets measured at fair value by hierarchy level on a nonrecurring basis for the periods indicated:

| | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | REMAINING CARRYING VALUE | TOTAL IMPAIRMENT | REMAINING CARRYING VALUE | TOTAL IMPAIRMENT | REMAINING CARRYING VALUE | TOTAL IMPAIRMENT |
| Operating lease right-of-use assets (1) | $ 14,053 | $ 23,895 | $ 4,057 | $ 10,210 | $ 2,219 | $ 1,233 |
| Property, fixtures and equipment (2) | 17,096 | 22,540 | 4,623 | 30,202 | 2,807 | 4,253 |
| | $ 31,149 | $ 46,435 | $ 8,680 | $ 40,412 | $ 5,026 | $ 5,486 |

________________
(1) Carrying values measured using discounted cash flow models (Level 3).
(2) Carrying values measured using Level 2 inputs to estimate fair value totaled $1.2 million for 2024 and 2023. All other assets were valued using Level 3 inputs. Third-party market appraisals and executed sales contracts (Level 2) and discounted cash flow models (Level 3) were used to estimate the fair value.

See Note 5 - *Impairments and Exit Costs* for information regarding impairment charges during 2024 and 2023. Projected future cash flows, including discount rate and growth rate assumptions, are derived from current economic conditions, expectations of management and projected trends of current operating results. As a result, the Company has determined that the majority of the inputs used to value its long-lived assets held and used are unobservable inputs that fall within Level 3 of the fair value hierarchy.

In the assessment of impairment for operating locations, the Company determines the fair values of individual operating locations using an income approach, which requires discounting projected future cash flows. When determining the stream of projected future cash flows associated with an individual operating location, management makes assumptions, including highest and best use and inputs from restaurant operations, where necessary, and about key variables including the following unobservable inputs: revenue growth rates, controllable and uncontrollable expenses, and asset residual values. In order to calculate the present value of those future cash flows, the Company discounts its cash flow estimates at its weighted-average cost of capital applicable to the country in which the measured assets reside. Unobservable inputs, including weighted average cost of capital of 12%, were used in the Company's Level 3 fair value measurements of Operating lease right-of-use assets and Property, fixtures and equipment for the impairment losses incurred during 2024.

*Fair Value of Financial Instruments* - The Company's non-derivative financial instruments consist of cash equivalents, accounts receivable, accounts payable and long-term debt. The fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amounts reported on its Consolidated Balance Sheets due to their short duration.

Debt is carried at amortized cost; however, the Company estimates the fair value of debt for disclosure purposes. The following table includes the carrying value and fair value of the Company's debt by hierarchy level as of the periods indicated:

| | DECEMBER 29, 2024 | | DECEMBER 31, 2023 | |
|---|---|---|---|---|
| (dollars in thousands) | CARRYING VALUE | FAIR VALUE LEVEL 2 | CARRYING VALUE | FAIR VALUE LEVEL 2 |
| Senior secured credit facility - revolving credit facility | $ 710,000 | $ 710,000 | $ 381,000 | $ 381,000 |
| 2025 Notes | $ 20,724 | $ 24,145 | $ 104,786 | $ 265,896 |
| 2029 Notes | $ 300,000 | $ 270,132 | $ 300,000 | $ 277,809 |

## 16. Allowance for Expected Credit Losses

The following table is a rollforward of the Company's trade receivables allowance for expected credit losses for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Allowance for expected credit losses, beginning of the period | $ 5,217 | $ 5,369 | $ 4,020 |
| Provision for expected credit losses | — | — | 1,498 |
| Charge-off of accounts | (1) | (152) | (149) |
| Allowance for expected credit losses, end of the period | $ 5,216 | $ 5,217 | $ 5,369 |

The Company is also exposed to credit losses from off-balance sheet lease guarantees primarily related to the divestiture of certain formerly Company-owned restaurant sites. See Note 18 - *Commitments and Contingencies* for details regarding these lease guarantees.

## 17. Income Taxes

The following table presents the domestic and foreign components of (Loss) income before (benefit) provision for income taxes for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Domestic | $ (53,921) | $ 235,357 | $ 134,465 |
| Foreign | (4,886) | (4,170) | (7,062) |
| (Loss) income before (benefit) provision for income taxes | $ (58,807) | $ 231,187 | $ 127,403 |

(Benefit) provision for income taxes consisted of the following for the periods indicated:

| | FISCAL YEAR | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Current provision (benefit): | | | |
| Federal | $ 12,192 | $ 16,260 | $ 12,368 |
| State | 6,011 | 10,593 | 10,428 |
| Foreign | — | (40) | — |
| | 18,203 | 26,813 | 22,796 |
| Deferred (benefit) provision: | | | |
| Federal | (31,185) | (6,506) | 3,227 |
| State | (348) | 726 | 3,327 |
| Foreign | 1,196 | (2,631) | 4,903 |
| | (30,337) | (8,411) | 11,457 |
| (Benefit) provision for income taxes | $ (12,134) | $ 18,402 | $ 34,253 |

*Effective Income Tax Rate* - The reconciliation of income taxes calculated at the United States federal tax statutory rate to the Company's effective income tax rate is as follows for the periods indicated. Due to the pre-tax book loss for 2024, a positive percentage change for such year in the effective tax rate table reflects a favorable income tax benefit, whereas a negative percentage change in the effective tax rate table reflects an unfavorable income tax expense:

| | FISCAL YEAR | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Income taxes at federal statutory rate | 21.0 % | 21.0 % | 21.0 % |
| State and local income taxes, net of federal benefit | (7.8) | 3.8 | 8.5 |
| Non-deductible loss on 2025 Notes Partial Repurchases | (49.5) | — | 21.4 |
| Net changes in deferred tax valuation allowances | (5.3) | (0.9) | (2.0) |
| Foreign tax rate differential | (2.7) | 0.1 | 0.2 |
| Non-deductible compensation | (2.2) | 1.0 | 1.1 |
| Other non-deductible expenses | (2.2) | 0.3 | (0.1) |
| Change in foreign tax law | (2.0) | (1.1) | 3.8 |
| Statute expiration on foreign net operating losses | (0.3) | 1.1 | 0.9 |
| Tax settlements and related adjustments | (0.1) | 0.1 | 0.2 |
| Employment-related credits, net | 58.9 | (15.9) | (26.7) |
| Non-taxable gains on foreign currency forward contracts | 6.9 | — | — |
| Non-controlling interests | 1.9 | (0.6) | (1.2) |
| Net life insurance expense | 1.4 | (0.3) | 0.7 |
| U.S. tax impact on foreign income | 1.2 | (0.9) | (0.9) |
| Other, net | 1.4 | 0.3 | — |
| Total | 20.6 % | 8.0 % | 26.9 % |

In the U.S., a restaurant company employer may claim a credit against its federal income taxes for FICA taxes paid on certain tipped wages (the "FICA tax credit"). The level of FICA tax credits is primarily driven by U.S. Restaurant sales and is not impacted by costs incurred that may reduce (Loss) income before (benefit) provision for income taxes.

The net increase in the effective income tax rate in 2024 as compared to 2023 was primarily a result of the benefit of FICA tax credits on certain tipped wages, partially offset by the 2024 non-deductible losses associated with the Second 2025 Notes Partial Repurchase, relative to the 2024 pre-tax book loss.

The net decrease in the effective income tax rate in 2023 as compared to 2022 was primarily a result of the non-deductible losses recorded during 2022 associated with the First 2025 Notes Partial Repurchase.

The Company has a blended federal and state statutory rate of approximately 26%. The effective income tax rate for 2024 was lower than the blended federal and state statutory rate primarily due to the federal and state impact of nondeductible losses associated with the Second 2025 Notes Partial Repurchase, partially offset by the FICA tax credits on certain tipped wages, relative to the 2024 pre-tax book loss.

*Deferred Tax Assets and Liabilities* - The income tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities are as follows as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Deferred income tax assets: | | |
| Operating lease liabilities | $ 320,169 | $ 319,039 |
| Insurance reserves | 13,874 | 14,184 |
| Unearned revenue | 57,567 | 55,746 |
| Deferred compensation | 11,392 | 12,210 |
| Net operating loss carryforwards | 9,002 | 7,046 |
| Federal tax credit carryforwards | 202,319 | 177,775 |
| Other, net (1) | 6,905 | 5,667 |
| Gross deferred income tax assets | 621,228 | 591,667 |
| Less: valuation allowance | (13,707) | (10,483) |
| Deferred income tax assets, net of valuation allowance | 607,521 | 581,184 |
| Deferred income tax liabilities: | | |
| Less: operating lease right-of-use asset basis differences | (252,958) | (257,422) |
| Less: property, fixtures and equipment basis differences | (68,814) | (70,934) |
| Less: intangible asset basis differences | (100,227) | (97,656) |
| Less: foreign outside basis differences | (33,822) | — |
| Deferred income tax assets, net | $ 151,700 | $ 155,172 |

(1) As of December 29, 2024 and December 31, 2023, the Company maintained deferred tax liabilities for state income taxes on historical foreign earnings of $0.3 million and $0.5 million, respectively.

As of December 29, 2024, valuation allowances against deferred tax assets in the U.S. and in certain foreign jurisdictions totaled $0.9 million and $12.8 million, respectively. The Company will maintain the valuation allowances in each applicable tax jurisdiction until it determines it is more likely than not the deferred tax assets will be realized. The net change in the deferred tax valuation allowance in 2024 is primarily attributable to additional net operating loss carryforwards in certain foreign jurisdictions with full valuation allowances recorded that are available to the Company.

In connection with the Brazil Sale Transaction, the Company no longer asserts that is it is indefinitely reinvested in its Brazil operations and has recorded a deferred tax liability of $33.8 million. The deferred tax liability is related to the financial statement carrying amount over the respective tax basis of the Company's investment in the Brazil operations. Except for the Brazil operations, the Company has not recorded a deferred tax liability on the financial statement carrying amount over the tax basis of its investments in foreign subsidiaries because the Company continues to assert that it is indefinitely reinvested in its underlying investments in foreign subsidiaries. The determination of any unrecorded deferred tax liability on this amount is not practicable due to the uncertainty of how these investments would be recovered.

As of December 29, 2024, the Company did not have aggregate undistributed foreign earnings from its consolidated foreign subsidiaries.

*Tax Carryforwards* - The amount and expiration dates of tax loss carryforwards and credit carryforwards as of December 29, 2024 are as follows:

| (dollars in thousands) | EXPIRATION DATE | AMOUNT |
|---|---|---|
| Federal tax credit carryforwards | 2026 - 2044 | $ 214,846 |
| Foreign loss carryforwards | 2025 - Indefinite | $ 50,187 |
| Foreign credit carryforwards | Indefinite | $ 864 |

As of December 29, 2024, the Company had $213.7 million in general business tax credit carryforwards, which have a 20-year carryforward period and are utilized on a first-in, first-out basis. The Company currently expects to utilize these tax credit carryforwards within a 10-year period. However, the Company's ability to utilize these tax credits could be adversely impacted by, among other items, a future "ownership change" as defined under Section 382 of the Internal Revenue Code as well as the Company's inability to generate sufficient future taxable income.

*Unrecognized Tax Benefits* - As of December 29, 2024 and December 31, 2023, the liability for unrecognized tax benefits was $17.5 million and $17.1 million, respectively. Of the total amount of unrecognized tax benefits, including accrued interest and penalties, $17.1 million and $16.6 million, respectively, if recognized, would impact the Company's effective income tax rate.

The following table summarizes the activity related to the Company's unrecognized tax benefits for the period indicated:

| (dollars in thousands) | FISCAL YEAR 2024 |
|---|---|
| Balance, beginning of the period | $ 17,121 |
| Additions for tax positions taken during a prior period | 19 |
| Reductions for tax positions taken during a prior period | (6) |
| Additions for tax positions taken during the current period | 941 |
| Lapses in the applicable statutes of limitations | (596) |
| Balance, end of the period | $ 17,479 |

The Company had approximately $0.7 million and $0.5 million accrued for the payment of interest and penalties as of December 29, 2024 and December 31, 2023, respectively. The Company recognized immaterial interest and penalties related to uncertain tax positions in the (Benefit) provision for income taxes, for all periods presented.

In many cases, the Company's uncertain tax positions are related to tax years that remain subject to examination by relevant taxable authorities. Based on the outcome of these examinations, or a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related recorded unrecognized tax benefits for tax positions taken on previously filed tax returns will change by approximately $0.5 million to $1.0 million within the next 12 months.

*Open Tax Years* - Following is a summary of the open audit years by jurisdiction as of December 29, 2024:

| | OPEN AUDIT YEARS |
|---|---|
| United States - federal | 2007 - 2023 |
| United States - state | 2020 - 2023 |
| Foreign | 2015 - 2023 |

## 18. Commitments and Contingencies

*Lease Guarantees* - The Company assigned its interest, and is contingently liable, under certain real estate leases, the latest of which expires in 2032. As of December 29, 2024, the undiscounted payments the Company could be required to make in the event of non-payment by the primary lessees was approximately $10.4 million. The present value of these potential payments discounted at the Company's incremental borrowing rate as of December 29, 2024 was approximately $8.6 million. In the event of default, the indemnity clauses in the Company's purchase and sale agreements govern its ability to pursue and recover damages incurred. As of December 29, 2024 and December 31, 2023, the Company's recorded contingent lease liability was $1.6 million and $5.3 million, respectively.

*Purchase Obligations* - Purchase obligations were $168.5 million and $165.1 million as of December 29, 2024 and December 31, 2023, respectively. These purchase obligations are primarily due within three years, however commitments with various vendors extend through December 2030. Outstanding commitments consist primarily of inventory, technology, store-level services and fixtures and equipment. In 2024, the Company purchased more than 90% of its U.S. beef raw materials from four beef suppliers that represent a significant portion of the total beef marketplace in the U.S.

*Litigation and Other Matters* - The Company is subject to legal proceedings, claims and liabilities, such as liquor liability, slip and fall cases, wage and hour and other employment-related litigation, which arise in the ordinary course of business. A reserve is recorded when it is both: (i) probable that a loss has occurred and (ii) the amount of loss can be reasonably estimated. The Company evaluates, on a quarterly basis, developments in legal proceedings that could cause an increase or decrease in the amount of the reserve that has been previously recorded, or a revision to the disclosed estimated range of possible losses, as applicable.

The Company's legal proceedings range from cases brought by a single plaintiff to threatened class actions with many putative class members. While some matters pending against the Company specify the damages claimed by the plaintiff or class, many seek unspecified amounts or are at very early stages of the legal process. Even when the amount of damages claimed against the Company are stated, the claimed amount may be exaggerated, unsupported or unrelated to possible outcomes, and as such, are not meaningful indicators of the Company's potential liability or financial exposure. As a result, some matters have not yet progressed sufficiently through discovery or development of important factual information and legal issues to enable the Company to estimate an amount of loss or a range of possible loss.

The Company intends to defend itself in legal matters. Some of these matters may be covered, at least in part, by insurance if they exceed specified retention or deductible amounts. However, it is possible that claims may be denied by the Company's insurance carriers, the Company may be required by its insurance carriers to contribute to the payment of claims, or the Company's insurance coverage may not continue to be available on acceptable terms or in sufficient amounts. The Company records receivables from third party insurers when recovery has been determined to be probable. The Company believes that the ultimate determination of liability in connection with legal claims pending against the Company, if any, in excess of amounts already provided for such matters in the consolidated financial statements, will not have a material adverse effect on its business, annual results of operations, liquidity or financial position. However, it is possible that the Company's business, results of operations, liquidity or financial condition could be materially affected in a particular future reporting period by the unfavorable resolution of one or more matters or contingencies during such period.

In recent years, certain subsidiaries of the Company were named in collective actions alleging violations of the Fair Labor Standards Act and state wage and hour laws. For these and other matters, the Company recorded reserves of $2.3 million and $10.5 million as of December 29, 2024 and December 31, 2023, respectively, within Accrued and other current liabilities on its Consolidated Balance Sheets. While the Company believes that additional losses beyond these accruals are reasonably possible, it cannot estimate a possible loss contingency or range of reasonably possible loss contingencies beyond these accruals. During 2024, 2023 and 2022, the Company recognized $(0.9) million, $(0.2) million and $9.4 million, respectively, in Other restaurant operating expense in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income for certain legal reserves and settlements.

*Insurance* - As of December 29, 2024, the future undiscounted payments the Company expects for workers' compensation, general liability and health insurance claims are as follows:

| | FISCAL YEAR | | | | | | |
|---|---|---|---|---|---|---|---|
| **(dollars in thousands)** | **2025** | **2026** | **2027** | **2028** | **2029** | **THEREAFTER** | **TOTAL** |
| Undiscounted payments | $ 19,872 | $ 13,113 | $ 9,891 | $ 5,735 | $ 3,088 | $ 7,708 | $ 59,407 |

The following is a reconciliation of the expected aggregate undiscounted reserves to the discounted reserves for insurance claims recognized on the Company's Consolidated Balance Sheets as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Undiscounted reserves | $ 59,407 | $ 52,494 |
| Discount (1) | (6,361) | (6,568) |
| Discounted reserves | $ 53,046 | $ 45,926 |
| | | |
| Discounted reserves recognized on the Company's Consolidated Balance Sheets: | | |
| Accrued and other current liabilities | $ 19,527 | $ 19,310 |
| Other long-term liabilities, net | 33,519 | 26,616 |
| | $ 53,046 | $ 45,926 |

(1) Discount rates of 4.21% and 5.13% were used for December 29, 2024 and December 31, 2023, respectively.

## 19. Segment Reporting

The Company considers each of its U.S. restaurant concepts and its international franchise business as operating segments, which reflects how the Company manages its business, reviews operating performance and allocates resources. All other operating segments, which include the Company's operations in Hong Kong and China do not meet the quantitative thresholds for determining reportable operating segments.

Resources are allocated and performance is assessed by the Company's Chief Executive Officer, whom the Company has determined to be its CODM. The Company aggregates its U.S. operating segments into a U.S. reportable segment. The U.S. segment includes all restaurants operating in the U.S. while franchised restaurants operating outside the U.S. are included in the international franchise segment.

The following is a summary of reportable segments:

| REPORTABLE SEGMENT | CONCEPT | GEOGRAPHIC LOCATION |
|---|---|---|
| U.S. (1) | Outback Steakhouse<br>Carrabba's Italian Grill<br>Bonefish Grill<br>Fleming's Prime Steakhouse & Wine Bar | United States of America |
| International Franchise | Outback Steakhouse<br>Carrabba's Italian Grill (Abbraccio) | 12 Franchise Markets |

(1) Includes franchise locations.

Segment accounting policies are the same as those described in Note 2 - *Summary of Significant Accounting Policies*. Revenues for all segments include only transactions with customers and exclude intersegment revenues. Excluded from Income from operations for U.S. are certain legal and corporate costs not directly related to the performance of the segment, most stock-based compensation expenses, a portion of insurance expenses and certain bonus expenses.

Operating income is utilized by the Company's CODM as the primary segment profit or loss measure. The Company's CODM utilizes the segment profit or loss measures to manage the business, review operating performance and allocate resources.

The following table is a summary of revenues by segment for the periods indicated:

| (dollars in thousands) | FISCAL YEAR 2024 | FISCAL YEAR 2023 | FISCAL YEAR 2022 |
|---|---|---|---|
| Revenues | | | |
| U.S. | $ 3,857,134 | $ 4,053,599 | $ 3,911,870 |
| International Franchise | 39,490 | 41,524 | 36,202 |
| Total segment revenues | 3,896,624 | 4,095,123 | 3,948,072 |
| All other revenues (1) | 53,851 | 73,037 | 61,178 |
| Total revenues | $ 3,950,475 | $ 4,168,160 | $ 4,009,250 |

(1) Includes revenues related to the Company's Hong Kong and China subsidiaries.

The following table presents segment operating income and significant segment expense information for the periods indicated:

| (dollars in thousands) | FISCAL YEAR 2024 | FISCAL YEAR 2023 | FISCAL YEAR 2022 |
|---|---|---|---|
| ***U.S.*** | | | |
| Total revenues | $ 3,857,134 | $ 4,053,599 | $ 3,911,870 |
| Less: | | | |
| Food and beverage | 1,132,678 | 1,219,141 | 1,217,774 |
| Labor and other related | 1,183,227 | 1,203,170 | 1,131,844 |
| Other restaurant operating | 970,119 | 964,308 | 917,401 |
| Other (1) | 321,060 | 289,446 | 236,991 |
| Total segment expenses | $ 3,607,084 | $ 3,676,065 | $ 3,504,010 |
| Income from operations | $ 250,050 | $ 377,534 | $ 407,860 |
| | | | |
| ***International Franchise*** | | | |
| Total revenues | $ 39,490 | $ 41,524 | $ 36,202 |
| Less: | | | |
| Total segment expenses (2) | 1,529 | 2,317 | 1,986 |
| Income from operations | $ 37,961 | $ 39,207 | $ 34,216 |
| | | | |
| ***Total segment*** | | | |
| Total revenues | $ 3,896,624 | $ 4,095,123 | $ 3,948,072 |
| Less: | | | |
| Total segment expenses | 3,608,613 | 3,678,382 | 3,505,996 |
| Total segment income from operations | $ 288,011 | $ 416,741 | $ 442,076 |

(1) Includes depreciation and amortization, general and administrative and impairment expense.
(2) Includes amortization and general and administrative expense.

The following table is a reconciliation of segment income from operations to (Loss) income before (benefit) provision for income taxes for the periods indicated:

| (dollars in thousands) | FISCAL YEAR 2024 | FISCAL YEAR 2023 | FISCAL YEAR 2022 |
|---|---|---|---|
| Total segment income from operations | $ 288,011 | $ 416,741 | $ 442,076 |
| Unallocated corporate operating expense | (130,769) | (134,057) | (132,837) |
| Other (loss) income from operations (1) | (17,434) | 85 | (3,157) |
| Total income from operations | 139,808 | 282,769 | 306,082 |
| Loss on extinguishment of debt | (136,022) | — | (107,630) |
| Loss on fair value adjustment of derivatives, net | — | — | (17,685) |
| Interest expense, net | (62,593) | (51,582) | (53,364) |
| (Loss) income before (benefit) provision for income taxes | $ (58,807) | $ 231,187 | $ 127,403 |

(1) Includes net (loss) income from operations related to the Company's Hong Kong and China subsidiaries.

The following table is a summary of Depreciation and amortization expense by segment for the periods indicated:

| (dollars in thousands) | FISCAL YEAR 2024 | FISCAL YEAR 2023 | FISCAL YEAR 2022 |
|---|---|---|---|
| Depreciation and amortization | | | |
| U.S. | $ 165,140 | $ 157,878 | $ 139,170 |
| International Franchise | — | 252 | 114 |
| Total segment depreciation and amortization | 165,140 | 158,130 | 139,284 |
| Corporate | 8,568 | 7,611 | 6,936 |
| Other | 1,872 | 3,525 | 3,680 |
| Total depreciation and amortization | $ 175,580 | $ 169,266 | $ 149,900 |

The following table is a summary of capital expenditures by segment for the periods indicated:

| (dollars in thousands) | FISCAL YEAR 2024 | FISCAL YEAR 2023 | FISCAL YEAR 2022 |
|---|---|---|---|
| Capital expenditures | | | |
| U.S. | $ 210,792 | $ 276,660 | $ 196,163 |
| Corporate | 7,303 | 11,961 | 11,709 |
| Other | 734 | 612 | 857 |
| Discontinued operations | 37,323 | 44,930 | 27,790 |
| Total capital expenditures | $ 256,152 | $ 334,163 | $ 236,519 |

The following table sets forth Total assets by segment as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| Assets | | |
| U.S. | $ 2,735,251 | $ 2,703,751 |
| International Franchise | 103,242 | 103,545 |
| Total segment assets | 2,838,493 | 2,807,296 |
| Corporate | 306,560 | 291,540 |
| Other | 16,262 | 37,320 |
| Assets of discontinued operations held for sale | 223,490 | 287,925 |
| Total assets | $ 3,384,805 | $ 3,424,081 |

*Geographic areas* — International assets are defined as assets residing in a country other than the U.S. The following table details long-lived assets, excluding goodwill, operating lease right-of-use assets, intangible assets and deferred tax assets, by major geographic area as of the periods indicated:

| (dollars in thousands) | DECEMBER 29, 2024 | DECEMBER 31, 2023 |
|---|---|---|
| U.S. | $ 1,018,309 | $ 980,731 |
| International | 4,683 | 7,524 |
| Total long-lived assets | $ 1,022,992 | $ 988,255 |

## 20. Selected Quarterly Financial Data (Unaudited)

| | 2024 FISCAL QUARTERS | | | | FISCAL YEAR |
|---|---|---|---|---|---|
| (dollars in thousands, except per share data) | FIRST (1) | SECOND (1) | THIRD (1) | FOURTH (1) | 2024 |
| Total revenues | $ 1,069,073 | $ 999,369 | $ 910,013 | $ 972,020 | $ 3,950,475 |
| Income from operations | 70,917 | 44,052 | 8,642 | 16,197 | 139,808 |
| Net (loss) income from continuing operations | (85,198) | 25,976 | (36) | 12,585 | (46,673) |
| Net (loss) income from continuing operations attributable to Bloomin' Brands | (86,780) | 24,748 | (665) | 10,661 | (52,036) |
| (Loss) earnings per share from continuing operations: | | | | | |
| Basic | $ (1.00) | $ 0.29 | $ (0.01) | $ 0.13 | $ (0.61) |
| Diluted | $ (1.00) | $ 0.28 | $ (0.01) | $ 0.12 | $ (0.61) |

| | 2023 FISCAL QUARTERS | | | | FISCAL YEAR |
|---|---|---|---|---|---|
| (dollars in thousands, except per share data) | FIRST | SECOND | THIRD | FOURTH (2) | 2023 |
| Total revenues | $ 1,122,066 | $ 1,032,755 | $ 941,625 | $ 1,071,714 | $ 4,168,160 |
| Income from operations | 107,132 | 78,741 | 47,296 | 49,600 | 282,769 |
| Net income from continuing operations | 81,989 | 60,270 | 32,502 | 38,024 | 212,785 |
| Net income from continuing attributable to Bloomin' Brands | 79,872 | 58,545 | 31,599 | 35,741 | 205,757 |
| Earnings per share from continuing operations: | | | | | |
| Basic | $ 0.90 | $ 0.66 | $ 0.36 | $ 0.41 | $ 2.36 |
| Diluted | $ 0.81 | $ 0.60 | $ 0.32 | $ 0.37 | $ 2.13 |

(1) Income from operations in the first, second, third and fourth quarters include expense of $13.0 million, $16.2 million, $5.1 million and $30.6 million, respectively, primarily related to asset impairment, closure costs and severance in connection with the 2023 Restaurant Closures, the closure of nine Hong Kong restaurants and the Q4 2024 Restaurant Impairment. Net loss in the first quarter includes losses in connection with the Second 2025 Notes Partial Repurchase.

(2) Total revenues includes $83.5 million for the 53rd week. Income from operations includes expense of $32.4 million, primarily related to asset impairments, closure costs and severance partially offset by lease remeasurement gains in connection with the 2023 Restaurant Closures. Includes $0.15 of additional diluted earnings per share from a 53rd operating week.

**EXHIBIT B-1 TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**FRANCHISE AGREEMENT**

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**OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**

# TABLE OF CONTENTS

**Page**

**Table of Contents**



ATTACHMENTS:

**OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**

**THIS RESTAURANT FRANCHISE AGREEMENT** ("**Agreement**") is made and entered into effective as of ______________________ (hereinafter the "**Effective Date**"), regardless of the actual date of signature, by and between **Outback Steakhouse of Florida LLC**, a Florida limited liability company, having its principal office at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 (hereinafter "**Franchisor**"), and _____________________, a(n) _______________ having its principal office at __________________ (hereinafter "**Franchisee**"). This Franchise Agreement relates to Restaurant No. ________________ located (or to be located) in _______________________. Certain capitalized and defined terms will have the meaning attributed to them in this Agreement.

**W I T N E S S E T H:**

**WHEREAS**, Franchisor has developed and owns a distinctive system for the establishment and operation of casual dining, full service restaurants featuring a specialized menu and full bar service (each an "**Outback Steakhouse restaurant**" and collectively "**Outback Steakhouse restaurants**"), the distinguishing characteristics of which include, without limitation, special recipes and menu items; the Proprietary Marks (defined below); general restaurant layout; distinctive design, décor, color scheme and furnishings; equipment and signage; uniform standards, specifications, and procedures for operations, quality, training and uniformity of products and services offered; procedures for inventory and management control; training and assistance; guest experience technology; and advertising and promotional programs; all of which may from time to time be changed, improved, and further developed by Franchisor (hereinafter "**System**"); and

**WHEREAS**, Franchisor identifies the System by the use of certain trade names, service marks, trademarks, logos, emblems, trade dress, and other indicia of origin, including, but not limited to, the mark OUTBACK STEAKHOUSE®, all as are now or hereafter designated by Franchisor in writing for use in connection with the System (collectively hereinafter "**Proprietary Marks**"); and

**WHEREAS**, Franchisee desires to own and operate an Outback Steakhouse restaurant under the Proprietary Marks and other aspects of the System and to obtain a franchise for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith; and

**WHEREAS**, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance and service and the necessity of operating an Outback Steakhouse restaurant in conformity with Franchisor's standards and specifications;

**NOW, THEREFORE**, intending to be legally bound, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

**ARTICLE I**
**GRANT OF FRANCHISE AND TERRITORY**

**Section 1.1** Grant. Subject to the terms and conditions contained herein, Franchisor hereby grants to Franchisee the right and franchise, and Franchisee undertakes the obligation, to operate one casual dining, full service Outback Steakhouse restaurant (hereinafter the "**Restaurant**") and to use the Proprietary Marks and other aspects of the System solely in connection with the operation of the Restaurant at the approved location indicated in **Attachment A**. This Agreement does not grant Franchisee any rights to use the System or Proprietary Marks except in connection with the operation of the Restaurant at its approved location in accordance with the terms and conditions of this Agreement.

**Section 1.2** Protected Restaurant Territory. In this Agreement, the "**Territory**" means the geographic area which is a circle with the Restaurant's front entrance at its center and a radius of three (3) miles. Provided Franchisee and the Franchise Principal (defined in **Section 6.3** hereof) are in full compliance with this Agreement and all other agreements between Franchisee or the Franchise Principal, on the one hand, and Franchisor or any of its Affiliates (as defined in Section 18.18), on the other hand, then during the term of this Agreement, neither Franchisor nor its Affiliates will operate, or authorize any other party to operate, a casual dining, full service Outback Steakhouse restaurant the physical premises of which are located within the Territory, except for Outback Steakhouse restaurants located at Non-Traditional Locations within the Territory and Alternative Segment Outback Steakhouse restaurants located within the Territory. "**Non-Traditional Locations**" means airports, amusement parks, sports stadiums, college and university buildings, hospitals and other medical centers, Indian reservations, casinos, military bases, and other venues to which the general public customarily does not have unlimited access or at which food services are managed by service providers with national or international operations. "**Alternative Segment Outback Steakhouse restaurants**" means one or more types of restaurants that operate using the Proprietary Marks and certain aspects of the System, but are materially different in size, restaurant segment/category, pricing, food service method or target customer than the casual dining, full-service Restaurant operated pursuant to this Agreement. Franchisee shall have no other rights in the Territory and shall have no right to sell products or services in the Territory except for products and services sold at the Restaurant located at the approved location.

**Section 1.3** Reservation of Rights. Except as provided in **Section 1.2** hereof, Franchisee's rights under this Agreement are non-exclusive and limited solely to the operation of the Restaurant. Franchisor (and its Affiliates) retain the exclusive right during the term of this Agreement to engage in any and all activities that Franchisor (and they) desire, at any time or place, and whether or not these activities compete with the Restaurant, including, without limitation, the exclusive right to:

(a) establish and operate, and authorize other parties to establish and operate, Outback Steakhouse restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Territory, on any terms and conditions Franchisor deems appropriate;

(b) establish and operate, and authorize other parties to establish and operate, Alternative Segment Outback Steakhouse restaurants, whether within or outside the Territory, on any terms and conditions Franchisor deems appropriate;

(c) establish and operate, and authorize other parties to establish and operate, restaurants that are not Outback Steakhouse restaurants at any locations, whether within or outside the Territory, on any terms and conditions Franchisor deems appropriate;

(d) establish and operate, and authorize other parties to establish and operate, Outback Steakhouse restaurants the physical premises of which are located outside the Territory on any terms and conditions Franchisor deems appropriate;

(e) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Proprietary Marks or any other trademarks or service marks, including, but not limited to, gift certificates, gift cards, stored value cards and similar programs (hereinafter "**Stored Value Cards**"), food products, and merchandise, to any customers Franchisor desires (wherever located or operating, whether within or outside the Territory) and through any distribution channels or methods Franchisor desires (wherever located or operating, whether within or outside the Territory), including, without limitation, by selling products identified by the Proprietary Marks through grocery stores, club stores, convenience stores, other retail outlets, wholesale, catering, delivery, temporary events, mail order and/or the Internet (or any other existing or future form of electronic commerce); and

(f) engage in all other activities that this Agreement does not expressly prohibit.

**Section 1.4** Organization of Franchisee. Because Franchisee is a corporation, partnership, limited liability company or other entity, the following requirements shall also apply to Franchisee:

(a) Franchisee shall be newly organized and its charter, partnership agreement or other organizing document shall at all times provide that its activities are confined exclusively to operating the Restaurant.

(b) Copies of Franchisee's Articles of Incorporation, Bylaws, Partnership Agreement or other governing documents, and any amendments thereto, including, without limitation, the resolution of the Board of Directors, General Partners or other managing entity authorizing entry into this Agreement, shall be promptly furnished to Franchisor.

(c) Franchisee shall maintain stop transfer instructions against the transfer on its records of any Ownership Interests in Franchisee. In this Agreement, "**Ownership Interest**" means the direct or indirect (through one or more agents, subsidiaries or other intermediaries), record or beneficial ownership of, or right to vote or control the voting of, (i) any share of stock, whether common or preferred (in relation to a corporation), any membership interest (in relation to a limited liability company), any general or limited partnership interest (in relation to a partnership), or any beneficial interest in a trust or other entity (in relation to a trust or other entity); (ii) any other legal or equitable interest in the revenue, profits, losses, rights and/or assets of an entity; or (iii) any security or other right or interest that is convertible into any right or interest reflected in (i) or (ii) above. Each certificate representing an Ownership Interest in Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to Franchisor that it is held subject to, and that further transfer thereof is subject to, all restrictions imposed upon transfers by this Agreement.

(d) Franchisee shall maintain a current list of all Owners and shall complete the Principal Owners' Statement attached hereto as **Attachment E** and furnish it to Franchisor promptly upon request. In this Agreement, an "**Owner**" is any person or entity that owns or holds (whether beneficially, of record or otherwise) any direct or indirect Ownership Interest in Franchisee or the Restaurant, including, without limitation, ownership through one or more agents, subsidiaries or other intermediaries.

(e) Simultaneously with signing this Agreement, Franchisee will cause the Franchise Principal to sign and deliver to Franchisor the "**Franchise Principal Agreement**" attached as **Attachment B** undertaking personally to be bound, jointly and severally with Franchisee, by all provisions of this Agreement. In addition, simultaneously with signing this Agreement, Franchisee will cause each Owner other than the Franchise Principal to sign and deliver to Franchisor the "**Owner/Executive Agreement**" attached as **Attachment C** under which they undertake personally to be bound, jointly and severally, by certain non-monetary provisions of this Agreement.

## ARTICLE II
## TERM AND RENEWAL

**Section 2.1** Initial Term. The term of this Agreement shall commence on the date of this Agreement and expire, unless sooner terminated:

(a) if the real property on which the Restaurant is located is owned by Franchisee, its Affiliate, the Franchise Principal or any other person or entity who also owns, directly or indirectly, more than ten percent (10%) of the Ownership Interests in Franchisee (hereinafter "**Affiliated Landowner**"), twenty (20) years from the date the Restaurant first opens for business (hereinafter "**Opening Date**"); or

(b) otherwise, if the real property on which the Restaurant is located is not owned by an Affiliated Landowner, on the earlier of (i) twenty (20) years from the Opening Date or (ii) upon expiration of the Lease (defined in **Section 4.3** hereof), provided Franchisee has exercised all renewal rights and options available to Franchisee under the Lease as of the date hereof.

**Section 2.2** <u>Renewal</u>. When this Agreement expires (unless it is terminated sooner), Franchisee shall have the option to acquire a renewal franchise and continue operating the Restaurant under the Proprietary Marks and other aspects of the System at the same location for one (1) additional consecutive term of twenty (20) years, subject to the following conditions, all of which must be met prior to or simultaneously with exercising such renewal option:

(a) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than twelve (12) months nor more than eighteen (18) months prior to the end of the initial term;

(b) Franchisee shall, to Franchisor's reasonable satisfaction, renovate and modernize the Restaurant premises to reflect the then-current standards and image for new Outback Steakhouse restaurants, including, without limitation, renovation of signs, furnishings, fixtures, equipment, and décor; provided that if the Restaurant has been modernized to Franchisor's then-current specifications in the seven (7) year period prior to the date of renewal, then, except for any signage, equipment or production upgrades prescribed by Franchisor, Franchisee will not be required to renovate or modernize the Restaurant until the earlier of: (i) the seven (7) year anniversary of such prior modernization; or (ii) such time as a majority of the Outback Steakhouse restaurants then operated in the United States by Franchisor or its Affiliates (other than Nontraditional Locations or Alternative Segment Outback Steakhouse restaurants) have made or are utilizing commercially reasonable efforts to make such improvements or modifications;

(c) Franchisee and the Franchise Principal shall be in full compliance with all provisions of this Agreement, as amended, and any other agreement between Franchisee or the Franchise Principal, on the one hand, and Franchisor or its Affiliates, on the other hand, and Franchisee and the Franchise Principal shall have substantially complied with all provisions of such agreements during the terms thereof;

(d) Franchisee shall have satisfied all monetary obligations owed to Franchisor and its Affiliates and shall have timely met those obligations throughout the term of this Agreement;

(e) Franchisee shall present satisfactory evidence that Franchisee has the right to remain in possession of the Restaurant's approved location for the duration of the renewal term;

(f) Franchisee shall execute and deliver to Franchisor Franchisor's then current form of renewal franchise agreement, which agreement shall replace this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and advertising contribution and different rights in, and/or geographic area comprising, the Territory; provided, however, that (i) such renewal franchise agreement shall not contain any additional rights to a renewal or successor franchise, and

(ii) Franchisee shall pay under such renewal franchise agreement, in lieu of an initial franchise fee, a renewal fee equal to fifty percent (50%) of the standard initial franchise fee being charged to new franchisees of Outback Steakhouse restaurants at the time of renewal;

(g) Franchisee shall execute and deliver to Franchisor a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its Affiliates, and their respective officers, directors, owners, employees, agents, representatives, successors and assigns. The current form of Franchisor's general release is attached as **Attachment F**, but this form may change significantly by the time this Agreement is up for renewal; and

(h) Franchisee shall comply with Franchisor's then current qualification and training requirements.

If Franchisee fails to sign and return to Franchisor the documents referenced in (f) and (g) above, and pay the renewal fee referenced in (f) above, within thirty (30) days after Franchisor delivers those documents to Franchisee, that will be deemed Franchisee's election not to acquire a renewal franchise. If Franchisee and the Franchise Principal are not, both on the date Franchisee gives Franchisor written notice of Franchisee's election to acquire a renewal franchise and on the date on which this Agreement expires, in full compliance with this Agreement and all other agreements between Franchisee or the Franchise Principal, on the one hand, and Franchisor or any of its Affiliates, on the other hand, Franchisee acknowledges that Franchisor need not grant Franchisee a renewal franchise, whether or not Franchisor had, or chose to exercise, the right to terminate this Agreement during its term.

## ARTICLE III
## FEES

**Section 3.1** Initial Franchise Fee. Franchisee shall pay to Franchisor an initial franchise fee of Forty Thousand Dollars ($40,000) in accordance with this **Section 3.1**. Franchisee shall pay to Franchisor Twenty Thousand Dollars ($20,000) simultaneously with signing this Agreement and Twenty Thousand Dollars ($20,000) on or before the date upon which construction of the Restaurant commences (as described in **Section 4.5** hereof). Upon signing this Agreement, the initial franchise fee of Forty Thousand Dollars ($40,000) shall be deemed fully earned and non-refundable in consideration for administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

**Section 3.2** Monthly Royalty. During the term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly royalty fee in an amount equal to five percent (5.0%) of the Restaurant's Net Sales, as defined in **Section 3.4** hereof.

**Section 3.3** Adjusted Royalty Fees and Other Payments. If state or local law applicable to the Restaurant prohibits or restricts in any way Franchisee's ability to pay, or Franchisor's ability to collect, royalty fees or other amounts based on Net Sales derived from the sale of liquor and alcoholic beverages at the Restaurant, then Franchisor and Franchisee will adjust the royalty fee, multi-unit campaign contribution, and other applicable provisions of this Agreement to provide the same economic benefit to both parties as currently provided in this Agreement, with a corresponding change to the definition of Net Sales. In such event, Franchisee agrees to execute appropriate document(s) in the form Franchisor prescribes to give effect to or take account of such revisions.

**Section 3.4** Payment Method and Timing.

(a) Franchisor utilizes a 52/53 week fiscal year ending each year on the Sunday in December closest to December 31. Each fiscal quarter will consist of 13 weeks, with two four week periods and one five week (or six week in certain years) period ("4-4-5"). The operational week will begin on Monday and end on Sunday. No later than November 1 of each year during the Term Franchisor will provide Franchisee with a reporting calendar for the following fiscal year.

(b) All monthly payments to Franchisor required by this **Article III** shall be paid by the tenth (10th) day of each month based on the Net Sales for the preceding calendar month, or if directed by Franchisor, for the preceding four, five or six-week period as specified by Franchisor in the reporting calendar. At Franchisor's option, Franchisee agrees to sign and deliver to Franchisor the documents that Franchisor periodically requires to authorize Franchisor to debit Franchisee's business checking account automatically for the royalty fee and other amounts due under this Agreement or any related agreement between Franchisor (or its Affiliates) and Franchisee. If Franchisor institutes an automatic debit program for the Restaurant, Franchisor may debit Franchisee's account for the royalty fee and other amounts on or after the due date, based on the Net Sales for the previous month. Franchisee agrees to make the funds available for withdrawal by electronic transfer before each due date. In connection with the automatic debit program, Franchisor may require Franchisee to procure, at Franchisee's expense, overdraft protection for its business checking account in an amount that Franchisor reasonably specifies. Franchisee agrees to reimburse Franchisor for any "insufficient funds" charges and related expenses that Franchisor incurs in connection with (1) any checks that Franchisor receives from Franchisee or (2) Franchisee's failure to maintain sufficient funds in its automatic debit account.

(c) If Franchisee fails to report the Restaurant's Net Sales for any month, Franchisor may debit Franchisee's account for one hundred twenty percent (120%) of the amount that Franchisor debited for the previous month. If the amount Franchisor debits from Franchisee's account is less than the amount Franchisee actually owes Franchisor for the month (once Franchisor has determined the true and correct Net Sales of the Restaurant for the month), Franchisor will debit Franchisee's account for the balance due on the day that Franchisor specifies. If the amount Franchisor debits from Franchisee's account is greater than the amount Franchisee actually owes Franchisor for the month (once Franchisor has determined the true and correct Net Sales of the Restaurant for the month), Franchisor will credit the excess, without interest, against the amount that Franchisor otherwise would debit from Franchisee's account during the following month.

(d) Franchisor reserves the right to modify the timing, manner and method of continuing or other payments made under this Agreement, including, but not limited to, aligning timing of payments and time period covered by payments with Franchisor's then current accounting calendar, increasing the technology fee set forth in **Section 6.10(n)** and increasing Franchisee's advertising expenditures pursuant to **Sections 11.3** and **11.4**; provided that nothing in this Section permits Franchisor to increase the percentage rate of the royalty fee provided for in **Section 3.2** hereof.

(e) Franchisee may not subordinate to any other obligation its obligation to pay royalty fees or any other fee or charge under this Agreement.

**Section 3.5** Net Sales. As used in this Agreement, "**Net Sales**" means all revenue from sales conducted upon or from the Restaurant, whether from check, cash, credit, charge account, debit account, exchange, trade credit, other credit transactions, barter or otherwise, including, without limitation, any implied or imputed Net Sales from any business interruption insurance. However, Net Sales exclude: (1) sales for which cash has been refunded, if those sales were previously included in Net Sales; (2) federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (3) the face value of coupons or discounts that customers redeem; provided, however, that Net Sales shall not be reduced by the face value of any coupons or discounts if Franchisor provides any cost reimbursement for such coupon or discount. Each charge or sale upon credit shall be treated as a sale for the full price on the day during which such charge or sale is made, irrespective of when Franchisee receives payment (whether full or partial, or at all) on that sale. Amounts paid by Stored Value Card are included in Net Sales when the gift certificate, other instrument or applicable credit is redeemed. For Stored Value Cards that are distributed or sold by third parties, the amount included in Net Sales shall be the face amount of the Stored Value Card without reduction for the fee paid or discount given by Franchisor to the third-party distributor as provided in **Section 6.10(g)** hereof.

**Section 3.6** Interest on Late Payments. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until payment is received by Franchisor at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less. Such interest shall be in addition to any other remedies Franchisor may have.

**Section 3.7** Sales and Use Taxes. Franchisee shall pay to Franchisor promptly when due the amount of all sales, use and similar taxes imposed upon or required to be collected or paid on account of goods or services furnished to Franchisee (or its Affiliates) by Franchisor (or its Affiliates).

## ARTICLE IV
## SITE SELECTION, LEASE, DEVELOPMENT AND OPENING OF RESTAURANT

**Section 4.1** Target Area. If Franchisee has not yet located a site for the Restaurant as of the Effective Date, then within one-hundred eighty (180) days after the Effective Date Franchisee shall, at its expense and in accordance with this **Article IV**, acquire possession (by purchase or lease) of a location for Restaurant at a site approved by Franchisor (as hereinafter provided) within the Target Area identified on **Attachment A** (hereinafter "**Target Area**"). Franchisee will have the exclusive right to locate a site for an Outback Steakhouse restaurant within the Target Area (excluding any Non-Traditional Sites within the Target Area) until the earlier of: (i) the date upon which Franchisor approves the Restaurant's location or (ii) one-hundred eighty (180) days from the Effective Date, (unless this Agreement terminates before then). Upon approval of the Restaurant's location, Franchisee shall have no further rights to the Target Area except as provided in **Section 1.2** hereof with respect to that portion of the Territory which is within the Target Area. However, Franchisor and its Affiliates may engage in any other activities they desire within and outside the Target Area, including, without limitation, the rights that Franchisor reserves in **Section 1.3** hereof.

**Section 4.2** Site Approval.

(a) Prior to the acquisition by lease or purchase of a site for the Restaurant, Franchisee shall submit to Franchisor, in the form prescribed by Franchisor, a description of the site, a market feasibility study for the site, and such other information or materials as Franchisor may reasonably require, together with a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the site. Recognizing that time is of the essence, Franchisee agrees that it must submit such information and materials for the proposed site to Franchisor in writing for its approval no later than thirty (30) days after the Effective Date. Franchisor shall have thirty (30) days after receipt of such information and any materials or supplemental information Franchisor requests from Franchisee, to approve or disapprove, in Franchisor's sole judgment, the proposed site as the location for the Restaurant. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor. Franchisee may not relocate the Restaurant without Franchisor's approval.

(b) In connection with Franchisee's site selection and site development activities, Franchisor shall furnish to Franchisee the following:

(i) site selection guidelines and criteria for Outback Steakhouse restaurants and such site selection counseling and assistance as Franchisor may deem advisable, in its sole discretion; and

(ii) on-site visits for counseling and planning purposes, as Franchisor may deem advisable, in its sole discretion, in response to Franchisee's requests for site approval or otherwise. However, Franchisor shall not be obligated to provide an on-site evaluation for any proposed site prior to the receipt of all information and materials concerning such site as required pursuant to **Section 4.2(a)** hereof. Franchisor will provide, at no additional charge to Franchisee, up to two (2) on-site visits, as Franchisor deems necessary in its sole discretion. Thereafter, if an additional on-site visit is deemed necessary and appropriate by Franchisor (on its own initiative or at Franchisee's request), Franchisee shall pay a reasonable fee for each such on-site visit and shall reimburse Franchisor for all reasonable expenses incurred by Franchisor in connection with such on-site visit, including, without limitation, the cost of travel, lodging and meals.

(c) After the Restaurant's location is approved by Franchisor and leased or acquired by Franchisee pursuant to **Section 4.3** hereof, the location shall constitute the approved location, and its street address shall be recorded in **Attachment A**. Once Franchisor approves the Restaurant's location, Franchisee will have no territorial or other rights in the Target Area, and Franchisor may (in addition to exercising any other rights specified in **Section 1.3** hereof) operate or authorize others to operate Outback Steakhouse restaurants, in those portions of the Target Area that are outside the Territory.

(d) Franchisee acknowledges that if Franchisor recommends, approves or gives Franchisee information about or assistance in evaluating a site, it is not a representation or warranty of any kind, express or implied, of the site's suitability for an Outback Steakhouse restaurant. Franchisor's approval of any site indicates only that Franchisor believes the site meets its then acceptable criteria and shall not be deemed to constitute a guarantee, assurance or representation that the Restaurant will be profitable or successful at the site. Franchisor's application of criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from Franchisor's criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond Franchisor's control, and Franchisor is not responsible if the site fails to meet Franchisee's expectations.

**Section 4.3** Lease Approval. If Franchisee will occupy the Restaurant's premises under a lease or sublease (hereinafter "**Lease**"), Franchisee shall, prior to execution thereof, submit the proposed Lease to Franchisor for its written approval. The Lease shall include the following terms and conditions:

(a) The premises shall be used only for the operation of the Restaurant.

(b) The landlord consents to Franchisee's use of such Proprietary Marks and signage as Franchisor may periodically prescribe for the Restaurant.

(c) The landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease and the premises, at the same time that such letters and notices are sent to Franchisee.

(d) Franchisee may not sublease nor assign all or any part of its occupancy rights, or amend, extend the term of or renew the lease, without Franchisor's prior written consent.

(e) Franchisor shall have the right (but no obligation) to enter the premises to make any modification necessary to protect Franchisor's Proprietary Marks or to cure any default under the Lease or this Agreement.

(f) The landlord's consent to and agreement to comply with Franchisor's rights under **Section 15.4** (relating to assignment of lease or de-identification) and **Section 15.9** (relating to assignment of lease and purchase of personal property) hereof.

At Franchisor's request, Franchisee agrees to sign, and obtain the lessor's consent to, the Collateral Assignment of Lease attached as **Attachment D** under which Franchisee will collaterally assign the Lease to Franchisor as security for Franchisee's timely performance of all obligations under this Agreement. If the Lease is between Franchisee and an Affiliated Landlord, Franchisee agrees to, and agrees to cause the Affiliated Landlord to, sign such documents as Franchisor may reasonably request to reflect the Affiliated Landlord's agreement to comply with this **Section 4.3** and **Section 15.9** hereof. Franchisee acknowledges that Franchisor's approval of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of an Outback Steakhouse restaurant operated at the site or the suitability of the lease for Franchisee's business purposes. Franchisor's approval indicates only that it believes that the Lease's terms meet its then acceptable criteria.

**Section 4.4** Plans and Specifications. Before commencing any construction of the Restaurant, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

(a) Franchisee shall employ a qualified architect or engineer who is reasonably acceptable to Franchisor to prepare, for Franchisor's approval, preliminary plans and specifications for site improvement and construction of the Restaurant based upon the standard plans and specifications furnished by Franchisor pursuant to **Section 5.2** hereof.

(b) Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to the Restaurant's location. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the approved preliminary plans and specifications. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor.

(c) It is Franchisee's responsibility to prepare all required construction and remodeling plans and specifications to suit the Restaurant and to make sure that they comply with the Americans with Disabilities Act (hereinafter the "**ADA**") and similar rules governing public accommodations for persons with disabilities, other applicable laws, building codes, permit requirements, and Lease requirements and restrictions. Franchisor's review of any plans for the Restaurant is limited to ensuring Franchisee's compliance with Franchisor's design requirements. Franchisor's review is not designed to assess compliance with federal, state, or local laws and regulations (including, without limitation, the ADA) as compliance with such laws is Franchisee's responsibility. Franchisee agrees to remedy, at its expense, any noncompliance or alleged noncompliance with such laws. Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Restaurant and shall certify in writing to Franchisor that all such permits and certifications have been obtained. At Franchisor's request, Franchisee shall provide Franchisor with copies of all permits and certifications obtained by Franchisee.

(d) Franchisee shall employ a qualified licensed general contractor who is reasonably acceptable to Franchisor to construct the Restaurant and to complete all improvements in accordance with this Agreement. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under **Section 12.3** hereof.

**Section 4.5** Construction of Restaurant.

(a) Franchisee shall commence construction of the Restaurant within one hundred twenty (120) days after Franchisee's execution of an approved Lease or Franchisee's purchase of the premises. For the purposes of this Agreement, construction shall be deemed to commence on the date on which a building permit is issued.

(b) Franchisee shall provide a copy of the building permit to Franchisor within ten (10) days from Franchisee's receipt thereof. Thereafter, Franchisee shall provide to Franchisor a biweekly progress report signed by Franchisee and its architect and general contractor warranting that construction is proceeding on schedule and in accordance with the approved final plans, all applicable laws, ordinances, regulations and restrictive covenants, and the other requirements of this Agreement and the Operations Manual. Franchisee agrees that Franchisor and its agents shall have the right to inspect the construction at all reasonable times for the purpose of ascertaining that all work complies with the final plans approved by Franchisor and the other requirements of this Agreement.

(c) Franchisee shall maintain continuous construction of the Restaurant premises and shall complete construction (including all exterior and interior carpentry, electrical, painting, and finishing work, and installation of all Operating Assets (defined below)) in accordance with the approved final plans and the other requirements of this Agreement, at Franchisee's expense, and obtain a certificate of occupancy for the Restaurant, within one hundred eighty (180) days after commencement of construction (exclusive of time lost by reason of strikes, lockouts, fire, and other casualties and acts of God). In this Agreement, "**Operating Assets**" means the furniture, fixtures, furnishings, equipment (including, without limitation, and electronic systems prescribed by Franchisor for use to collect, compute, store and report a Restaurant's Net Sales, other financial data and operating information, such as cash registers or other point of sale systems, computers, peripheral equipment and related software programs (collectively, "**Information Systems**"), décor and signs as Franchisor may reasonably direct from time to time in the Operations Manual (as defined in **Section 5.5** hereof) or otherwise in writing for use at the Restaurant.

(d) Franchisee shall notify Franchisor of the date of completion of construction and, within a reasonable time thereafter, Franchisor shall conduct a final inspection of the Restaurant and its premises. Franchisee acknowledges and agrees that Franchisee shall not open the Restaurant for business without the express written authorization of Franchisor, and that Franchisor's authorization to open shall be conditioned upon Franchisee's strict compliance with the specifications of the approved final plans, the standards of the System and the other requirements of this Agreement. However, Franchisor's authorization to open the Restaurant will not constitute a representation or warranty, express or implied, that the Restaurant complies with any laws nor constitute a waiver of Franchisee's non-compliance, or of Franchisor's right to demand full compliance, with any provision of this Agreement.

(e) Franchisee shall obtain Franchisor's prior written authorization and open the Restaurant for business within twenty-one (21) days after the completion of construction.

## ARTICLE V
## DUTIES OF FRANCHISOR

**Section 5.1** Initial Training. Franchisor shall provide an initial training program for Franchisee's personnel in accordance with the terms set forth in **Section 6.6** hereof.

**Section 5.2** Plans and Specifications. Franchisor shall make available, at no charge to Franchisee, standard plans and specifications for the exterior and interior design and layout of an Outback Steakhouse restaurant and mandatory or suggested fixtures, furnishings, equipment and signs. Franchisee shall adapt, at Franchisee's expense, the standard plans and specifications to the Restaurant location, as provided in **Section 4.4** hereof.

**Section 5.3** Pre-Opening Assistance. Franchisor shall provide such on-site pre-opening and opening supervision and assistance (which may include, at Franchisee's expense, an opening crew as described in **Section 6.5** hereof) as Franchisor deems advisable, subject to the availability of personnel.

**Section 5.4** Data and Advertising. Franchisor shall make available, from time to time as Franchisor deems advisable, research and/or other data relating to merchandising, marketing, and advertising for Outback Steakhouse restaurants and, at Franchisee's reasonable expense, promotional materials for local advertising by Franchisee. Franchisor shall have the right to review and approve or disapprove all advertising and promotional materials which Franchisee proposes to use, as provided in **Section 11.2** hereof.

**Section 5.5** Operations Manual. Franchisor shall provide Franchisee access to the Outback Steakhouse restaurant operations manual or manuals (hereinafter collectively "**Operations Manual**"), as more fully described in **Article IX** hereof.

**Section 5.6** Purchasing Assistance. Franchisor shall provide to Franchisee, from time to time as Franchisor deems appropriate, advice and/or assistance relating to the purchase of certain Operating Assets, food items, ingredients, supplies, materials, and/or other products and services used or offered for sale at the Restaurant. At Franchisor's option, Franchisor may coordinate the purchase of certain products or services on behalf of the Restaurant and other Outback Steakhouse restaurants or on behalf of any or all other restaurant concepts that Franchisor or its Affiliates own or operate from time to time. Franchisee shall honor all commitments and otherwise comply with Franchisor's requirements relating to those coordinated purchases.

**Section 5.7** Advice. Franchisor shall provide to Franchisee, from time to time as Franchisor deems appropriate, continuing advice and written materials concerning techniques of managing and operating an Outback Steakhouse restaurant, including, without limitation, new developments and improvements in restaurant equipment, food products, packaging and preparation. Any specific training, advice or assistance that Franchisor provides does not create an obligation to continue providing that specific training, advice or assistance, all of which Franchisor may modify at any time.

## ARTICLE VI
## DUTIES OF FRANCHISEE

**Section 6.1** Acknowledgement. Franchisee understands and acknowledges that every detail of the Restaurant and the System is important to Franchisee and Franchisor in order to develop and maintain high operating standards, to increase the demand for the services and products sold by Outback Steakhouse restaurants, and to protect the reputation and goodwill associated with the Proprietary Marks.

**Section 6.2** Opening. Franchisee shall construct, furnish, and open the Restaurant according to the provisions and schedule set forth in **Article IV** hereof and the Operations Manual and the other provisions of this Agreement. Prior to opening for business, Franchisee shall comply with all pre-opening requirements set forth in this Agreement, the Operations Manual, and/or elsewhere in writing by Franchisor.

**Section 6.3** Franchise Principal. Franchisee has designated, and Franchisor has approved, the individual listed on **Attachment A** as the "**Franchise Principal**." Franchisee represents and warrants that the Franchise Principal currently meets, and agrees that at all times during the term of this Agreement the Franchise Principal shall continue to meet, the following qualifications:

(a) the Franchise Principal shall own (directly or indirectly) at least fifty-one percent (51%) of the Ownership Interests in Franchisee and shall have the requisite voting power unilaterally to direct and cause the direction of the day-to-day operations and affairs of Franchisee and the Restaurant.

(b) the Franchise Principal shall be the chief executive officer of Franchisee with responsibilities commensurate with that position and shall devote sufficient time and attention to the operations of Franchisee and the Restaurant, and other franchisees and Outback Steakhouse restaurants for which he or she serves as the Franchise Principal (if any), to actively oversee and control their operations and affairs.

(c) if this is the first Outback Steakhouse restaurant owned by Franchisee or its Affiliates, the Franchise Principal must attend an orientation program in Tampa, Florida, within six (6) months from the Effective Date of this Agreement. The orientation program will last approximately three (3) to five (5) days.

**Section 6.4** Managing Partner and Operations Director; Key Support Personnel.

(a) Franchisee acknowledges that the qualifications and experience of the general manager (also known as the "**Managing Partner**" or "**Proprietor**") of Franchisee's Restaurant and the operations director of Franchisee's Restaurant are critical to the operation of the Restaurant and the reputation and goodwill associated with the Proprietary Marks. Accordingly, Franchisee shall, at all times during the term hereof, employ one (1) full-time Proprietor responsible for the daily operation of the Restaurant and supervision of Restaurant personnel; and one (1) full-time operations director to supervise the Proprietor and the Restaurant (hereinafter "**Operations Director**"), it being understood the Operations Director may supervise more than one (1) Outback Steakhouse restaurant, pursuant to specifications set forth in the Operations Manual. The Proprietor and Operations Director are subject to the prior approval of Franchisor. The Operations Director must sign and deliver to Franchisor the Owner/Executive Agreement.

(b) Franchisee shall hire or appoint such additional managers and key support personnel as may be specified by Franchisor from time to time based upon Franchisor's determination that such additional manager/key position is reasonably necessary to ensure the quality of the products and services at the Restaurant or to protect the Outback Steakhouse® brand. Franchisee shall hire or appoint for these positions individuals who possess the minimum qualifications and skills that Franchisor designates to perform the functions that Franchisor specifies and may, as set forth in the Operations Manual, be subject to Franchisor's prior written approval (not to be unreasonably withheld). Franchisee shall ensure that each individual employed in these positions (i) completes the initial and periodic training Franchisor requires and (ii) attends all periodic meetings/conferences that Franchisor specifies in the Operations Manual or otherwise in writing. If Franchisor assigns a multi-restaurant supervisory or oversight role to any such position, Franchisee will comply with Franchisor's guidelines for determining the maximum number of Restaurants an individual may supervise or serve.

**Section 6.5** Pre-Opening. In connection with the opening of the Restaurant, Franchisee shall conduct, at Franchisee's expense, such promotional and advertising activities as Franchisor may reasonably require. Franchisee agrees that Franchisor, at its sole option, may require that an opening crew composed of specially-trained representatives of Franchisor be on-site at the Restaurant to provide training and opening support for a period of approximately three (3) weeks spanning a period before and after the Opening Date. Franchisee shall reimburse Franchisor for all reasonable expenses incurred in providing such opening crew for the Restaurant, including, but not limited to, costs of transportation, lodging, meals, and wages. If the Restaurant opening is delayed for any reason, Franchisee will reimburse Franchisor for any and all costs associated with rescheduling the opening crew, including, but not limited to, airfare and related travel charges.

**Section 6.6** Training. Franchisee acknowledges that it is important to the operation of the System and the Restaurant that Franchisee and its employees receive such training as Franchisor deems necessary. Therefore, Franchisee agrees as follows:

(a) Prior to the opening of the Restaurant, the Proprietor, Operations Director and other Restaurant managers shall attend and complete, to Franchisor's satisfaction, the initial training program conducted by Franchisor that Franchisor specifies (the "**Standard Training Program**"). Such training will last for approximately twelve (12) weeks or for such longer or shorter period as Franchisor deems appropriate (for example, Franchisor may extend training beyond twelve (12) weeks depending on the skills, experience, and needs of those attending.) In addition to the Standard Training Program, the Proprietor and the Operations Director must successfully complete, to Franchisor's satisfaction, a detailed training and coaching program that will last approximately four (4) to twelve (12) weeks. Franchisor shall provide, free of charge, instructors and training materials for the Managing Partner, Operations Director and up to two (2) other managers. Franchisee shall be responsible for any costs attributable to transportation, room and board, wages, and other personal expenses. Franchisor may charge a reasonable training fee, in an amount determined by Franchisor, for each additional representative of Franchisee who attends initial training. Further, any person subsequently employed by Franchisee in the position of manager and each subsequent Proprietor, if any, shall attend and complete, to Franchisor's satisfaction, such initial training program as Franchisor may then require, and Franchisee shall pay to Franchisor a reasonable training fee determined by Franchisor.

(b) Franchisee shall cause the Franchise Principal, Proprietor, Operations Director (if applicable), Restaurant manager and other Restaurant employees to attend and complete, to Franchisor's satisfaction, such courses, seminars, and other training programs as Franchisor may require from time to time. The Franchise Principal, Proprietor, and Franchisee's managers and other employees may also attend such optional courses, seminars, and training programs as Franchisor may offer from time to time. Franchisee shall pay to Franchisor a reasonable training fee determined by Franchisor for such additional required or optional training.

(c) Franchisee (or its employees) shall be responsible for any and all other expenses incurred by them in connection with any training programs hereunder, including, without limitation, the costs of transportation, lodging, meals, and wages.

**Section 6.7** Exclusive Use. Franchisee shall use the Restaurant premises solely for the operation of the Restaurant, shall keep the Restaurant open and in normal operation for such hours and days as Franchisor may from time to time specify in the Operations Manual or as Franchisor may otherwise approve in writing, and shall refrain from using or permitting the use of the premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

**Section 6.8** Staff. Franchisee shall maintain a competent, trained staff, including at least two fully-trained managers (one of whom may be the Franchise Principal) devoting all of the working time and attention to the on-premises management of the Restaurant, and shall ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may periodically prescribe. Notwithstanding **Sections 6.3** to **6.7** hereof, Franchisee bears sole liability for the hiring, firing and personnel decisions, and the terms and conditions of employment, for the Franchise Principal, Operations Director, Proprietor and other Restaurant personnel and staff. Franchisor and Franchisee acknowledge and agree that Franchisor shall not, and shall have no right or authority to, control the employees of the franchised Restaurant or Franchisee's employees. Franchisor shall have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of employees of the franchised Restaurant or of Franchisee. Franchisee acknowledges and agrees that all employees of the franchised Restaurant and of Franchisee shall be the exclusive employees of Franchisee and shall not be employees of Franchisor nor joint employees of Franchisee and Franchisor. Franchisor neither dictates nor controls labor or employment matters for franchisees and their employees and Franchisor is not responsible for the safety and security of the franchised Restaurant's employees or patrons.

**Section 6.9** Health Standards. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. Franchisee shall furnish to Franchisor, within twenty-four (24) hours after Franchisee's receipt thereof, a copy of any inspection report, warning, citation, certificate, and/or rating which indicates Franchisee's failure to meet or maintain the highest applicable health or safety standards in the operation of the Restaurant.

**Section 6.10** Compliance with Standards. Franchisee shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Operations Manual or otherwise in writing. Without limiting the foregoing, Franchisee shall, at Franchisee's expense:

(a) maintain in sufficient supply, and use and/or sell at all times, only such menu items, ingredients, products, materials, supplies, and paper goods as conform to Franchisor's standards and specifications, and shall not deviate therefrom by the use or offer of nonconforming items, unless approved by Franchisor in writing.

(b) sell or offer for sale only such menu items, products, and services as have been expressly approved for sale in writing by Franchisor from time to time; sell or offer for sale all types of menu items, products, and services specified by Franchisor from time to time; refrain from any deviation from Franchisor's standards and specifications relating to those menu items, products and services without Franchisor's prior written consent; and discontinue selling and offering for sale any menu items, products, or services which Franchisor may, at its option, disapprove in writing at any time.

(c) permit Franchisor or its agents, at any reasonable time, to remove samples of food or non-food items from Franchisee's inventory, or from the Restaurant, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require

Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform with Franchisor's specifications.

(d) at Franchisee's expense, purchase, install (as applicable) and use in the operation of the Restaurant all Operating Assets that Franchisor periodically specifies; and refrain from installing or permitting to be installed on or about the Restaurant premises and from using any furniture, fixtures, furnishings, equipment, décor, signs, games, vending machines, or other items not previously approved by Franchisor. Franchisee must (i) adopt and follow Franchisor's fiscal year and periods for accounting purposes, (ii) adopt and follow the accounting principles, policies and practices Franchisor prescribes, including use of Franchisor's standard chart of accounts, (iii) acquire, install and use the Information Systems Franchisor specifies from time to time, (iv) obtain and at all times utilize the services of a credit card processor approved by Franchisor, (v) install and continually maintain a primary and backup internet connection approved by Franchisor that facilitates communication between Franchisor's computer system and Franchisee's Information Systems, and (vi) furnish Franchisor the primary and backup communication details (IP Address, email address, web address and telephone number), as originally assigned and as changed from time to time in order to maintain connectivity.

(e) sell or offer for sale products and services only at the Restaurant's premises and refrain from off-premises sales or catering and from selling any products or services at wholesale unless expressly authorized by Franchisor in writing.

(f) participate in all national or regional promotions and offerings as directed by Franchisor and comply with Franchisor's maximum, minimum or other pricing requirements for products and services that the Restaurant offers, including, without limitation, requirements for promotions, special offers and discounts in which some or all Outback Steakhouse restaurants participate, in each case to the maximum extent the law allows. In addition, Franchisor may from time to time offer guidance with respect to the selling price for such goods, products and services, and may run advertising and promotions stating a specific selling price for goods, products or services. If Franchisee elects to sell any or all its products or merchandise at any price recommended by Franchisor, Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering such products or merchandise at the recommended price will enhance Franchisee's sales or profits. In all cases, Franchisor reserves all rights available under then applicable law to condition participation in special or voluntary programs and offerings on Franchisee's adherence to Franchisor's requirements, including with respect to pricing standards.

(g) honor at face value Stored Value Cards (including Stored Value Cards sold or distributed by third parties) and participate in other promotions in the manner that Franchisor periodically specifies and, in the case of Stored Value Cards sold or distributed by third parties, accept from Franchisor or the third-party distributor as full reimbursement the face amount of the Stored Value Card reduced by the fee paid or discount given by Franchisor to the third-party distributor.

(h) comply with the terms and conditions of the sale and delivery of, and the terms and methods of payment for, products and services that Franchisee obtains from Franchisor and affiliated and unaffiliated suppliers, as Franchisor periodically modifies them.

(i) participate in market research and test programs that Franchisor periodically requires or approves concerning various aspects of the System, including, without limitation, new or updated procedures, systems, equipment, signs, trade dress, supplies, marketing materials and strategies, merchandising strategies, products and/or services.

(j) participate in all customer loyalty and reward programs that Franchisor may from time to time establish or designate.

(k) implement and comply with all food safety and quality assurance standards and programs (including, but not limited to, food safety audits) and guest satisfaction and "mystery shopper" programs that Franchisor may from time to time establish or designate.

(l) implement and comply with all employee training certification requirements that Franchisor may from time to time establish or designate.

(m) adhere to Franchisor's then current specifications with respect to any voucher programs such as Groupon, Living Social or other similar offerings, including with respect to the calculation of Net Sales based on the sale and redemption of vouchers and similar certificates.

(n) comply at all times with applicable and then-current Payment Card Industry Data Security Standards ("**PCI DSS**") and other standards Franchisor may specify to protect data from unauthorized access or disclosure. Franchisee shall submit PCI compliance reports to Franchisor in the manner and frequency Franchisor specifies. Franchisee acknowledges that (i) compliance with PCI DSS is a minimum requirement; (ii) compliance does not guarantee that no security breach will occur; and (iii) any losses or expenses incurred by Franchisor as a result of a security breach due to Franchisee's failure to comply with the requirements of this Section will be subject to indemnification under **Section 16.4**. Franchisee shall notify Franchisor immediately if Franchisee is notified of a security breach related to the Restaurant and shall cooperate fully with Franchisor regarding media statements (if any) and other items related to managing the incident from a Proprietary Mark and System protection standpoint. Franchisee's failure to comply with this Section will be a material default under this Agreement.

(o) participate in, and pay all associated pro-rata costs for, any online, telephone or other help desk and related support programs that Franchisor implements from time to time.

Franchisee acknowledges that Franchisor's periodic modification of the System, the Operations Manual and other methods, standards and specifications may obligate Franchisee to invest additional capital in the Restaurant and incur higher operating costs, and Franchisee agrees to comply with those obligations within the time period Franchisor specifies. Although Franchisor retains the right to establish and periodically modify methods, standards and specifications that Franchisee has agreed to follow, Franchisee retains the responsibility for the day-to-day management and operation of the Restaurant and implementing and maintaining those standards at the Restaurant.

Because complete and detailed uniformity under many varying conditions might not be possible or practical, Franchisor reserves the right to vary the System and/or Franchisor's methods, standards and specifications for any Outback Steakhouse restaurant or group of Outback Steakhouse restaurants based upon the peculiarities of any conditions or factors that Franchisor considers important to its operations. Franchisee has no right to require Franchisor to grant Franchisee a similar variation or accommodation.

In no case does the System include any personnel policies or procedures or security-related policies or procedures that Franchisor (at its option) may make available to Franchisee in the Operations Manual or otherwise for Franchisee's optional use. Franchisee will determine to what extent, if any, these policies and procedures might apply to Franchisee's operations at the Restaurant.

**Section 6.11** Suppliers. Franchisee shall purchase those Operating Assets, food items, ingredients, supplies, materials, information technology software, hardware and services and other products and services used or offered for sale at the Restaurant that Franchisor periodically classifies as source-restricted in the Operations Manual or otherwise in writing (collectively hereinafter "Source-Restricted Items") solely from suppliers (including manufacturers, distributors and other sources), who may include or be limited to Franchisor or its Affiliates, who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's then current standards and specifications for such items, and the adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier; and who have not thereafter been disapproved. If Franchisee desires to purchase any Source-Restricted Item from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase any Source-Restricted Item from any supplier until and unless such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, including without limitation, distribution points and any third-party stocking facilities and that samples from the supplier be delivered either to Franchisor or to an independent laboratory designated by Franchisor for testing. Franchisee or the supplier shall pay Franchisor a charge not to exceed the reasonable cost of the inspection and the actual cost of the test. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then current criteria. Approval may be conditioned upon, without limitation, the supplier's compliance with Franchisor's food safety, quality assurance and animal well-being and humane handling standards, as applicable.

Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use, and/or refuse any of Franchisee's requests for any reason, including, without limitation, that Franchisor has already designated an exclusive source (which might be Franchisor or its Affiliate) for a particular Source-Restricted Item or if Franchisor believes that doing so is in the best interests of the Outback Steakhouse restaurant network. Franchisor reserves the right to develop software or technology services, either independently or in conjunction with one or more third party providers. Franchisor may require you to use that software or technology services and to pay Franchisor, its Affiliates or vendors fees for any such software or technology developed.

Franchisor reserves the right to create a purchasing cooperative or other form of group purchasing arrangement for the Outback Steakhouse restaurant network and/or other restaurant concepts that may be owned or operated by Franchisor and its Affiliates from time to time, and Franchisee will join and participate in any such purchasing cooperative or other form of group purchasing arrangement in accordance with Franchisor's requirements.

Franchisor and/or its Affiliates may derive revenue based on Franchisee's purchases and leases, including, without limitation, from charging Franchisee for products and services that Franchisor or its Affiliates provide to Franchisee and from promotional allowances, volume discounts and other payments made to Franchisor and its Affiliates by suppliers that Franchisor designates, approves or recommends for some or all Outback Steakhouse restaurant franchisees. Franchisor and its Affiliates may use all amounts received from suppliers, whether or not based on Franchisee's and other franchisees' prospective or actual dealings with them, without restriction for any purposes that Franchisor and its Affiliates deem appropriate.

**Section 6.12** Secret Recipes and Specifications. Franchisor may develop for use in the System certain products which are confidential secret recipes or specifications and which are trade secrets of Franchisor. Franchisee agrees that in the event such products become a part of the System, Franchisee shall use only Franchisor's secret recipe products and, if required by Franchisor (and without limiting Franchisor's rights or Franchisee's obligations under **Section 6.11** hereof), shall purchase from Franchisor or from a source designated by Franchisor all of Franchisee's requirements of such products.

**Section 6.13** Key Suppliers. Franchisor may designate on or more suppliers, including manufacturers, distributors or other suppliers, as key suppliers of one or more designated products if Franchisor, in its sole discretion, determines that limiting use to such key supplier is in the best interest of the Outback Steakhouse system. In the event Franchisor designates one or more key suppliers, Franchisee shall use only such key suppliers for the designated products and (without limiting Franchisor's rights or Franchisee's obligations under **Section 6.11** hereof) shall purchase from such key suppliers all of Franchisee's requirements of such designated products.

**Section 6.14** Trademarked Materials. Franchisee shall require all advertising and promotional materials, signs, decorations, paper goods (including, without limitation, disposable food containers, napkins, menus, and all forms and stationery used in the Restaurant), and other items which may be designated by Franchisor to bear the Proprietary Marks in the form, color, location, and manner periodically prescribed by Franchisor.

**Section 6.15** Maintenance of Premises. Franchisee shall maintain the Restaurant in a high degree of sanitation, repair, and condition, and shall make such additions, alterations, repairs, and replacements thereto as may be required for that purpose, including, without limitation, periodic repainting or replacement of obsolete signs, furnishings, equipment, and décor as Franchisor may reasonably direct.

**Section 6.16** Required Improvements. Upon Franchisor's request, Franchisee shall make all improvements and alterations that Franchisor may reasonably determine to be necessary for the Restaurant to conform with the System image as it may be prescribed by Franchisor at that time. Franchisee shall undertake and complete such improvements and alterations within reasonable times specified by Franchisor. Without limitation of the foregoing, Franchisee will in all cases make any capital improvements required by this Section on or after the seventh anniversary of the actual Opening Date of the Restaurant and in intervals of seven years thereafter (unless at such time there remains less than five years remaining in the term). In addition to the foregoing, Franchisee shall make such additional capital improvements at lesser intervals if a majority of the Restaurants then operated by Franchisor or its Affiliates have made or are utilizing commercially reasonable efforts to make such improvements or modifications.

**Section 6.17** Right of Access. Franchisee grants Franchisor and its agents and representatives the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections; shall cooperate with Franchisor and its agents and representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand. Franchisee acknowledges that Franchisor may electronically poll Franchisee's Restaurant's Information Systems to obtain Net Sales data, as well as other financial and operating information (including but not limited to Customer Data), which shall be available to Franchisor twenty-four hours every day. Franchisee agrees to maintain continual data network access to Franchisee's Restaurant's Information Systems for use by Franchisor. Franchisor will keep Franchisee's sales and financial information confidential unless the information is: (i) requested by tax authorities; (ii) used as part of a legal proceeding; or (iii) grouped with similar information from other Outback Steakhouse restaurants to produce shared results like high-low ranges or average sales or expenses on a system-wide or regional basis.

**Section 6.18** Taxes and Other Indebtedness.

(a) Franchisee recognizes that the failure to make payments, or repeated delays in making prompt payments to suppliers, will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Proprietary Marks and the System. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, payroll, unemployment and sales taxes, and all accounts and other indebtedness of every kind, incurred in the operation of the Restaurant.

(b) If any amount to be paid or reimbursed under this Agreement to Franchisor (or its Affiliates) is subject to any deductions or withholdings for any present or future taxes imposed by any competent governmental authority, then Franchisee shall pay or reimburse an additional amount to Franchisor (or its Affiliates) as is necessary so that the net amount actually received by Franchisor after such deduction, payment or withholding will equal the full amount stated to be payable or reimbursable under this Agreement.

(c) In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, Franchisee must pay all uncontested amounts when due. In no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Restaurant or any assets owned or leased by Franchisee.

**Section 6.19** Compliance with Law. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, and licenses necessary for the full and proper conduct of the Restaurant, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances and liquor licenses.

**Section 6.20** Required Notice to Franchisor. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Restaurant.

**Section 6.21** Liens and Encumbrances. Franchisee shall grant no lien, encumbrance or security interest in the Restaurant or in any of its assets unless the secured party agrees that in the event of any default by Franchisee under any documents related to the lien, encumbrance or security interest, Franchisor shall have the right and option, but not the obligation, to be substituted as obligor to the secured party and to cure any default of Franchisee.

## ARTICLE VII
## ADDITIONAL COVENANTS OF FRANCHISEE

**Section 7.1** Best Efforts. Except as provided in **Article XIII** hereof, Franchisee may not delegate or assign any of its rights or obligations under this Agreement or any aspect of the management and operation of the Restaurant. Franchisee agrees at all times to faithfully and diligently perform its obligations and fully exploit the rights granted under this Agreement.

**Section 7.2** Restriction on Debt. Franchisee represents, warrants and covenants that with respect to all funds received by Franchisee (whether before or after signing this Agreement) from any Owner, such Owner did not borrow such funds or otherwise incur any debt to obtain such funds, except as specifically permitted in the following sentence. Neither Franchisee nor any Owner shall, without the prior written consent of Franchisor, which consent may be granted or denied at Franchisor's sole option, directly or indirectly, borrow any money or incur any debt or liability (other than lease obligations for the Restaurant land and building and trade payables in the ordinary course of business) to establish, operate or maintain the Restaurant, except that Franchisee shall be allowed to borrow, in connection with the opening of the Restaurant, an amount equal to the lesser of: (a) Six Hundred Thousand Dollars ($600,000), or (b) forty percent (40%) of the cost of the leasehold improvements, furniture, fixtures and kitchen equipment required for the opening of the Restaurant; provided, however, such borrowing shall have a repayment term of five (5) years from the date of the opening of the Restaurant. Franchisee shall not extend, renew, refinance, modify or amend any debt or liability permitted by this **Section 7.2** except with the prior written consent of Franchisor, which consent may be granted or denied in Franchisor's sole judgment; provided, however, such consent shall not be required if the debt or liability as extended, renewed, refinanced, modified or amended would be permitted under this **Section 7.2**.

**Section 7.3** Confidential Information. Franchisor and its Affiliates possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to the development and operation of Outback Steakhouse restaurants (hereinafter the "**Confidential Information**"), which includes, without limitation:

(a) site selection and market development plans, standards and criteria;

(b) layouts, designs, and other plans and specifications for Outback Steakhouse restaurants;

(c) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Outback Steakhouse restaurants;

(d) marketing research and promotional, marketing and advertising programs for Outback Steakhouse restaurants;

(e) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, materials and supplies that Outback Steakhouse restaurants use and sell;

(f) knowledge of the operating results and financial performance of Outback Steakhouse restaurants other than the Restaurant;

(g) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;

(h) all data and all other information generated by, or used or developed in, the operation of the Restaurant and other Outback Steakhouse restaurants, including customer names, contact information and related information (hereinafter the "**Customer Data**");

(i) recipes, food preparation techniques and product and ingredient specifications; and

(j) any other information that Franchisor reasonably designates as confidential or proprietary.

Nothing in the Agreement or any related agreement will prohibit the confidential disclosure of trade secrets to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law. Moreover, nothing in the Agreement or any related agreement will prohibit Franchisee from disclosing a trade secret to Franchisee's legal counsel in the event Franchisee is pursuing a legal action alleging retaliation for disclosing a trade secret to a federal, state, or local government, provided that neither Franchisee nor its legal counsel disclose or use the trade secret inconsistent with the requirements of 18 U.S.C. 1833(b).

Franchisee will not acquire any interest in any Confidential Information, other than the right to use certain Confidential Information as Franchisor specifies in operating the Restaurant during the term of this Agreement and according to the standards and the other terms and conditions of this Agreement. Franchisee acknowledges that its use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees. Franchisee acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's and its Affiliates' trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and it does agree, that Franchisee:

(i) will not use any Confidential Information in any other business or capacity and will keep the Confidential Information absolutely confidential, both during and after the term of this Agreement (afterward for as long as the information is not generally known in the restaurant industry);

(ii) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(iii) will adopt and implement all reasonable procedures that Franchisor periodically specifies to prevent unauthorized use or disclosure of Confidential Information; and

(iv) will not sell, trade or otherwise profit in any way from the Confidential Information, except during the term of this Agreement using methods that Franchisor has approved.

"Confidential Information" does not include information, knowledge or know-how which is or becomes generally known in the restaurant industry or which Franchisee knew from previous business experience before Franchisor provided it to Franchisee (directly or indirectly) or before Franchisee began training or operating the Restaurant. If Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is applicable.

**Section 7.4** Innovations. All ideas, concepts, techniques or materials relating to an Outback Steakhouse restaurant (hereinafter "**Innovations**"), whether or not protectable intellectual property and whether created by or for Franchisee or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a "work made-for-hire" for Franchisor, by this paragraph Franchisee assigns ownership of that item, and all related rights to that item, to Franchisor and agrees to sign (and to cause its Owners, employees and contractors to sign) whatever assignment or other documents that Franchisor periodically requests to evidence Franchisor's ownership and to help Franchisor obtain intellectual property rights in the item. Franchisee may not use any Innovation in operating the Restaurant or otherwise without Franchisor's prior approval.

**Section 7.5** Competition During Term of Agreement. Franchisee covenants that during the term of this Agreement, neither Franchisee nor any of its Owners shall, either directly or indirectly, for itself, himself or herself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other entity:

(a) own, maintain, operate, engage in, or have any interest in, any other Full Service Food Business (as defined below), regardless of where such other business is located, nor act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, or proprietor for any such business, nor lend any assistance (financial, managerial or otherwise) to any such business;

(b) divert or attempt to divert any business or customer of the Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System; nor

(c) employ or seek to employ at any non-BBI Restaurants any person who is at that time, or within ninety (90) days of such employment or solicitation was, employed at any BBI Restaurant, if such employment or solicitation would reasonably be expected to have a significant adverse effect on any BBI Restaurants operated by Franchisee or its Affiliates. For purposes of this Section, "**BBI Restaurants**" means any Outback Steakhouse®, Bonefish Grill® or Carrabba's Italian Grill® brand restaurants (and any future franchised concepts owned by Franchisor or its Affiliates) that are operated by Franchisee (or its Affiliates) under franchise agreements with Franchisor (or its Affiliates, as applicable).

In this Agreement, "**Full Service Food Business**" means any restaurant or other business serving prepared food which offers table service, regardless of the type of food served at such business, unless otherwise specifically agreed by Franchisor in writing. For purposes of this Agreement, "**table service**" means that (i) a customer's order is (or may be) taken at the table by a person and (ii) food is (or may be) delivered to the customer's table by a person.

**Section 7.6** Competition After Termination of Agreement. Franchisee covenants that, for a continuous uninterrupted period of two (2) years commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, neither Franchisee nor any of its Owners shall, either directly or indirectly, for itself, himself or herself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or other entity:

(a) own, maintain, operate, engage in, or have any interest in, any Full Service Food Business which is, or is intended to be, located or operating:

(i) at the Restaurant's premises;

(ii) within a ten (10)-mile radius of the Restaurant's premises; or

(iii) within a ten (10)-mile radius of any other Outback Steakhouse restaurant in operation or under construction on the effective date of expiration or termination; or

(b) act as an officer, director, employee, partner, independent contractor, consultant, principal, agent or proprietor for, nor lend any assistance (financial, managerial or otherwise) to, any Full Service Food Business which is, or is intended to be, located or operating:

(i) at the Restaurant's premises;

(ii) within a ten (10)-mile radius of the Restaurant's premises; or

(iii) within a ten (10)-mile radius of any other Outback Steakhouse restaurant in operation or under construction on the effective date of expiration or termination.

**Section 7.7** Reduction by Franchisor. Franchisor shall have the right, in its sole judgment, to reduce the scope of any covenant set forth in this **Article VII**, or any portion thereof, without Franchisee's or any other party's consent, effective immediately upon receipt by Franchisee of written notice thereof. Franchisee agrees that it and its Owners shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

**Section 7.8** Claims Not a Defense. Franchisee agrees that the existence of any claims it or any Owner may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this **Article VII**. Franchisee agrees to pay all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this **Article VII**.

**Section 7.9** Reasonableness of Restrictions; Reformation; Enforcement. Franchisee recognizes and acknowledges that the geographical and time limitations contained in this **Article VII** are reasonable and properly required for the adequate protection of Franchisor and the System. Franchisee acknowledges that Franchisor is the owner of the System and will provide to Franchisee and its personnel training in and Confidential Information concerning the System in reliance on the covenants contained in this **Article VII**. The parties agree that each of the covenants contained in this **Article VII** shall be construed as independent of each other and any other covenant or provision of this Agreement. If any portion of the restrictions contained in this **Article VII** are held to be unreasonable, arbitrary, or against public policy, then the restrictions shall be considered divisible, both as to the time and to the geographical area, with each month of the specified period being deemed a separate period of time and each radius mile of the restricted territory being deemed a separate geographical area, so that the lesser period of time or geographical area shall remain effective so long as the same is not unreasonable, arbitrary, or against public policy. The parties hereto agree that in the event any court of competent jurisdiction determines the specified period or the specified geographical area of the restricted territory to be unreasonable, arbitrary, or against public policy, a lesser time period or geographical area which is determined to be reasonable, nonarbitrary, and not against public policy may be enforced against Franchisee and its Owners. If all or any portion of a covenant in this **Article VII** is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and its Owners each expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this **Article VII**.

If Franchisee or any Owner shall violate any of the covenants contained herein and if any court action is instituted by Franchisor to prevent or enjoin such violation, then the period of time during which the covenants of this **Article VII** shall apply, as provided in this Agreement, shall be lengthened by a period of time equal to the period between the date of the breach of the terms or covenants contained in this Agreement and the date on which the decree of the court disposing of the issues upon the merits shall become final and not subject to further appeal.

Franchisee and its Owners each agree that the remedy at law for any breach of the covenants contained in this **Article VII** will be inadequate and would be difficult to ascertain and that a violation of such covenants will cause irreparable injury to Franchisor. Therefore, in the event of the breach or threatened breach of any such covenants, Franchisor, in addition to any other remedy, shall have the right to obtain an injunction to restrain the applicable party from any threatened or actual activities in violation thereof. Temporary and permanent injunctive relief may be granted in any proceedings which might be brought to enforce any such covenants without the necessity of proof of direct or general damages.

**Section 7.10** Franchisee's Personnel. At Franchisor's request, and in addition to Franchisee's obligations to cause the Franchise Principal to sign the Franchise Principal Agreement and the other Owners to sign the Owner/Executive Agreement, Franchisee shall require and obtain execution of Franchisor's then current form of Owner/Executive Agreement or other covenants similar to those set forth in this **Article VII** (including, without limitation, covenants applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (1) all managers of Franchisee and any other personnel employed by Franchisee who have received or will receive training from Franchisor or Confidential Information; and (2) all officers and directors of Franchisee and of any entity that owns (directly or indirectly) more than twenty-five percent (25%) of the Ownership Interests in Franchisee. Every covenant required by this **Section 7.10** shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

## ARTICLE VIII
## PROPRIETARY MARKS

**Section 8.1** Restriction on Use. Franchisee agrees that:

(a) Franchisee shall use only the Proprietary Marks periodically designated by Franchisor, and shall use them only in the manner approved and permitted by Franchisor from time to time.

(b) Franchisee shall use the Proprietary Marks only for the operation of the Restaurant and only at the location authorized hereunder, or in approved advertising for the Restaurant in accordance with this Agreement.

(c) Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Restaurant only under the name "Outback Steakhouse®" without any prefix, suffix or other modifying words, terms, designs or symbols, other than those that Franchisor authorizes Franchisee to use.

(d) Franchisee shall not use any Proprietary Mark, or any part of any Proprietary Mark, as part of any domain name, home page, electronic address, metatag or otherwise in connection with any website or other online presence, except the System Website (defined in **Section 11.5** hereof).

(e) During the term of this Agreement, Franchisee shall identify itself as the owner of the Restaurant in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Restaurant as Franchisor may designate in writing.

(f) Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use of any Proprietary Mark shall constitute an infringement of Franchisor's rights and a breach of this Agreement. Without limiting the generality of the foregoing, Franchisee shall not use, or authorize any other party to use, the Proprietary Marks in connection with the manufacture of any product.

(g) Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor.

(h) Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name.

(i) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents periodically deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

**Section 8.2** Ownership of Proprietary Marks. Franchisee acknowledges and agrees that:

(a) Franchisor is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by the Proprietary Marks.

(b) The Proprietary Marks are valid and serve to identify the System, those who are authorized to operate under the System, and/or the products and services that they offer.

(c) Franchisee shall not directly or indirectly contest or assist any other person in contesting the validity of any Proprietary Mark or Franchisor's ownership of or right to use any Proprietary Mark.

(d) Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

(e) Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

(f) Except as otherwise set forth in **Section 1.2** hereof, the right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor has and retains the rights, among others:

(i) To use the Proprietary Marks itself in connection with selling products and services;

(ii) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees, if any; and

(iii) To develop and establish other systems using the same or similar Proprietary Marks, or any other marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

**Section 8.3** Additional and Substituted Proprietary Marks. Franchisor reserves the right, from time to time in its sole judgment, to add or discontinue use of any Proprietary Marks, and/or substitute different Proprietary Marks, for use in identifying the System and Outback Steakhouse restaurants. Franchisee agrees to comply with Franchisor's directions concerning additional, substitute or discontinued Proprietary Marks within a reasonable time after receiving notice. Franchisor need not reimburse Franchisee for Franchisee's expenses in complying with these directions (such as costs that Franchisee incurs in changing signs or replacing supplies for the Restaurant), for any loss of revenue due to any modified or discontinued Proprietary Mark, or for Franchisee's expenses of promoting a modified or substitute trademark or service mark.

**Section 8.4** Notification of Infringements and Claims. Franchisee agrees to notify Franchisor immediately of any actual or apparent infringement of or challenge to Franchisee's use of any Proprietary Mark, or of any person's claim of any rights in any Proprietary Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Proprietary Mark. Franchisee agrees not to communicate with any person other than Franchisor and its attorneys, and Franchisee's attorneys, regarding any infringement, challenge or claim. Franchisor may take the action that it deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Proprietary Mark. Franchisee agrees to sign any documents and take any other reasonable actions that, in Franchisor's opinion, are necessary or advisable to protect and maintain Franchisor's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain Franchisor's interests in the Proprietary Marks.

## ARTICLE IX
## OPERATIONS MANUAL

**Section 9.1** Compliance with Operations Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the Proprietary Marks, Franchisee shall conduct its business in strict accordance with the Operations Manual.

**Section 9.2** Confidentiality. Franchisee shall at all times treat the Operations Manual, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained therein, as Confidential Information and subject to the covenants of **Section 7.3** hereof, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

**Section 9.3** Ownership. The Operations Manual shall at all times remain the sole property of Franchisor and shall at all times be kept in a secure place on the Restaurant premises.

**Section 9.4** Revisions. Franchisor may from time to time revise the contents of the Operations Manual, and Franchisee expressly agrees to comply with each new or changed standard.

**Section 9.5** Maintenance. Franchisee shall at all times insure that the Operations Manual is kept current and up to date. In the event of any dispute as to the contents of the Operations Manual, the terms of the master copy of the Operations Manual maintained by Franchisor at Franchisor's principal office shall be controlling.

**Section 9.6** Operations Manual on Website. At Franchisor's option, Franchisor may post the Operations Manual on a restricted website to which Franchisee will have password access. If Franchisor does so, Franchisee agrees to periodically monitor that website for any updates to the Operations Manual or System. Any passwords or other digital identifications necessary to access the Operations Manual on such a website will be deemed to be part of Confidential Information.

## ARTICLE X
## ACCOUNTING AND RECORDS

**Section 10.1** Maintenance of Records. Franchisee shall maintain during the term of this Agreement, and shall preserve for at least five (5) years from the dates of their preparation, full, complete, and accurate books, records, and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Operations Manual or otherwise in writing.

**Section 10.2** Weekly Reports. Franchisee shall submit to Franchisor no later than 5 P.M. Tampa, Florida time on each Tuesday of each week during the term of this Agreement after the opening of the Restaurant, a sales report in the form and manner (which may be, at Franchisor's option, by electronic means) periodically prescribed by Franchisor accurately reflecting all Net Sales by day for each day during the preceding seven calendar days ending with the immediately preceding Sunday and such other data or information as Franchisor may require.

**Section 10.3** Monthly Reports. Franchisee shall submit to Franchisor, no later than the tenth (10th) day of each month during the term of this Agreement after the opening of the Restaurant, a remittance report in the form and manner (which may be, at Franchisor's option, by electronic means) periodically prescribed by Franchisor accurately reflecting all Net Sales during the preceding calendar month, or, if directed by Franchisor, the preceding four or five week period, and such other data or information as Franchisor may periodically require. In addition, and without limiting the foregoing, Franchisee shall submit to Franchisor a monthly and fiscal year-to-date profit and loss statement (which may be unaudited) for Franchisee and the Restaurant, and shall submit to Franchisor copies of all state sales tax returns for the Restaurant.

**Section 10.4** Quarterly Reports. Franchisee shall submit to Franchisor, in the form and manner (which may be, at Franchisor's option, by electronic means) periodically prescribed by Franchisor, a quarterly balance sheet (which may be unaudited) within fifteen (15) days after the end of each quarter of the fiscal year of Franchisee. Each such statement shall be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that it is true and correct.

**Section 10.5** Annual Reports. Franchisee shall submit to Franchisor complete audited annual financial statements of Franchisee prepared by an independent certified public accountant satisfactory to Franchisor, within ninety (90) days after the end of each fiscal year of Franchisee, showing the financial condition and results of operations of Franchisee and the Restaurant during said fiscal year. Such statements shall include, at a minimum, a balance sheet, profit and loss statement and statement of sources and uses of funds.

**Section 10.6** Additional Reports. Franchisee shall submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and manner (which may be, at Franchisor's option, by electronic means) periodically required by Franchisor, upon request and as reasonably specified from time to time in the Operations Manual or otherwise in writing.

**Section 10.7** Inspection Rights. Franchisor and its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid at the rate of eighteen percent (18%)

per annum or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wages expenses and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

**Section 10.8** Right to Modify Reports. Franchisor shall have the right from time to time to modify the time periods to be covered by the reports required by **Sections 10.2, 10.3, 10.4** and **10.5** hereof if desirable to align such reports with Franchisor's fiscal periods.

**Section 10.9** Expenses. All reports, forms and other information required by this **Article X** shall be prepared at Franchisee's expense.

## ARTICLE XI
## ADVERTISING AND MARKETING

**Section 11.1** Acknowledgment. The parties acknowledge the value of advertising and marketing and the importance of the standardization of advertising and marketing programs to the furtherance of the goodwill and public image of the System and the Outback Steakhouse restaurant network.

**Section 11.2** Required Advertising. All local advertising, marketing and promotion in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements of Franchisor as set forth in the Operations Manual or otherwise in writing. Franchisee shall obtain Franchisor's prior approval of all advertising, marketing and promotional plans and materials that Franchisee desires to use and that have not been prepared by Franchisor or previously approved by Franchisor within one (1) year. Franchisee shall submit such unapproved plans and materials to Franchisor and Franchisor shall approve or disapprove such plans and materials within ten (10) days from the date of receipt thereof. Franchisee shall not use any plans or materials until they have been approved by Franchisor and shall promptly discontinue use of any advertising, marketing or promotional plans or materials upon notice from Franchisor.

**Section 11.3** Multi-Unit Campaigns.

(a) Franchisor has established a national marketing program to advertise and promote Outback Steakhouse restaurants, and may from time to time implement other continuing, periodic or temporary national, regional or local marketing programs or campaigns for Outback Steakhouse restaurants (collectively "**Multi-Unit Campaigns**"). Franchisee shall contribute a percentage of Franchisee's Net Sales to Franchisor for Multi-Unit Campaigns in the amounts, in the manner and at the times directed by Franchisor, at Franchisor's sole and absolute discretion; provided that such percentage will not exceed, in any calendar year, eight percent (8%) of Franchisee's annual Net Sales in the aggregate when combined with Franchisee's Required Local Marketing Expenditures (described below in **Section 11.4**), and will generally equal the average percentage of Net Sales that Franchisor or its Affiliates spend on such Multi-Unit Campaigns or their equivalent for Company-Owned Restaurants from time to time. As used in this Agreement, the term "**Company-Owned Restaurants**" means domestic Outback Steakhouse restaurants operated in the United States by Franchisor or its Affiliates. At Franchisor's option, Franchisee shall accrue funds under this **Section 11.3** for later payment to Franchisor for subsequent Multi-Unit Campaigns. Franchisor will spend amounts paid to Franchisor for Multi-Unit Campaigns on the production, administration, placement and implementation of Multi-Unit Campaigns, including, without limitation, reimbursing Franchisor and its Affiliates for any out-of-pocket costs and expenses they incur in connection with Multi-Unit Campaigns. Franchisor will allocate the cost of Multi-Unit Campaigns among the Restaurant and other participating Outback Steakhouse restaurants (including, without limitation, Company-Owned Restaurants, if applicable) in any manner that Franchisor reasonably deems appropriate. Franchisor shall not be required to establish separate segregated funds for Multi-Unit Campaigns or for any segment of Outback Steakhouse restaurants contributing to the Multi-Unit Campaigns. Franchisor will not hold payments for Multi-Unit Campaigns in trust, and Franchisor does not owe Franchisee fiduciary obligations for maintaining, directing or administering the Multi-Unit Campaigns or those payments or for any other reason.

(b) With respect to Multi-Unit Campaigns, Franchisor shall oversee all advertising and promotional programs with the sole and absolute right to approve or disapprove the creative concepts, materials, costs and media used in such programs, and the placement and allocation thereof. Franchisee agrees and acknowledges that the Multi-Unit Campaigns are intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System, and that Franchisor and its designee undertake no obligation in administering the Multi-Unit Campaigns to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure that any particular franchisee benefits directly or pro rata from the advertising or promotion conducted under the Multi-Unit Campaigns.

**Section 11.4** Required Local Marketing Expenditures. In addition to making contributions to Multi-Unit Campaigns, Franchisor may, at its sole and absolute discretion, require Franchisee to undertake Required Local Marketing Expenditures (as such term is defined below) in an amount that is at least the percentage of the Net Sales of the Restaurant that Franchisor specifies from time to time according to this **Section 11.4**. Required Local Marketing Expenditures are amounts spent by Franchisee on local advertising, marketing and promotions approved by Franchisor for the Restaurant in accordance with this **Article XI**, or with Franchisor's prior written approval, accrued for subsequent expenditure, on a continuing monthly basis. Franchisee shall send Franchisor such periodic reports as Franchisor may request concerning Franchisee's local advertising, marketing and promotional activities and expenses. The Required Local Marketing Expenditures for any given period will be set by Franchisor in advance from time to time along with the Multi-Unit Campaign contribution for such period; but in no case will the combination of the Required Local Marketing Expenditures and the required Multi-Unit Campaign contributions in any calendar year exceed a maximum of eight percent (8%) of the Restaurant's yearly Net Sales. The percentage of Net Sales applicable to the Required Local Marketing Expenditures will generally equal the percentage of Net Sales Franchisor or its Affiliates spend on marketing, promoting or advertising Company-Owned Restaurants over and above their Multi-Unit Campaign contributions or their equivalent; provided that Franchisor reserves the right to require or permit different percentages of Net Sales be spent by franchisees in different regions based on specific advertising and marketing needs in a given region or at a given time, as determined in Franchisor's judgment. Pre-opening promotional and advertising activities in accordance with **Section 6.5** will not count towards the Required Local Marketing Expenditures or the maximum eight percent (8%) of Net Sales that Franchisor may require that Franchisee pay to Multi-Unit Campaigns or expend on Required Local Marketing Expenditures in any given calendar year.

**Section 11.5** System Websites and Electronic Advertising. Franchisor or one or more of its designees may establish a website or series of websites for the Outback Steakhouse restaurant network to advertise, market and promote Outback Steakhouse restaurants and the products and services they offer, the Outback Steakhouse restaurant franchise and/or development rights opportunity, and/or for any other purposes that Franchisor determines are appropriate for Outback Steakhouse restaurants (collectively hereinafter the "**System Website**"). If Franchisor includes information about the Restaurant on the System Website, Franchisee agrees to give Franchisor the information and materials that Franchisor periodically requests concerning the Restaurant and otherwise participate in the System Website in the manner that Franchisor periodically specifies. By posting or submitting to Franchisor information or materials for the

System Website, Franchisee is representing to Franchisor that the information and materials are accurate and not misleading and do not infringe any third party's rights.

Franchisor shall own all intellectual property and other rights in the System Website and all information it contains, including, without limitation, the domain name or URL for the System Website, the log of "hits" by visitors, and any personal or business data that visitors (including Franchisee and its personnel) supply. Franchisor may implement and periodically modify standards relating to the System Website and, at Franchisor's option, may discontinue the System Website, or any services offered through the System Website, at any time.

All advertising, marketing and promotional materials that Franchisee develops for the Restaurant must contain notices of the URL of the System Website in the manner that Franchisor periodically designates. Franchisee may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes the Restaurant or displays any of the Proprietary Marks without Franchisor's prior approval. Franchisee may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Franchisor has sole discretion and control over any profiles using or relating to the Proprietary Marks, or that display the Marks, that are maintained on social media outlets, including without limitation Myspace, Facebook, Twitter and Instagram.

Nothing in this **Section 11.5** shall limit Franchisor's right to maintain websites other than the System Website or to offer and sell products and services under the Proprietary Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to Franchisee.

**Section 11.6** System-Wide Promotions. Franchisor may from time to time develop and administer advertising and sales promotion programs, including, without limitation, gift card programs and online ticket purchasing programs, designed to promote and enhance the collective success of all Restaurants operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program, which may or may not (at Franchisor's sole discretion) entail such participation counting towards the Required Local Marketing Expenditures or the maximum of eight percent (8%) of Net Sales that Franchisor may require that Franchisee pay to Multi-Unit Campaigns or expend on Required Local Marketing Expenditures in any given calendar year. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor shall be final and binding upon Franchisee.

## ARTICLE XII
## INSURANCE

**Section 12.1** Requirement. Franchisee shall procure, prior to the commencement of any operations under this Agreement or construction of the Restaurant, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor, and their respective officers, directors, partners, and employees, against any demand or claim with respect to personal injury, bodily injury, death, advertising injury or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Restaurant.

**Section 12.2** Insurors' Required Policies. Such policy or policies shall be in form satisfactory to Franchisor, and shall be written by a responsible carrier or carriers acceptable to Franchisor who are duly licensed by the appropriate state authorities and have a Best Guide rating of not less than A-VII (or such other minimum criteria that Franchisor periodically specifies). Such policy or policies shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by Franchisor from time to time), the following:

(a) Comprehensive general liability insurance, equivalent to ISO 86 form, in the amount of One Million Dollars ($1,000,000) per occurrence for bodily injury and property damage, Three Hundred Thousand Dollars ($300,000) fire damage legal liability insurance, Five Thousand Dollars ($5,000) medical payments liability insurance, One Million Dollars ($1,000,000) personal and advertising injury liability insurance, Five Million Dollars ($5,000,000) products aggregate, products aggregate to apply per location, and Five Million Dollars ($5,000,000) annual aggregate, annual aggregate to apply per location.

(b) Liquor liability insurance in the amount of One Million Dollars ($1,000,000) each common cause and One Million Dollars ($1,000,000) annual aggregate, annual aggregate to apply per Restaurant.

(c) Umbrella liability insurance (including general liability, liquor liability, automotive liability and employers liability) in the amount of Ten Million Dollars ($10,000,000) per occurrence and Ten Million Dollars ($10,000,000) annual aggregate, annual aggregate to apply per location.

(d) Automobile liability insurance (including, without limitation, non-owned and hired auto) in the amount of One Million Dollars ($1,000,000) combined single limit.

(e) Worker's compensation insurance as may be required by statute or rule of the state or locality in which the Restaurant is located, and employer's liability insurance with limits of Five Hundred Thousand Dollars ($500,000) bodily injury by accident each accident, Five Hundred Thousand Dollars ($500,000) bodily injury by disease policy limit and Five Hundred Thousand Dollars ($500,000) bodily injury by disease each employee, and stop gap/employer's liability insurance if worker's compensation insurance must be purchased from the state in which the Restaurant is located.

(f) Special form all risk property coverage (including, without limitation, flood, windstorm and earthquake) for the full cost of replacement of the Restaurant building, contents, betterments and improvements and business interruption and all other property in which Franchisee may have an interest with no coinsurance clause and a replacement cost clause attached and maximum deductible/self-insured retentions of not more than $100,000 per occurrence.

(g) Business income insurance that specifically provides for payment to Franchisor of the monthly royalty fee required by **Section 3.2** hereof equal to the average monthly fees paid during the previous twelve (12) months or such period as the Restaurant has been open for business if less than twelve (12) months.

(h) Cyber liability insurance with limits of at least One Million Dollars ($1,000,000) per claim and annual aggregate that coordinates with system coverage. The coverage must allow Franchisor to respond to the incident without restriction.

Notwithstanding the coverages and limits specified in this **Section 12.2**, Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards in liability, higher damage awards or other relevant changes in circumstances.

**Section 12.3** Construction Insurance. In connection with any construction, renovation, refurbishment, or remodeling of the Restaurant, Franchisee shall maintain Builder's Risk All Risk insurance covering the completed value of the construction and commercial general liability insurance in the amount of One Million Dollars ($1,000,000) per occurrence bodily injury and property damage, Two Million Dollars ($2,000,000) per location aggregate and performance and completion bonds in form and amount acceptable to Franchisor.

**Section 12.4** Effect of Franchisor's Insurance. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in **Section 16.4** hereof.

**Section 12.5** Franchisor as Additional Insured. Franchisor and each of its Affiliates, directors, agents and employees that Franchisor periodically specifies shall be named as additional insureds on all liability and property damage insurance policies (except Workers' Compensation policies) and Franchisor shall be named as an additional insured with respect to Franchisor's interest in fees under all-risk property policies, business income insurance policies and Franchisor's interest, if any, in real and/or personal property under liability and property damage insurance policies. All insurance policies shall contain a provision that Franchisor, although named as an insured and/or loss payee, shall nevertheless be entitled to recover under said policies on any loss occasioned to Franchisor or its servants, agents or employees by reason of the negligence of Franchisee or its servants, agents or employees.

**Section 12.6** Evidence of Insurance. At least thirty (30) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any such policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper coverage with limits not less than those required hereunder. Such certificates, with the exception of Workers' Compensation, shall name Franchisor and each of its Affiliates, directors, agents and employees that Franchisor specifies as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions for which such certificates evidence coverage. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of material alteration to or cancellation of the coverages evidenced by such certificates.

**Section 12.7** Right to Cure. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Operations Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## ARTICLE XIII
## TRANSFER OF INTEREST

**Section 13.1** Transfer by Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity. Franchisor may change its ownership or form without restriction. Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Proprietary Marks (or any variation thereof) or the System from Franchisor to any other party. Upon any such transaction, the transferee shall be solely responsible for all obligations and duties arising subsequent to such transaction, such transaction will constitute a novation, and Franchisor will have no further obligation to Franchisee.

**Section 13.2** Transfer by Franchisee.

(a) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and its Owners, and that Franchisor has granted this franchise in reliance on Franchisee's (and its Owners') business skill, financial capacity, and character. Accordingly, neither Franchisee nor any Owner shall transfer any direct or indirect interest in this Agreement or the Restaurant (or all or substantially all of its assets), or any Ownership Interest in Franchisee, without the prior written consent of Franchisor and compliance with all terms and provisions of this **Article XIII**; provided, however, that Franchisor's prior written consent shall not be required for a transfer of less than a one percent (1%) interest in a publicly held corporation. A publicly held corporation is a corporation registered under the Securities Exchange Act of 1934. A transfer of the ownership, possession or control of the Restaurant or all or substantially all of its assets may be made (subject to Franchisor's rights in this **Article XIII**) only with a transfer of this Agreement. Any purported transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this **Section 13.2(a)** shall be null and void and shall constitute a breach of this Agreement.

(b) In this Agreement, the term "**transfer**" shall include (without limitation) the following, whether voluntary or involuntary, conditional, direct or indirect: (i) assignment, sale, gift or other disposition; (ii) the grant of a mortgage, charge, pledge, lien or security interest, including, without limitation, the grant of a collateral assignment, excluding only an equipment lease arrangement or financing arrangement for equipment on arm's-length terms; (iii) a merger, consolidation, exchange of shares or other Ownership Interests, issuance of additional Ownership Interests or securities representing or potentially representing Ownership Interests, or redemption of Ownership Interests; (iv) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of Ownership Interests or to control (directly or indirectly) the operations or affairs of Franchisee; and (v) a management agreement whereby Franchisee delegates any of its obligations under this Agreement or any or all of the management functions with respect to the Restaurant. In addition, a transfer (as defined above) will include, without limitation, any transfer by virtue of divorce; insolvency; dissolution of a business entity; will; intestate succession; declaration of or transfer in trust; or foreclosure, attachment, seizure or otherwise by operation of law. A "**Control Transfer**" is any transfer which, alone or together with other previous, simultaneous or proposed transfers, would have the effect of (x) transferring, in the aggregate, more than twenty-five percent (25%) of the Ownership Interests in Franchisee; or (y) reducing the percentage of the Ownership Interests in Franchisee that the Franchise Principal owns to less than fifty-one percent (51%). Any other transfer which requires Franchisor's prior written consent under **Section 13.2(a)** hereof and is not a Control Transfer is called a "**Non-Control Transfer**."

**Section 13.3** Franchisor's Approval of Transfer.

(a) Franchisee shall deliver to Franchisor written notice of any proposed Control Transfer or Non-Control Transfer, with such detail as Franchisor reasonably specifies concerning the proposed transfer, at least thirty (30) days before its intended effective date.

(b) If the proposed transfer is a Non-Control Transfer, then simultaneously with the notice of the proposed transfer, Franchisee also shall pay Franchisor a transfer fee of One Thousand Dollars ($1,000) to partially cover Franchisor's costs in addressing the proposed Non-Control Transfer. Subject to its other rights in this **Article XIII**, Franchisor shall have fifteen (15) days following delivery of such notice within which to evaluate the proposed transaction and to notify Franchisee of its approval or disapproval (with reasons) of the proposed Non-Control Transfer. Franchisor will not unreasonably withhold its approval of any Non-Control Transfer if the proposed transferee (and its direct and indirect owners) are of good moral character, do not violate the provisions of **Section 7.5(a)** hereof, and otherwise meet Franchisor's then current requirements for owners of non-controlling interests in Outback Steakhouse restaurant franchisees. If Franchisor approves the Non-Control Transfer, then any new Owner shall, simultaneously with acquiring its Ownership Interest in Franchisee, sign and deliver to Franchisor its then current form of Owner/Executive Agreement.

(c) If the proposed transfer is a Control Transfer, then Franchisor will not unreasonably withhold its consent to that transfer (subject to its other rights in this **Article XIII**) if all of the following conditions are satisfied:

(i) All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates shall have been satisfied;

(ii) Franchisee shall be in full compliance with all provisions of this Agreement, any amendment hereof or successor hereto, and any other agreement between Franchisee or the Franchise Principal, on the one hand, and Franchisor or any of its Affiliates, on the other hand;

(iii) The transferor shall have executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its Affiliates, and their respective officers, directors, owners, agents, and employees;

(iv) Franchisor determines that the purchase price and payment terms will not adversely affect the operation of the Restaurant;

(v) The transferee (and, as applicable, its owners) shall demonstrate to Franchisor's satisfaction that it (and each owner) meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the experience, aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); has adequate financial resources and capital to operate the Restaurant; and do not violate the provisions of **Section 7.5(a)** hereof;

(vi) At Franchisor's option, the transferee (and, as applicable, its owners) shall either (A) enter into one or more written agreements and personal guarantees, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and all related agreements; or (B) execute (and/or, upon Franchisor's request, shall cause all interested parties to execute) the standard form franchise agreement and all related agreements (including, without limitation, personal guarantees) then being offered to new Outback Steakhouse restaurant franchisees for a term ending on the expiration date of this Agreement, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate and

Required Local Marketing Expenditures and different rights in, and/or geographic area comprising, the Territory; provided, however, that the transferee shall not be required to pay an initial franchise fee;

(vii) The transferee, at its expense, shall upgrade the Restaurant to conform to the then current standards and specifications of Outback Steakhouse restaurants, and shall complete the upgrading and other requirements within the time specified by Franchisor;

(viii) Franchisee shall remain liable for all of the obligations to Franchisor in connection with the franchised business prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(ix) At the transferee's expense, the transferee, the transferee's managers and the new Franchise Principal shall complete any training programs then in effect upon such terms and conditions as Franchisor may reasonably require;

(x) Franchisee shall reimburse Franchisor for its reasonable costs and expenses associated with the transfer, including, without limitation, legal and accounting fees and salaries of Franchisor's personnel; and

(xi) Franchisee and/or its transferring Owners (if applicable) shall sign a noncompetition undertaking in favor of Franchisor and the transferee that contains, among other things, the restrictions in **Section 7.6** hereof.

Franchisee acknowledges and agrees that each condition which must be met by the transferee is necessary to assure such transferee's full performance of the obligations hereunder.

**Section 13.4** Right of First Refusal.

(a) Any party owning any direct or indirect interest in this Agreement, the Restaurant or its assets, or an Ownership Interest in Franchisee, and desiring to accept a bona fide offer to acquire such interest (hereinafter "**Transferor**") shall, within five (5) days of receipt of such offer and prior to acceptance thereof, provide written notice to Franchisor (hereinafter "**Notice of Offer**") of each such offer. The Notice of Offer shall specify the interest to be transferred (hereinafter "**Interest**"), the identity of the offeror, the purchase price and manner of payment, the treatment of any liabilities to which the Interest is subject and shall include copies of all written communications from the offeror or Transferor containing or relating to the offer. The Interest must involve only a direct or indirect interest in this Agreement, the Restaurant or its assets or an Ownership Interest in Franchisee and not any other interests or assets. Transferor shall also provide such other documents and information relating to the offeror and/or the offer as Franchisor thereafter requests.

(b) Upon receipt of a Notice of Offer, Franchisor shall have the right and option to purchase, and Transferor shall be obligated to sell to Franchisor, the Interest upon the same terms and conditions contained in the Notice of Offer. In the event the consideration, terms and/or conditions contained in the Notice of Offer are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, Franchisor shall notify Transferor and Franchisor shall have the right to substitute therefor the reasonable cash equivalent. If Franchisor and Transferor cannot agree on the reasonable cash equivalent within fifteen (15) days of receipt of the Notice of Offer, Franchisor and Franchisee shall each appoint an independent, qualified M.A.I. appraiser to determine the reasonable cash equivalent. If the two (2) appraisers so appointed cannot agree on the reasonable cash equivalent, they shall appoint a third independent, qualified M.A.I. appraiser to determine a third appraisal of the reasonable cash equivalent. The final reasonable cash equivalent shall be the average of the two (2) closest appraisals. The determination of such appraisers shall be final and binding on all parties.

(c) Franchisor may exercise the purchase option granted in (b) above by providing written notice (hereinafter "**Notice of Exercise**") to Transferor on or before the later of: (i) forty-five (45) days from receipt of the Notice of Offer; (ii) thirty (30) days from the date of receipt of all additional information and documents relating to the offeror and/or the offer requested by Franchisor pursuant to (a) above; or (iii) thirty (30) days from receipt of written determination by the appraiser of reasonable cash equivalent pursuant to (b) above, if applicable.

(d) The closing for any purchase by Franchisor hereunder shall be consummated and closed in Franchisor's principal office at a mutually agreed upon date and time, provided that such closing shall be held within ninety (90) days from the date of Notice of Exercise. At the closing, Transferor shall execute and deliver to Franchisor such documents, affidavits and instruments as are necessary or appropriate, in the opinion of Franchisor's counsel, to transfer good and marketable title in the Interest to Franchisor, free and clear of any lien, claim or encumbrance (except as otherwise specified in the Notice of Offer). Transferor shall execute and deliver to Franchisor such representations, warranties and indemnities as are customary or appropriate, in the opinion of Franchisor's counsel, in connection with the transfer of property of a kind similar to the Interest. Transferor (and its owners) shall sign a noncompetition undertaking in favor of Franchisor that contains, among other things, the restrictions in **Section 7.6** hereof. Franchisor shall deliver the purchase price to Transferor in accordance with the Notice of Offer and/or determination of reasonable cash equivalent. If the Interest includes real property, Transferor shall, at its expense, deliver to Franchisor an owner's marketability title insurance policy (ALTA FORM B latest revision), issued by a company acceptable to Franchisor's counsel, insuring Franchisor's title to the real property for the full amount of the purchase price without any exceptions or exclusions except for those acceptable to Franchisor. Franchisee shall use its best efforts and due diligence to cure any title defects and the closing shall be extended for a reasonable cure period. All costs, fees, document taxes and other expenses incurred in connection with the transfer of the Interest shall be allocated in accordance with the Notice of Offer. Any costs not allocated therein shall be paid by Transferor.

(e) As to any particular Notice of Offer, if Franchisor does not exercise the purchase option within the time limit of (c) above, or if Franchisor, through no fault of Transferor, fails to close the purchase of the Interest within the time limit of (d) above, then as to such particular Notice of Offer only, Transferor shall be free to transfer the Interest solely to the offeror named in the Notice of Offer upon the same terms and conditions contained in the Notice of Offer; provided however,

(i) such transfer shall be subject to Franchisor's approval and compliance with all other terms and provisions of **Section 13.3** hereof; and

(ii) such transfer shall be consummated and closed on or before the earlier of: (A) ninety (90) days after compliance with and satisfaction of the terms and provisions of **Section 13.3** hereof; or (B) if Franchisor has not exercised its purchase option, ninety (90) days from the expiration date for exercise of the purchase option pursuant to (c) above or notice from Franchisor that it does not intend to exercise its purchase option; or (C) if Franchisor has exercised the purchase option but failed to close through no fault of Transferor, ninety (90) days from the expiration date for closing pursuant to (d) above.

(f) Transferor shall make no transfer of the Interest except to the offeror named in the Notice of Offer, on the same terms and conditions contained in the Notice of Offer and within the time limit specified in subsection (e). Any purported transfer not in strict compliance with all the requirements of the preceding sentence and the other requirements of this **Article XIII** shall be null and void. If Transferor does not close and consummate the transfer of the Interest in strict accordance with the requirements of (e) and (f) hereof, Franchisor's purchase option shall again be exercisable and Transferor shall make no transfer of the Interest until it has again complied with all terms and provisions of this **Section 13.4**, including, without limitation, issuance of a new Notice of Offer. Any modification to an offer shall constitute a new offer for which Franchisor's purchase option shall again be exercisable and Transferor shall make no transfer pursuant to such modified offer until it has again complied with all terms and provisions of this **Section 13.4**, including, without limitation, issuance of a new Notice of Offer.

**Section 13.5** Transfer Upon Franchise Principal's Death or Incapacity. Upon the death or incapacity of the Franchise Principal, his or her executor, administrator, or personal representative shall use commercially reasonable efforts to transfer his or her Ownership Interest in Franchisee to a third party approved by Franchisor within nine (9) months after such death or incapacity. All such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all the conditions of **Section 13.3** hereof. However, in the case of transfer by devise or inheritance, if the Franchise Principal's heirs or beneficiaries are unable to meet the conditions of **Sections 6.3** and **13.3** hereof, the personal representative of the deceased Franchise Principal shall have a reasonable time, not to exceed twelve (12) months from the date of death or incapacity, to transfer the Franchise Principal's Ownership Interest in Franchisee (subject to all of the conditions of this **Article XIII**). If such interest is not transferred within twelve (12) months from the date of death or incapacity, Franchisor may terminate this Agreement.

**Section 13.6** Non-Waiver of Claims. Franchisor's consent to any transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

**Section 13.7** Offerings by Franchisee. Subject to Franchisor's right of first refusal and other rights under this **Article XIII**, Ownership Interests in Franchisee may be offered for sale only with the prior written consent of Franchisor, which consent may be withheld at Franchisor's sole and absolute discretion and will, in all cases, be subject to Franchisee's satisfaction of the other terms and conditions of this Article XIII. All materials required for such offering by federal or state law shall be submitted to Franchisor for review prior to their being filed with any government agency, and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to their use. No Franchisee offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of securities, and Franchisor's review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering shall fully indemnify Franchisor in connection with the offering. For each proposed offering, Franchisee shall reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees and salaries of Franchisor's personnel. Franchisee shall give Franchisor written notice, and provide all materials relating to the offering, at least thirty (30) days prior to the date of commencement any offering or other transaction covered by this **Section 13.7**. Neither Franchisee nor any of its Owners may issue or sell Franchisee's securities or the securities of any of Franchisee's Affiliates if: (a) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than thirty-five (35) persons; or (b) after such issuance or sale, Franchisee or such Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

## ARTICLE XIV
## DEFAULT AND TERMINATION

**Section 14.1** Termination Without Notice. Franchisee shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if: (a) Franchisee shall become insolvent or make a general assignment for the benefit of creditors; (b) a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; (c) Franchisee is adjudicated a bankrupt or insolvent; (d) a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (e) proceedings for a composition with creditors under any state or federal law are instituted by or against Franchisee; (f) a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); (g) Franchisee is dissolved; (h) execution is levied against Franchisee's business or property; (i) suit to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or (j) the real or personal property of the Restaurant is sold after levy thereupon by any sheriff, marshal, or constable.

**Section 14.2** Termination Upon Notice. Franchisee shall be deemed to be in default under this Agreement and Franchisor may, at its option and in addition to all other remedies available to Franchisor, terminate this Agreement, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, if:

(a) Franchisee fails to meet any of the deadlines for site submission or approval, Lease submission or approval, or developing or opening the Restaurant in **Article IV** hereof;

(b) Franchisee at any time ceases to operate the Restaurant for the required hours of operation or otherwise abandons the Restaurant, or loses the right to possession of the Restaurant premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located; provided, however, that if, through no fault of Franchisee, the premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the premises, which approval shall not be unreasonably withheld, but which may be conditioned upon Franchisee's compliance with **Article IV** hereof and the payment to Franchisor of an agreed minimum royalty fee during the period the Restaurant is not in operation, such fees, unless otherwise agreed by Franchisor, to be equal to the average monthly royalty fees paid pursuant to **Section 3.2** hereof during the previous twelve (12) months, or such shorter period as the Restaurant has been open for business if less than twelve (12) months;

(c) Franchisee or the Franchise Principal is convicted of or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense, or engages in any other conduct, that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

(d) a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant;

(e) Franchisee fails to maintain an approved Franchise Principal and otherwise satisfy the requirements of **Section 6.3** hereof;

(f) Franchisee fails to maintain an approved Operations Director and otherwise satisfy the requirements of **Section 6.4** hereof;

(g) Franchisee or any Owner purports to transfer any Ownership Interest without Franchisor's prior written consent, or otherwise purports to consummate any transfer without compliance with the terms of **Article XIII** hereof;

(h) Franchisee or any Owner fails to comply with the covenants of **Article VII** hereof or fails to obtain execution of the agreements required under **Section 1.4(e)** or **7.10** hereof;

(i) Franchisee or its agent discloses or divulges the contents of the Operations Manual or other Confidential Information in violation of **Section 7.3** or **9.2** hereof;

(j) an approved transfer is not effected within a reasonable time, as required by **Section 13.5** hereof, following the death or incapacity of the Franchise Principal;

(k) Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(l) Franchisee misuses or makes any unauthorized use of the Proprietary Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

(m) Franchisee or any of its Owners directly or indirectly engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks;

(n) Franchisee or any Owner borrows money or incurs any debt or liability in violation of **Section 7.2** hereof;

(o) any information submitted by Franchisee (or any of its Owners or representatives) in any franchise application is discovered to have been false, misleading or incomplete in any material respect;

(p) Franchisee fails, refuses, or neglects promptly to pay any monies owing to any authorized vendor of Franchisor when due;

(q) Franchisee, after curing a default pursuant to this **Section 14.2** or **Section 14.3** hereof, commits the same default again, whether or not cured after notice;

(r) Franchisee is in default more than twice in any twelve (12)-month period under this **Section 14.2** or **Section 14.3** hereof for failure substantially to comply with any of the requirements imposed by this Agreement, whether or not cured after notice; or

(s) any other franchise agreement or other agreement between Franchisor or any of its Affiliates, on the one hand, and Franchisee, the Franchise Principal, or any of Franchisee's Affiliates for which the Franchise Principal serves as a franchise principal or in a similar capacity, on the other hand, is terminated before its term expires, regardless of the reason.

**Section 14.3** Termination After Failure to Cure. Except as provided in **Section 14.1** and **Section 14.2** hereof, upon any default by Franchisee which is susceptible of being cured, Franchisor may, at its option and in addition to all other remedies available to Franchisor, terminate this Agreement by giving written notice of default to Franchisee at least thirty (30) days (or such shorter time period as Franchisor may reasonably specify) prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the thirty (30) day period (or within such shorter time period as Franchisor may reasonably specify), and by promptly providing proof thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, Franchisor may, at its option and in addition to all other remedies available to Franchisor, terminate this Agreement effective immediately upon delivery of written notice to Franchisee. Subject to **Sections 14.1** and **14.2** hereof, defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

(a) Franchisee fails to comply with any of the requirements imposed by this Agreement or the Operations Manual, as it may from time to time be amended, or fails to carry out the terms of this Agreement in good faith;

(b) Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its Affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(c) Franchisee fails to maintain or observe any of the methods, standards or specifications prescribed by Franchisor from time to time in this Agreement, the Operations Manual, or otherwise in writing; and

(d) Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement.

**Section 14.4** Liquidated Damages for Deviation from Operations Manual. Franchisee acknowledges the importance of operating the Restaurant in accordance with the System and the standards and requirements set forth from time to time in the Operations Manual. Franchisee further acknowledges that any deviation from those standards and requirements will in some way damage Franchisor, the System and the goodwill associated with the Proprietary Marks, and will also cause Franchisor to incur administrative and management costs to address that deviation. In the case of minor violations of the Operations Manual's requirements that are unlikely to have a material adverse effect on the System, the Proprietary Marks, the Restaurant or any other Outback Steakhouse restaurant (hereinafter "**Minor Violations**"), the parties acknowledge that such administrative and management costs are difficult to quantify. Accordingly, the parties agree that in the event of repeated Minor Violations, Franchisee shall pay to Franchisor, as liquidated and agreed-upon damages to compensate Franchisor for the administrative and management costs resulting from such Minor Violations, the following amounts:

| | |
|---|---|
| Second Minor Violation in calendar year: | $1,000.00 |
| Third Minor Violation in calendar year: | $2,000.00 |
| Each additional Minor Violation in calendar year: | $4,000.00 |

Liquidated damages under this **Section 14.4** shall be paid to Franchisor within five (5) days of receipt of notice from Franchisor. The imposition of liquidated damages pursuant to this **Section 14.4** shall be at Franchisor's option. Franchisor is not required to impose liquidated damages under this **Section 14.4** and may instead pursue other remedies with respect to any Minor Violation, including, without limitation, seeking other damages, seeking injunctive relief to restrain any subsequent or continuing Minor Violation and/or terminating this Agreement pursuant to this **Article XIV**. If Franchisor imposes liquidated damages under this **Section 14.4** for any Minor Violation, Franchisor may thereafter terminate this Agreement pursuant to this **Article XIV** for a subsequent Minor Violation.

**Section 14.5** Remedies. Upon termination of this Agreement by Franchisor, Franchisor shall have the right to recover from Franchisee all damages and exercise all other remedies available to Franchisor at law or in equity resulting from or arising out of Franchisee's default under this Agreement. All rights and remedies under this Agreement and applicable law shall be cumulative and non-exclusive. Franchisor's and Franchisee's exercise or enforcement of any right or remedy will not preclude its exercise or enforcement of any other right or remedy.

## ARTICLE XV
## OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

**Section 15.1** Cessation of Franchise. Franchisee shall immediately cease to operate the Restaurant and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

**Section 15.2** Use of Intellectual Property. Subject to **Section 15.9(g)** hereof, Franchisee shall immediately and permanently cease to use, in any manner whatsoever, all confidential or distinctive methods, procedures and techniques associated with the System, all Confidential Information, the Proprietary Mark "Outback Steakhouse®" and all other Proprietary Marks, and all other distinctive forms, slogans, signs, logos, symbols, and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks.

**Section 15.3** Assumed Names. Franchisee shall take such action as may be necessary to cancel any fictitious name or equivalent registration which contains the mark Outback Steakhouse® or any other Proprietary Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

**Section 15.4** Assignment of Lease and De-Identification. At Franchisor's option, Franchisee shall assign to Franchisor all interest which Franchisee has in the Lease and Franchisor shall assume all obligations under such Lease accruing after the date of assignment. In the event Franchisor does not elect to exercise its option to acquire the Lease, Franchisee shall make such modifications or alterations to the Restaurant's premises (including, without limitation, the removal of all trade dress and changing of the telephone number) immediately upon termination or expiration of this Agreement (subject to **Section 15.9(g)** hereof) as may be necessary to distinguish the appearance of said premises from that of other Outback Steakhouse restaurants, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this **Section 15.4**, Franchisor shall have the right to enter upon the Restaurant's premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

**Section 15.5** Similar Marks. Franchisee agrees, in the event it or its Owners continue to operate or subsequently begin to operate any other business not in violation of the covenants of **Article VII** hereof, that none of them will use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Proprietary

Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

**Section 15.6** Payment to Franchisor. Franchisee shall promptly pay all sums owing to Franchisor and its Affiliates. In the event of termination for any default of Franchisee, such sums shall include (without limitation) all damages, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

**Section 15.7** Costs of Enforcement. Franchisee shall pay to Franchisor all damages, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

**Section 15.8** Surrender of Materials. Franchisee shall immediately deliver to Franchisor upon the termination or expiration of this Agreement all manuals, including, without limitation, the Operations Manual, records, files, instructions, correspondence, products, internal memoranda, designs, project files, prospectus reports, call books, notebooks, textbooks, and all other materials related to operating the franchised business or containing any Confidential Information, including, without limitation, brochures, agreements, invoices, price lists, customer and vendor lists, customer correspondence, Customer Data and other customer and vendor information, sales literature, territory printouts and any and all other materials relating to the operation of the franchised business in Franchisee's possession, and all copies, duplications, replications, and derivatives thereof (all of which are acknowledged to be the exclusive property of Franchisor), and shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

**Section 15.9** Option to Purchase or Lease; Management of Restaurant.

(a) In the event of termination or expiration of this Agreement, Franchisor (or its designee) shall have the right and option to purchase, and Franchisee shall be obligated to sell to Franchisor (or its designee), all or any portion of the assets of the Restaurant that are owned by Franchisee or any of its Affiliates, including, without limitation, the Operating Assets, supplies, liquor license, inventory and other tangible personal property of Franchisee used in connection with the operation of the Restaurant that Franchisor specifies, and Franchisor (or its designee) shall have the right and option to purchase or lease, at Franchisor's election, the land, building and other improvements thereon constituting the Restaurant's premises (if owned by Franchisee or any Affiliated Landowner). If the land, building and other improvements constituting the Restaurant's premises are occupied by Franchisee pursuant to a Lease, Franchisor shall have the option to require Franchisee to assign its interest in such Lease to Franchisor as provided in **Section 15.4** hereof or, if the Lease is between Franchisee and an Affiliated Landlord, to purchase or lease such real property from the Affiliated Landlord in accordance with this **Section 15.9**. Franchisee agrees to cause any Affiliated Landlord to comply with the terms of this **Section 15.9**.

(b) To exercise the option granted in (a) above, Franchisor shall give written notice (hereinafter "**Notice of Exercise**") to Franchisee (i) within thirty (30) days from the date of termination or expiration for personal property and (ii) within sixty (60) days from the date of termination or expiration for real property. The Notice of Exercise shall specify the items of property to be purchased or leased, a purchase price and/or rental therefor and manner of payment.

The purchase price and/or rental for the property described in this **Section 15.9** (including, without limitation, the fair market value and fair market rental for that property determined in accordance with this Subsection (b)) will not include any value for the rights granted by this Agreement, goodwill attributable to the Proprietary Marks or the System (or Franchisor's continuing use thereof at the Restaurant following Franchisor's acquisition), Franchisor's brand image or other intellectual property, or participation in the network of Outback Steakhouse restaurants.

If Franchisee or the Affiliated Landowner objects to the purchase price or rental specified in the Notice of Exercise, it shall give written notice of objection to Franchisor within ten (10) days of receipt of the Notice of Exercise. Failure to give written notice of objection to Franchisor within the time limit of the preceding sentence shall constitute a waiver and acceptance of the purchase price or rental contained in the Notice or Exercise. In the event of timely notice of objection, Franchisor and Franchisee shall each appoint an independent, qualified M.A.I. appraiser to determine the fair market value or fair market rental of the property for which objection has been made. If the two (2) appraisers as appointed cannot agree on the fair market value or fair market rental, they shall appoint a third independent, qualified M.A.I. appraiser to determine the fair market value or fair market rental. In determining fair market value or fair market rental, the appraisers shall be bound by the conditions and restrictions reflected in this Subsection (b). The final fair market value or fair market rental, as the case may be, shall be the average of the two (2) closest appraisals. The determination of such appraisers shall be final and binding on all parties.

(c) The closing for any purchase or lease by Franchisor pursuant to this Section shall be consummated and closed at Franchisor's principal office at a mutually agreed upon date and time, provided that the closing shall occur on or before the later of: (i) if no real property is being purchased or leased, the later of thirty (30) days from the date of Notice of Exercise or thirty (30) days from receipt of written determination of fair market value by the appraiser; or (ii) if real property is being purchased or leased, the later of ninety (90) days from the date of Notice of Exercise or ninety (90) days from the receipt of written determination of fair market value or fair market rental of the appraisers.

(d) At the closing, Franchisee and/or the Affiliated Landowner shall execute and deliver to Franchisor such documents, affidavits and instruments as are necessary or appropriate, in the opinion of Franchisor's counsel, to transfer good and marketable fee simple or leasehold title, as the case may be, to the property to Franchisor free and clear of any lien, claim or encumbrance. Franchisee or the Affiliated Landowner shall execute and deliver to Franchisor such representations, warranties and indemnities as are customary or appropriate, in the opinion of Franchisor's counsel, in connection with the transfer of property of similar kind. If real property is being transferred, Franchisee or the Affiliated Landowner shall, at its expense, deliver to Franchisor an owner's marketability title insurance policy (ALTA FORM B latest revision), issued by a company acceptable to Franchisor's counsel, insuring Franchisor's title to the real property for the full amount of the purchase price without exception or exclusion except for those acceptable to Franchisor. Franchisee or the Affiliated Landowner shall use its best efforts and due diligence to cure any title defects and the closing shall be extended for a reasonable cure period. Franchisor shall deliver the purchase price to Franchisee or the Affiliated Landowner; provided, Franchisor may set off therefrom any amounts due Franchisor from Franchisee. All costs, stamps, fees and other expenses in connection with the closing and transfer of the property shall be paid by Franchisee or the Affiliated Landowner.

(e) If Franchisor elects to lease the land, building and other improvements constituting the Restaurant's premises from Franchisee or an Affiliate Landlord (other than pursuant to **Section 15.4** hereof), the parties shall execute a written lease providing for monthly rental payments in an amount determined as provided in (b) above, an initial lease term of five (5) years with three (3) renewal options of five (5) years each at Franchisor's election, and such other terms, provisions, representations and warranties as are normal and customary in leases of such type.

(f) Franchisee shall obtain the written agreement of any Affiliated Landlord to be bound by and comply with the provisions of this **Section 15.9**.

(g) Following expiration or termination of this Agreement, if Franchisor is deciding whether or not to exercise its option under **Section 15.4** hereof or this **Section 15.9**, then Franchisor has the right (but not the obligation), exercisable upon delivery of written notice to Franchisee, to enter the Restaurant's premises and assume the management of the Restaurant itself or appoint a third party (who may be an Affiliate of Franchisor) to manage the Restaurant. All funds from the operation of the Restaurant while Franchisor or its appointee assumes its management will be kept in a separate account, and all of the expenses of the Restaurant will be charged to that account. Franchisor or its appointee may charge Franchisee (in addition to the royalty fee and other amounts due under this Agreement) a management fee equal to ten percent (10%) of the Restaurant's Net Sales during the period of management, plus any direct out-of-pocket costs and expenses, if Franchisor or its appointee assumes the management of the Restaurant under this Subsection. Franchisor or its appointee has a duty to utilize only reasonable efforts and will not be liable to Franchisee for any debts, losses or obligations the Restaurant incurs, or to any of Franchisee's creditors for any products or services the Restaurant purchases, while managing it. Franchisee shall not take any action or fail to take any action that interferes with Franchisor's or its appointee's exclusive right to manage the Restaurant.

**Section 15.10** Compliance with Covenants. Franchisee shall comply, and ensure its Owners' compliance, with the covenants contained in **Article VII** hereof and elsewhere in this Agreement which expressly or by their nature survive the expiration or termination of this Agreement.

## ARTICLE XVI
## INDEPENDENT CONTRACTOR AND INDEMNIFICATION

**Section 16.1** Relationship of Parties. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Without limiting the foregoing, Franchisee acknowledges and understands that Franchisor will not exercise direct or indirect control over the Restaurant's personnel, except to the extent any indirect control is related to Franchisor's legitimate interest in protecting the quality of products, services, or the Outback Steakhouse® brand. Franchisor will not share or co-determine the employment terms and conditions of the Restaurant's employees or affect matters relating to the employment relationship between Franchisee and the Restaurant's employees, such as employee selection, recruitment, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances/complaints, and working conditions. Franchisor shall not be deemed the employer or joint employer of the Restaurant's employees for any purpose.

**Section 16.2** Notice to Public. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Restaurant pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the franchised premises, the content of which Franchisor reserves the right to specify.

**Section 16.3** Lack of Authority. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the franchised business or for any claim or judgment arising therefrom against Franchisee or Franchisor.

**Section 16.4** Indemnification.

(a) Indemnification by Franchisee. Franchisee hereby agrees to indemnify, defend and hold harmless Franchisor and its Affiliates, and its and their respective directors, officers, owners, employees, agents, representatives, successors and assigns (each referred to hereinafter as an "**Indemnified Party**") from and against, and shall reimburse the Indemnified Party for, all costs, including (without limitation) attorney's fees, incurred in connection with any and all Claims (defined below) resulting from, connected with, or arising out of, directly or indirectly, (i) Franchisee's operation of the Restaurant, including, without limitation, negligence of Franchisee, its agents or employees; (ii) Franchisee's non-compliance or alleged non-compliance with any law, ordinance, rule or regulation, including, without limitation, any allegation that Franchisor or another Indemnified Party is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to Franchisee's employees; or (iii) Franchisee's breach of this Agreement. As used in this **Section 16.4**, the term "**Claim**" shall include (i) all liabilities, losses, damages (including, without limitation, consequential damages), judgments, awards, settlements approved by the Indemnified Party (such approval shall not be unreasonably withheld or delayed), costs and expenses (including, without limitation, interest (including, without limitation, prejudgment interest in any litigated matter), penalties, court costs and reasonable attorneys' fees and expenses); and (ii) all demands, claims, suits, actions, costs of investigation, causes of action, proceedings and assessments, whether or not ultimately determined to be valid.

(b) Notice and Defense. The Indemnified Party shall give notice to Franchisee within fifteen (15) business days after actual receipt of service or summons to appear in any action begun in respect of which indemnity may be sought hereunder. However, failure to give such notice shall not affect Franchisee's duties or obligations under this **Section 16.4**, except to the extent Franchisee is actually prejudiced thereby. Franchisee shall defend such action with counsel chosen by Franchisee and approved by the Indemnified Party (such approval shall not be unreasonably withheld or delayed in such action), unless the Indemnified Party reasonably objects to such assumption on the ground that the Indemnified Party's counsel has advised the Indemnified Party that there may be legal defenses available to the Indemnified Party that are different from or in addition to those available to Franchisee, in which case the Indemnified Party shall have the right to employ separate counsel approved by Franchisee (such approval shall not be unreasonably withheld or delayed) to defend such action for the Indemnified Party. In no event shall Franchisee be liable for the fees and expenses of more than one counsel for any one Indemnified Party in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances unless, in the reasonable opinion of such counsel, there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties. The parties hereto will (at Franchisee's expense) cooperate and use their best efforts to defend against and respond to any action.

(c) Negligence of Indemnified Parties. Franchisee's obligations under this **Section 16.4** apply to any Claim alleged to be caused by an Indemnified Party's negligence or willful misconduct. However, Franchisee has no obligation to indemnify under this **Section 16.4** if a court of competent jurisdiction makes a final decision not subject to further appeal that Franchisor, its Affiliates, or any of their respective employees directly engaged in willful misconduct or intentionally caused the property damage or bodily injury that is the subject of the Claim, so long as the Claim is not asserted on the basis of theories of vicarious liability (including, without limitation, agency, apparent agency, or employment) or Franchisor's failure to compel Franchisee to comply with this Agreement, which are Claims for which Franchisor is entitled to indemnification under this **Section 16.4**.

(d) Failure to Defend. If Franchisee, within a reasonable time after notice of any such Claim, fails to defend such Claim actively and in good faith, the Indemnified Party will have the right to undertake the defense, compromise or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and for the account and risk of Franchisee, and Franchisee shall thereafter have no right to challenge the Indemnified Party's defense, compromise, settlement or consent to judgment.

(e) Indemnified Party's Rights. Anything in this **Section 16.4** to the contrary notwithstanding, (i) if there is a reasonable probability that a Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to defend, compromise or settle such Claim at Franchisee's risk and expense, and (ii) Franchisee shall not, without the written consent of the Indemnified Party and its insurance carrier, as applicable, settle or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such Claim.

(f) Payment. Franchisee shall promptly pay the Indemnified Party any amount due under this **Section 16.4,** which payment may be accomplished in whole or in part, at the option of the Indemnified Party, by the Indemnified Party's setting off any amount owed to Franchisee by the Indemnified Party. To the extent set-off is made by an Indemnified Party in satisfaction or partial satisfaction of an indemnity obligation under this **Section 16.4** that is disputed by Franchisee, upon a subsequent determination by final judgment not subject to appeal that all or a portion of such indemnity obligation was not owed to the Indemnified Party, the Indemnified Party shall pay Franchisee the amount which was set off and not owed together with interest from the date of set-off until the date of such payment at an annual rate equal to the average annual rate in effect as of the date of the set-off, on those three maturities of United States Treasury obligations having a remaining life, as of such date, closest to the period from the date of the set-off to the date of such judgment. Upon judgment, determination, settlement or compromise of any third-party Claim, Franchisee shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement or compromise and all other Claims of the Indemnified Party with respect thereto, unless in the case of a judgment an appeal is made from the judgment. If Franchisee desires to appeal from an adverse judgment, then Franchisee shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon the payment in full by Franchisee of such amounts, Franchisee shall succeed to the rights of such Indemnified Party, to the extent not waived in settlement, against the third party who made such third-party Claim.

(g) Survival. The provisions of this **Section 16.4** will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

## ARTICLE XVII
## APPROVALS AND WAIVERS

**Section 17.1** Request for Waiver. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing to be binding on Franchisor. However, no interpretation, amendment, termination or waiver of any provision of this Agreement shall be binding upon Franchisor unless in writing and signed by one of its officers. Any wavier Franchisor grants will be without prejudice to any other rights it has, will be subject to its continuing review, and may be revoked at any time and for any reason, effective upon delivery to Franchisee of ten (10) days' prior written notice.

**Section 17.2** No Reliance. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

**Section 17.3** No Waiver by Franchisor. Franchisor shall not be deemed to have waived any right to demand Franchisee's full compliance with this Agreement because of any failure of Franchisor to exercise any right or power reserved to it in this Agreement, or to insist upon compliance by Franchisee with any obligation or condition in this Agreement; any custom or practice of the parties at variance with the terms hereof; Franchisor's waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Outback Steakhouse restaurants; or the existence of franchise agreements for other Outback Steakhouse restaurants which contain provisions different from those contained in this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's rights with respect to any subsequent default of the same or of a different nature. No delay, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor of its right to enforce any such right, option, duty, or power, nor shall such constitute a waiver by Franchisor of any rights with respect to any subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

**Section 17.4** The Exercise of Franchisor's Judgment. Franchisor has the right to operate, develop and change the System in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and its judgment of what is in the best interests of Franchisor and its Affiliates, the Outback Steakhouse restaurant network generally, or the System at the time Franchisor's decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether Franchisor's decision promotes its or its Affiliates' financial or other individual interest. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold Franchisor's approval of any of Franchisee's proposed, initiated or completed actions that require Franchisor's approval.

## ARTICLE XVIII
## MISCELLANEOUS

**Section 18.1** Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by nationally recognized overnight delivery service (e.g., Federal Express), or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Outback Steakhouse of Florida, LLC
2202 North West Shore Boulevard, 5th Floor
Tampa, Florida 33607
Attn: Legal Department (Franchise)

Notices to Franchisee: ________________________________________
________________________________________
Attn: ____________________________________

Any notice by certified or registered mail shall be deemed to have been given on the third business day following the date of postmark. Any notice by a nationally recognized overnight delivery service shall be deemed to have been given on the date of delivery or attempted delivery to recipient as shown by the records of such delivery service.

**Section 18.2** Entire Agreement; Amendment. This Agreement, the documents referred to herein, and the recitals and Attachments hereto constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative. Any policies that Franchisor adopts and implements from time to time to guide it in its decision-making are subject to change, are not a part of this Agreement and are not binding on Franchisor. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

**Section 18.3** Severability. Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

**Section 18.4** No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by **Article XIII** hereof, any rights or remedies under or by reason of this Agreement.

**Section 18.5** Maximum Duty Imposed on Franchisee. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

**Section 18.6** Headings. All headings and captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

**Section 18.7** Construction. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable. Time is of the essence as to all obligations under this Agreement. All references to days shall mean calendar days unless otherwise specified.

**Section 18.8** Duplicate Originals. This Agreement may be executed in one or more copies, and each copy so executed shall be deemed an original.

**Section 18.9** Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor in Florida, and shall be governed by, interpreted and construed under the laws of the state of Florida, which laws shall be applied without giving effect to the principles of comity or conflicts of laws thereof, and which laws shall prevail in the event of any conflict of law. However, any law regulating the offer or sale of franchises, business opportunities or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this **Section 18.9**.

**Section 18.10** Jurisdiction and Venue. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought exclusively within the State of Florida in the judicial circuit in which Franchisor has its principal place of business. Each party hereby agrees to submit to the personal jurisdiction of such courts, and hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision, including, without limitation, the claim or defense therein that such courts constitute an inconvenient forum.

**Section 18.11** Equitable Relief. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, in any federal or state court in the state where Franchisee resides or the Restaurant is located or in any other court of competent jurisdiction, notwithstanding **Section 18.10** hereof.

**Section 18.12** Parties Bound. This agreement shall be binding upon the parties hereto and their respective successors, permitted assigns, heirs, personal representatives and administrators.

**Section 18.13** Enforcement. In the event it is necessary for any party to retain legal counsel or institute legal proceedings to enforce the terms of this Agreement, including, without limitation, obligations upon expiration or termination, the prevailing party shall be entitled to receive from the non-prevailing party, in addition to all other remedies, all costs of such enforcement including, without limitation, attorney's fees and court costs, and including appellate proceedings.

**Section 18.14** Franchisee May Not Withhold Payments. Franchisee agrees not to withhold payment of any royalty fees or other amounts owed to Franchisor or its Affiliates on the grounds of

Franchisor's or their alleged nonperformance of any of its or their obligations under this Agreement or any other agreement.

**Section 18.15** WAIVER OF JURY TRIAL. ALL PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES HERETO WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.

**THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

**THE PARTIES INTEND THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE, WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.**

**Section 18.16** Waiver of Punitive Damages. EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS UNDER **SECTION 16.4** HEREOF AND CLAIMS BASED ON UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE (AND/OR ITS OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF THE DIRECT OR GENERAL DAMAGES IT SUSTAINS.

**Section 18.17** Private Disputes. Any litigation arising out of or related to this Agreement will be conducted on an individual basis only and not a class-wide, multiple plaintiff or similar basis. No litigation will be consolidated with any other litigation involving any other person, except for disputes involving Affiliates of the parties to this Agreement.

**Section 18.18** Terrorist and Money Laundering Activities. Franchisee represents and warrants to Franchisor that neither Franchisee, nor any of Franchisee's Principals, nor any of their respective Affiliates is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ ofac/). Further, Franchisee represents and warrants that neither Franchisee nor any of Franchisee's Principals or their respective Affiliates referred to above has violated, and each of them agrees not to violate, any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at http://www.epic.org/privacy/terrorism/ hr3162.html), U.S. Executive Order 13224 (text currently available at http://www.treas.gov/offices/ enforcement/ofac/legal/eo/13224.pdf), or any similar law. The foregoing constitute continuing representations and warranties, and Franchisee shall immediately notify Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

**Section 18.19** Definition of Affiliate. As used in this Agreement, "**Affiliate**" means, with respect to a specified entity, an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the entity specified.

## ARTICLE XIX
## ACKNOWLEDGEMENTS

To induce Franchisor to sign this Agreement and grant Franchisee the rights under this Agreement, Franchisee represents, warrants and acknowledges that:

(a) Franchisee has independently investigated the Outback Steakhouse restaurant franchise opportunity, including, without limitation, the current and potential market conditions and competitive factors and risks, and recognizes that, like any other business, the nature of an Outback Steakhouse restaurant's business will evolve and change over time.

(b) an investment in an Outback Steakhouse restaurant involves business risks that could result in the loss of a significant portion or all of Franchisee's investment.

(c) Franchisee's and the Franchise Principal's, Operations Director's and Proprietor's business abilities and efforts are vital to the Restaurant's success.

(d) retaining customers for the Restaurant will require a high level of customer service and strict adherence to the System and Franchisor's standards, and Franchisee is committed to maintaining Franchisor's standards.

(e) except as set forth in Franchisor's most recent franchise disclosure document provided to Franchisee or its representative, Franchisee has not received from Franchisor, and is not relying upon, and Franchisor expressly disclaims making, any representation, warranty or guaranty, express or implied, as to the actual or potential volume, sales, income or profits of the Restaurant or any other Outback Steakhouse restaurant.

(f) any information Franchisee has acquired from other Outback Steakhouse restaurant owners, including, without limitation, information regarding their sales, profits or cash flows, is not information obtained from Franchisor, and Franchisor makes no representation about that information's accuracy.

(g) Franchisee has no knowledge of any representations made about the Outback Steakhouse restaurant franchise opportunity by Franchisor, its Affiliates or any of their respective officers, directors, owners or agents that are contrary to the statements made in Franchisor's most recent franchise disclosure document provided to Franchisee or its representative or to the terms and conditions of this Agreement.

(h) in all of their dealings with Franchisee, Franchisor's officers, directors, employees and agents act only in a representative, and not in an individual, capacity and that business dealings between Franchisee and them as a result of this Agreement are only between Franchisee and Franchisor.

(i) it is relying solely on Franchisor, and not on any Affiliates of Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor has made any statement or promise to the effect that Franchisor's Affiliates guarantee Franchisor's performance or financially back Franchisor.

(j) all statements Franchisee, the Franchise Principal and Franchisee's other personnel have made and all materials (including, without limitation, ownership information and descriptions of Franchisee's and/or its Affiliates' ownership structure(s)) they have given Franchisor in acquiring the rights under this Agreement are accurate and complete and that they have made no misrepresentations or material omissions in obtaining those rights.

(k) Franchisee and the Franchise Principal have read this Agreement and Franchisor's most recent franchise disclosure document and understand and accept that the terms and covenants in this Agreement are reasonable and necessary for Franchisor to maintain its high standards of quality and service, and to protect and preserve the goodwill of the Proprietary Marks.

(l) Franchisee has independently evaluated this opportunity, including, without limitation, by using its own business professionals and advisors, and has relied solely upon those evaluations in deciding to enter into this Agreement.

(m) Franchisee has been afforded an opportunity to ask any questions it has and to review any appropriate materials of interest to Franchisee concerning the Outback Steakhouse restaurant franchise opportunity.

(n) Franchisee has a net worth that is sufficient to make the investment in the Outback Steakhouse restaurant franchise opportunity represented by this Agreement, and Franchisee will have sufficient funds to meet all of Franchisee's obligations under this Agreement.

(o) any statements, oral or written, by Franchisor or its agents before the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by Franchisor, and Franchisor's only representations, warranties, and obligations are those specifically set forth in this Agreement or in the most recent franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative. Franchisee must not rely on, and the parties do not intend to be bound by, any statement or representation not contained in this Agreement or such disclosure document.

(p) Franchisee acknowledges that it received a complete copy of this Agreement and all related Attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the Franchise Disclosure Document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising" at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Agreement on _______________, 20___, but to be effective as of _________________________.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:_____________________________________
Print Name:_____________________________
Title:___________________________________

**FRANCHISEE:**

___________________________________,
a(n) _______________________________

By:_____________________________________
Print Name:_____________________________
Title:___________________________________

[Signature page to Outback Steakhouse® Restaurant Franchise Agreement]

**ATTACHMENT A**
**TO THE**
**OUTBACK STEAKHOUSE RESTAURANT**
**FRANCHISE AGREEMENT**

**BASIC TERMS**

1. The location approved by Franchisor for the Restaurant franchised under the attached Franchise Agreement shall be: ________________________.

2. The Franchise Principal is _______________________.

3. If the Restaurant's location is not determined on the Effective Date, then the Target Area referenced in **Section 4.1** hereof shall be: ________________________.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:___________________________________
Print Name:____________________________
Title:_________________________________

**FRANCHISEE:**

___________________________, a _________

By:___________________________________
Print Name:____________________________
Title:_________________________________

**ATTACHMENT B**
**TO THE**
**OUTBACK STEAKHOUSE RESTAURANT**
**FRANCHISE AGREEMENT**

*See attached Franchise Principal Agreement.*

# FRANCHISE PRINCIPAL AGREEMENT

**THIS FRANCHISE PRINCIPAL AGREEMENT** ("**Agreement**") is made and entered into as of ______________________, by and between **Outback Steakhouse of Florida, LLC**, a Florida limited liability company, having its principal office at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 (hereinafter "**Franchisor**"), and ____________________ (hereinafter "**Franchise Principal**").

**W I T N E S S E T H**:

**WHEREAS**, Franchisor is signing that certain Franchise Agreement dated as of ______________, 20___ (the "**Franchise Agreement**") with ______________________________________________ ("**Franchisee**") for the operation of an Outback Steakhouse restaurant (all initial capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Franchise Agreement); and

**WHEREAS**, Franchise Principal owns (directly or indirectly) at least fifty-one percent (51%) of the Ownership Interests in Franchisee and is the chief executive officer of Franchisee; and

**WHEREAS**, Franchisor is unwilling to enter into the Franchise Agreement and grant the rights described in the Franchise Agreement to Franchisee unless Franchise Principal agrees to be bound by the terms of this Agreement; and

**WHEREAS**, Franchise Principal acknowledges the significant benefit he or she will receive from Franchisor's entering into the Franchise Agreement with Franchisee; and

**WHEREAS**, in order to induce Franchisor to enter into the Franchise Agreement with Franchisee, Franchise Principal desires to be bound by the terms of this Agreement.

**NOW, THEREFORE**, in consideration of Franchisor's entry into the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Qualifications of Franchise Principal. Franchise Principal represents and warrants to Franchisor that he or she currently meets, and agrees that at all times during the term of this Agreement he or she shall continue to meet, the qualifications in **Section 6.3** of the Franchise Agreement.

2. Guarantee and Assumption of Obligations. Franchise Principal personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Franchise Agreement (including, without limitation, any extensions) and afterward as provided in the Franchise Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement (including, without limitation, any amendments or modifications of the Franchise Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement (including, without limitation, any amendments or modifications of the Franchise Agreement) that applies to Franchisee or the Franchise Principal as if Franchise Principal were Franchisee thereunder, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the non-competition, confidentiality and transfer requirements.

Without limiting the generality of the foregoing, Franchise Principal acknowledges that the provisions of **Article VII** of the Franchise Agreement apply to Franchise Principal in his or her individual capacity and restrict (among other things) his or her ability to own interests in and perform services for any other Full Service Food Business during the term of the Franchise Agreement and upon expiration or termination of the Franchise Agreement or Franchise Principal's association with Franchisee. Franchise Principal further agrees that the restrictions imposed on Franchise Principal pursuant to **Sections 7.3, 7.6** to **7.9, 15.2, 15.5, 15.8** and **15.10** of the Franchise Agreement shall apply not only following the expiration or termination of the Franchise Agreement, but also following the expiration or termination of Franchise Principal's relationship with Franchisee.

3. Liability of Franchise Principal. Franchise Principal agrees that: (a) his or her direct and immediate liability under this Agreement will be joint and several, both with Franchisee and among other guarantors (if any); (b) he or she will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person; (d) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence that Franchisor may from time to time grant to Franchisee or any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors, if any), none of which will in any way modify or amend this Agreement, which will be continuing and irrevocable during and after the term of the Franchise Agreement (including, without limitation, any extensions) for so long as any performance is or might be owed under the Franchise Agreement by Franchisee or any of its guarantors and for so long as Franchisor has any cause of action against Franchisee or any of its guarantors; (e) this Agreement will continue in full force and effect for (and as to) any extension or modification of the Franchise Agreement and despite the transfer of any direct or indirect interest in the Franchise Agreement or Franchisee, and Franchise Principal waives notice of any and all renewals, extensions, modifications, amendments or transfers; and (f) nothing in this Agreement will require Franchise Principal's consent in his or her individual capacity to any amendment or modification to the Franchise Agreement to which Franchisor and Franchisee may otherwise agree, or to any waiver that Franchisee grants to Franchisor under the Franchise Agreement, and Franchise Principal's liabilities and obligations under this Agreement shall continue in full force and effect and apply after giving effect to those amendments, modifications and waivers.

4. Waivers and Acknowledgements. Franchise Principal hereby waives: (a) all rights to payments and claims for reimbursement or subrogation that he or she might have against Franchisee arising as a result of Franchise Principal's execution of and performance under this Agreement; and (b) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Agreement, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled. Franchise Principal acknowledges that the obligations hereunder survive the termination of the Franchise Agreement. Franchise Principal further acknowledges that he or she signed the Franchise Agreement on behalf of Franchisee, has reviewed the Franchise Agreement in detail and is familiar with its terms.

5. Entire Agreement; Amendment. This Agreement, the documents referred to herein (including, without limitation, the Franchise Agreement), and the recitals hereto constitute the entire, full, and complete agreement between Franchisor and Franchise Principal concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchise Principal to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor under this Agreement or the Franchise Agreement, and subject to **Sections 3(e)** and **3(f)** hereof, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

6. Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor in Florida, and shall be governed by, interpreted and construed under the laws of the state of

Florida, which laws shall be applied without giving effect to the principles of comity or conflicts of laws thereof, and which laws shall prevail in the event of any conflict of law. However, any law regulating the offer or sale of franchises, business opportunities or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this **Section 6**.

7. Jurisdiction and Venue. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought exclusively within the State of Florida in the judicial circuit in which Franchisor has its principal place of business. Each party hereby agrees to submit to the personal jurisdiction of such courts, and hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision, including, without limitation, the claim or defense therein that such courts constitute an inconvenient forum.

8. Equitable Relief. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, in any federal or state court in the state where Franchise Principal resides or the Restaurant is located or in any other court of competent jurisdiction, notwithstanding **Section 7** hereof.

9. Parties Bound. This agreement shall be binding upon the parties hereto and their respective successors, permitted assigns, heirs, personal representatives and administrators.

10. Legal Fees. In the event it is necessary for any party to retain legal counsel or institute legal proceedings to enforce the terms of this Agreement, including, without limitation, obligations upon expiration or termination, the prevailing party shall be entitled to receive from the non-prevailing party, in addition to all other remedies, all costs of such enforcement including, without limitation, attorney's fees and court costs, and including appellate proceedings. If Franchisor is required to engage legal counsel in connection with any failure by Franchise Principal to comply with this Agreement, Franchise Principal shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs even if Franchisor does not commence a judicial proceeding.

11. WAIVER OF JURY TRIAL. ALL PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES HERETO WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.

**THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

**THE PARTIES INTEND THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE,**

**WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.**

12. Waiver of Punitive Damages. EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS UNDER **SECTION 16.4** OF THE FRANCHISE AGREEMENT AND CLAIMS BASED ON UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND FRANCHISE PRINCIPAL WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISE PRINCIPAL, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF THE DIRECT OR GENERAL DAMAGES IT SUSTAINS.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties have executed this Franchise Principal Agreement effective as of the date and year first above written, regardless of the actual date of signature.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:__________________________________
Print Name:____________________________
Title:_________________________________

WITNESSES:

_____________________________________
(Sign) (Date)

_____________________________________
(Print Name)

_____________________________________
(Sign) (Date)

_____________________________________
(Print Name)

**FRANCHISE PRINCIPAL:**

_____________________________________
(Signature)

_____________________________________
(Print Name)

_____________________________________
(Date)

[SIGNATURE PAGE TO FRANCHISE PRINCIPAL AGREEMENT]

**ATTACHMENT C**
**TO THE**
**OUTBACK STEAKHOUSE RESTAURANT**
**FRANCHISE AGREEMENT**

*See attached Owner/Executive Agreement.*

**OWNER/EXECUTIVE AGREEMENT**

**THIS OWNER/EXECUTIVE AGREEMENT** ("**Agreement**") is made and entered into as of ______________________, by and among **Outback Steakhouse of Florida, LLC**, a Florida limited liability company, having its principal office at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 (hereinafter "**Franchisor**"), _____________________, a(n) _______________ having its principal office at __________________ (hereinafter "**Franchisee**"), and ____________________ (hereinafter "**Owner/Executive**").

**W I T N E S S E T H**:

**WHEREAS**, Franchisor is signing or already has signed that certain Franchise Agreement dated as of ______________, 20___ (the "**Franchise Agreement**") with Franchisee for Franchisee's operation of an Outback Steakhouse restaurant (the "**Restaurant**") (all initial capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Franchise Agreement); and

**WHEREAS**, Owner/Executive is or desires to become (a) an Owner of Franchisee (but not the Franchise Principal); and/or (b) an executive officer or employee of Franchisee who is receiving access to certain Confidential Information (hereinafter an "**Executive**"); and

**WHEREAS**, pursuant to the Franchise Agreement, Franchisee is not permitted to allow Owner/Executive to become an Owner and/or an Executive, and otherwise begin or continue in a relationship with Franchisee, unless Owner/Executive agrees to be bound by the terms of this Agreement; and

**WHEREAS**, Owner/Executive acknowledges the significant benefit he or she will receive from becoming an Owner and/or an Executive and otherwise from beginning or continuing in a relationship with Franchisee, and that such benefit derives from Franchisee's rights under the Franchise Agreement; and

**WHEREAS**, as a condition to Franchisor's entering into and/or Franchisee's continuing performance under the Franchise Agreement, and in order to induce Franchisee to allow Owner/Executive to become an Owner and/or an Executive, and otherwise begin or continue in a relationship with Franchisee, Owner/Executive desires to be bound by the terms of this Agreement.

**NOW, THEREFORE**, in consideration of Owner/Executive's becoming an Owner and/or Executive, and otherwise beginning or continuing in a relationship with Franchisee, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Assumption of Non-Monetary Obligations. Owner/Executive personally and unconditionally agrees to be personally bound by, and personally liable for the breach of, **Sections 7.2** to **7.9, 8.2, 9.2, 15.2, 15.5, 15.8**, and **15.10** of the Franchise Agreement (including, without limitation, any amendments or modifications of those provisions) as if Owner/Executive were Franchisee thereunder. Owner/Executive further agrees that the restrictions imposed on Owner/Executive pursuant to **Sections 7.3, 7.6** to **7.9, 15.2, 15.5, 15.8**, and **15.10** of the Franchise Agreement shall apply not only following the expiration or termination of the Franchise Agreement, but also following the expiration or termination of Owner/Executive's relationship with Franchisee. Owner/Executive acknowledges that he or she has reviewed the provisions of the Franchise Agreement referenced in and applicable to him or her pursuant to this Agreement and is familiar with those provisions.

2. Restrictions on Transfer. Owner/Executive, if he or she is an Owner, agrees to comply with the restrictions concerning the transfer of the direct and indirect Ownership Interests in Franchisee that

he or she owns or controls pursuant to **Article XIII** of the Franchise Agreement, including, without limitation, the right of first refusal pursuant to **Section 13.4** of the Franchise Agreement.

3. Enforcement by Franchisee. Owner/Executive acknowledges that the Franchise Agreement requires Franchisee to enter into this Agreement with Owner/Executive and that Owner/Executive's obligations under this Agreement are intended to benefit both Franchisor and Franchisee. Therefore, Owner/Executive agrees that unless Franchisor specifies otherwise, either Franchisor or Franchisee has the right to enforce Owner/Executive's obligations under this Agreement.

4. Authority of Franchise Principal. Notwithstanding any contrary provision of any of Franchisee's governing documents, if Owner/Executive is an Owner, he or she agrees that with respect to any and all transactions between Franchisor and Franchisee, including, but not limited to, the sale to Franchisor of all or any part of the assets of Franchisee (including, without limitation, the Restaurant), the Franchise Principal shall have the exclusive right and authority to act on behalf of Franchisee and to legally bind Franchisee, and the consent of Owner/Executive or any other Owner shall not be required for any such transaction.

5. Amendments to Franchise Agreement. Owner/Executive agrees that this Agreement will continue in full force and effect for (and as to) any extension or modification of the Franchise Agreement and despite the transfer of any direct or indirect interest in the Franchise Agreement or Franchisee, and Owner/Executive waives notice of any and all renewals, extensions, modifications, amendments or transfers. Nothing in this Agreement will require Owner/Executive's consent to any amendment or modification to the Franchise Agreement to which Franchisor and Franchisee may otherwise agree, or to any waiver that Franchisee grants to Franchisor under the Franchise Agreement, and Owner/Executive's liabilities and obligations under this Agreement shall continue in full force and effect and continue after giving effect to those amendments, modifications and waivers.

6. Entire Agreement; Amendment. This Agreement, the documents referred to herein (including, without limitation, the Franchise Agreement), and the recitals hereto constitute the entire, full, and complete agreement among Franchisor, Franchisee and Owner/Executive concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Owner/Executive to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor under this Agreement or the Franchise Agreement, and subject to Section 5 hereof, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

7. Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor in Florida, and shall be governed by, interpreted and construed under the laws of the state of Florida, which laws shall be applied without giving effect to the principles of comity or conflicts of laws thereof, and which laws shall prevail in the event of any conflict of law. However, any law regulating the offer or sale of franchises, business opportunities or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 7.

8. Jurisdiction and Venue. The parties agree that any action brought by any party against the other in any court, whether federal or state, shall be brought exclusively within the State of Florida in the judicial circuit in which Franchisor has its principal place of business. Each party hereby agrees to submit to the personal jurisdiction of such courts, and hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision, including, without limitation, the claim or defense therein that such courts constitute an inconvenient forum.

9. Equitable Relief. Nothing herein contained shall bar Franchisor's or Franchisee's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, in any federal or state court in the state where Owner/Executive resides or the Restaurant is located or in any other court of competent jurisdiction, notwithstanding Section 8 hereof.

10. Parties Bound. This agreement shall be binding upon the parties hereto and their respective successors, permitted assigns, heirs, personal representatives and administrators.

11. Enforcement. In the event it is necessary for Franchisor or Franchisee to retain legal counsel or institute legal proceedings to enforce the terms of this Agreement, including, without limitation, obligations upon expiration or termination, the prevailing party shall be entitled to receive from the non-prevailing party, in addition to all other remedies, all costs of such enforcement including, without limitation, attorney's fees and court costs, and including appellate proceedings. If Franchisor or Franchisee is required to engage legal counsel in connection with any failure by Owner/Executive to comply with this Agreement, Owner/Executive shall reimburse Franchisor and/or Franchisee (as applicable) for any of the above-listed costs and expenses Franchisor incurs even if Franchisor does not commence a judicial proceeding.

12. WAIVER OF JURY TRIAL. ALL PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES HERETO WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.

**THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

**THE PARTIES INTEND THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE, WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.**

13. Waiver of Punitive Damages. EXCEPT FOR CLAIMS BASED ON UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR, FRANCHISEE AND OWNER/EXECUTIVE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE AMONG THE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF THE DIRECT OR GENERAL DAMAGES IT SUSTAINS.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties have executed this Owner/Executive Agreement effective as of the date and year first above written, regardless of the actual date of signature.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:___________________________________
Print Name:____________________________
Title:__________________________________

**FRANCHISEE:**

_______________________________________
a(n) ___________________________________

By:___________________________________
Print Name:____________________________
Title:__________________________________

WITNESSES:

Sign:__________________________________
Print:__________________________________
Date:__________________________________

Sign:__________________________________
Print:__________________________________
Date:__________________________________

**OWNER/EXECUTIVE:**

_______________________________________
(Signature)

_______________________________________
(Print Name)

[SIGNATURE PAGE TO OWNER/EXECUTIVE AGREEMENT]

**ATTACHMENT D**
**TO THE**
**OUTBACK STEAKHOUSE RESTAURANT**
**FRANCHISE AGREEMENT**

*See attached Collateral Assignment of Lease.*

# COLLATERAL ASSIGNMENT OF LEASE

**FOR VALUE RECEIVED**, _______________ ("**Assignor**") hereby assigns, transfers and sets over unto **Outback Steakhouse of Florida, LLC**, a Florida limited liability company ("**Assignee**"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the "**Lease**"), respecting premises commonly known as _________________________________________ (the "**Premises**"). This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless and until Assignee takes possession of the Premises and assumes certain obligations of Assignor under the Lease pursuant to the terms hereof.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and its interest therein, and has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the Premises.

Upon the occurrence of any of the following:

(a) a default by Assignor under the Lease, the Outback Steakhouse® restaurant franchise agreement between Assignee and Assignor (the "**Franchise Agreement**"), or any document or instrument securing or relating to the Franchise Agreement, or

(b) the expiration (without renewal), cancellation or termination of the Franchise Agreement by Assignor or Assignee for any reason other than a default by Assignee,

Assignee shall have the right (but no obligation), exercisable upon delivery of written notice to Assignor and the lessor under the Lease, and is hereby empowered, to take possession of the Premises, expel Assignor from the Premises, and acquire all of Assignor's right, title and interest as tenant in, to and under the Lease. In such event, Assignor shall have no further right, title or interest in the Lease or the Premises, and except as expressly set forth in the Consent and Agreement of Lessor (which forms a part of this Collateral Assignment), shall remain solely liable to the lessor under the Lease for all rents, charges and other obligations owed under the Lease prior to the date upon which Assignee assumes possession of the Premises. For the avoidance of doubt, the events described in Subsections (a) and (b) above shall not, by themselves, result in Assignee's assuming the Lease, unless Assignee provides written notice to Assignor and the lessor under the Lease exercising its rights hereunder.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement (and any extensions, amendments and renewals thereof), Assignor agrees that it shall exercise all rights and options to extend the term of or renew the Lease (each a "**Renewal Option**") not less than thirty (30) days prior to the last day upon which such Renewal Option must be exercised, unless Assignee otherwise agrees in writing. Assignor shall send Assignee a copy of the notice of exercise concurrently with Assignor's exercise of each Renewal Option. If Assignee does not otherwise agree in writing to Assignor's refusal to exercise any Renewal Option, and if Assignor fails to exercise such Renewal Option, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such Renewal Option in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal, provided that Assignee shall have no obligation to exercise such Renewal Option.

This Assignment shall inure to the benefit of Assignee and its successors and assigns and shall be binding upon Assignor and its heirs, personal representatives, officers, partners, successors and assigns.

**IN WITNESS WHEREOF**, the parties have executed this Assignment as of the date set forth below.

Dated: __________, 20___

| **ASSIGNEE**: | **ASSIGNOR**: |
|---|---|
| **OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company | ______________________________________<br>a(n)___________________________________ |
| By:__________________________________ | By:__________________________________ |
| Print Name:____________________________ | Print Name:____________________________ |
| Title: _________________________________ | Title:_________________________________ |

**<u>Notary for Assignor</u>**:

**STATE OF ________ )**
**) SS**
**COUNTY OF ________ )**

I HEREBY CERTIFY that on this _____ day of _________________, 20___, before me, the subscriber, a Notary Public of the State of _______, personally appeared _____________, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

AS WITNESS my hand and notarial seal.

___________________________________
Notary Public

My Commission Expires: ___________, 20___

**<u>Notary for Assignee</u>**:

**STATE OF ________ )**
**) SS**
**COUNTY OF ________ )**

I HEREBY CERTIFY that on this _____ day of _________________, 20___, before me, the subscriber, a Notary Public of the State of _______, personally appeared _____________, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

AS WITNESS my hand and notarial seal.

___________________________________
Notary Public

My Commission Expires: ___________, 20___

**CONSENT AND AGREEMENT OF LESSOR**

The undersigned Lessor under the "**Lease**" attached as Exhibit A, hereby:

1. Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

2. Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by Lessor of notice thereof in accordance with paragraph (1) above;

3. Consents to the foregoing Collateral Assignment of Lease and agrees that if Assignee takes possession of the premises demised by the Lease pursuant to the Collateral Assignment, Lessor shall recognize Assignee as tenant under the Lease from and after the date upon which Assignee assumes possession and provides notice thereof to Lessor. As a condition to exercising its right to take possession of the Premises and assume the Lease, Assignee shall pay to Lessor, within fifteen (15) days after taking possession, the past due base rent under the Lease that remains unpaid as of such date, including any past due percentage rent, late charges, interest, common area maintenance charges or other past due amounts owed under the Lease. Except as described in the preceding sentence, Assignee shall not be liable for any past due rents or other liabilities or obligations of Assignor under or in connection with the Lease prior to such date; and

4. Agrees that, provided there are then no existing defaults under the Lease, Assignee may further assign the Lease to any person or business entity who shall agree to assume the tenant's obligations under the Lease and, upon such assignment, Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

DATED: ______________________

**LESSOR:**

____________________________________

By:________________________________

Print Name:__________________________

Title:_______________________________

**EXHIBIT A**
**to the**

COLLATERAL ASSIGNMENT OF LEASE

**LEASE**

**ATTACHMENT E**
**TO THE**
**OUTBACK STEAKHOUSE RESTAURANT**
**FRANCHISE AGREEMENT**

*See attached Principal Owners' Statement.*

## PRINCIPAL OWNERS' STATEMENT

**THIS PRINCIPAL OWNERS' STATEMENT** (this "**Statement**") is made and entered into this ____ day of ______________, 20____, by __________________________________, a ____________________ having its principal office at ____________________________________________ (hereinafter "**Franchisee**"), in favor of **Outback Steakhouse of Florida, LLC**, a Florida limited liability company, having its principal office at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 (hereinafter "**Franchisor**").

This form must be completed periodically by Franchisee at the request of Franchisor if Franchisee has multiple owners or if Franchisee is owned by a business entity (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding a franchise to Franchisee.

1. Name of Franchisee. The entity name of Franchisee is ____________________________ _______.

2. Form of Franchisee. Franchisee is a business entity and is a:

   a. General Partnership ☐
   b. Corporation ☐
   c. Limited Liability Limited Partnership ☐
   d. Limited Partnership ☐
   e. Limited Liability Company ☐
   f. Other: ___________________________ ☐

3. State of Organization/Incorporation. Franchisee is organized under the laws of the state of______ __________________________.

4. Date of Organization/Incorporation. Franchisee was organized on ___________________.

5. Business Entity. Franchisee has not conducted business under any name other than the corporate name or its legal name under its organizational documents.

6. Ownership of Entity. The following list includes the full name and mailing address of each person or entity that holds an equity or membership interest in Franchisee.

| No. | Investor Name | Interest Type | Ownership Interest |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| | | TOTAL | 100.0% |

7. Management of Entity. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions:

| No. | Name | Title | Management Responsibility |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |

8. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business entity of Franchisee (e.g., articles of incorporation or organization, partnership or shareholder agreements, by-laws, etc.).

9. Franchise Principal. The Franchise Principal shall be _________________, an individual residing in ______________________ and having a principal business address of ___________________________________________________.

**FRANCHISEE:**

_________________________________
a(n) _____________________________

By:____________________________________
Print Name: ______________________________
Title: __________________________________

[SIGNATURE PAGE TO PRINCIPAL OWNERS' STATEMENT]

**ATTACHMENT F**
**TO THE**
**OUTBACK STEAKHOUSE RESTAURANT**
**FRANCHISE AGREEMENT**

*See attached Acknowledgement and Release of Claims.*

**OUTBACK STEAKHOUSE® RESTAURANT**
**ACKNOWLEDGMENT AND RELEASE OF CLAIMS**

**THIS OUTBACK STEAKHOUSE® RESTAURANT ACKNOWLEDGMENT AND RELEASE OF CLAIMS** (this "**Release**") is executed effective as of ______________________, by and among **Outback Steakhouse of Florida LLC**, a Florida limited liability company, having its principal office at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 ("**Franchisor**"), ____________________________, a ______________________________ having its principal business address at ______________________________________ ("**Franchisee**"), and each of the undersigned owners of Franchisee (each a "**Principal**" and collectively the "**Principals**").

W I T N E S S E T H:

This Release is made and entered into under the following circumstances:

WHEREAS, Franchisor and Franchisee entered into an Outback Steakhouse Restaurant Franchise Agreement dated effective as of _____________________ (the "**Original Agreement**").

WHEREAS, the Original Agreement gave Franchisee the right to operate a single Outback Steakhouse restaurant located at _______________________________ (Restaurant No. ___________) (the "**Restaurant**") for a term expiring on the close of business on ________________________.

WHEREAS, the Original Agreement granted Franchisee the right of renewal for one (1) additional consecutive term of twenty (20) years, subject to certain terms and conditions.

WHEREAS, Franchisee has exercised that right of renewal and, as such, Franchisor and Franchisee have entered into that certain successor Franchise Agreement dated effective as of ____________________ (the "**Renewal Agreement**"). Any capitalized terms used herein without definition have the meaning ascribed to such terms in the Renewal Agreement.

WHEREAS, Franchisor is willing to enter into the Renewal Agreement subject to Franchisee and Principal(s) entering into this Release.

NOW, THEREFORE, in consideration of the foregoing recitals, and of the premises, covenants, terms and conditions contained herein, the parties hereto agree as follows:

OPERATIVE PROVISIONS:

1. Release of Franchisor. Principals and Franchisee and all persons and entities claiming by, through or under each of them, including his/her or its officers, employees, directors, shareholders, members, partners, attorneys, agents, successors, heirs, administrators and executors, do hereby release, acquit and forever discharge Franchisor, each of its affiliates and their present and former officers, directors, shareholders, partners, agents, servants, representatives, affiliates, parents, subsidiaries, employees, contractors, successors and assigns (the "**Franchisor Parties**") from any and all obligations, claims, debts, damages, judgments, executions, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, arising contemporaneously with or prior to the date of this Release or on account of or arising out of any matter, cause or event occurring contemporaneously with or prior to the date of this Release, including, but not limited to, any claims relating to the Original Agreement, negotiation of the Renewal Agreement, operation of the Restaurant and claims relating to the calculation or allocation of royalties or other fees; provided,

however, that nothing in this Release is intended to release Franchisor from its obligations under the Renewal Agreement.

2. Release of Unknown Claims. This Release extends to and includes any and all claims, liabilities, injuries, damages, and causes of action that Franchisee or Principals do not presently anticipate, know, or suspect to exist, but that may develop, accrue or be discovered in the future. Franchisee and Principals, jointly and severally, represent and warrant that they have considered the possibility that claims, liabilities, injuries, damages and causes of action that they do not presently know or suspect exist in their favor may develop, accrue or be discovered in the future, and that they voluntarily assume that risk as part of the consideration received for this Release.

3. Limitation of Claims. Each of the undersigned covenants and agrees not to make, assert or maintain any claim, demand, action or cause of action that is discharged by this Release against any Franchisor Party. The undersigned, jointly and severally, agree to indemnify, defend and hold each Franchisor Party harmless against any claim, demand, damage, liability, action, cause of action, cost, or expense, including attorneys' fees, resulting from a breach of the covenant contained in this paragraph.

4. Non-Waiver. Principals and Franchisee acknowledge and agree that Franchisor's execution of the Renewal Agreement shall in no way be construed to act as a waiver or release of any claims which Franchisor may have against Franchisee or Principals, nor shall it be deemed a waiver of Franchisor's rights to demand exact compliance with any terms of any agreement between Franchisor and Franchisee, including, but not limited to the Original Agreement.

5. Jurisdiction and Venue; Choice of Law. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought exclusively within the State of Florida in the judicial circuit in which Franchisor has its principal place of business. Each party hereby agrees to submit to the personal jurisdiction of such courts, and hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision, including, without limitation, the claim or defense therein that such courts constitute an inconvenient forum. This Release shall be governed by, interpreted and construed under the laws of the state of Florida, which laws shall be applied without giving effect to the principles of comity or conflicts of laws thereof, and which laws shall prevail in the event of any conflict of law.

6. AGREEMENT TO BE BOUND. PRINCIPALS AND FRANCHISEE HAVE READ THIS RELEASE AND UNDERSTAND ALL OF ITS TERMS. EACH HAS SIGNED IT VOLUNTARILY AND WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the undersigned have executed this Release to be effective as of the date first written above, regardless of the actual date of signature.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**,
a Florida limited liability company

By:______________________________________
Print Name:________________________________
Title:_____________________________________
Date:_____________________________________

WITNESSES:

Sign:____________________________________
Print Name: ______________________________
Date:____________________________________

Sign:____________________________________
Print Name: ______________________________
Date:____________________________________

**FRANCHISEE:**

_________________________________________,
a(n) _____________________________________

By: ______________________________________
Print Name:________________________________
Title:_____________________________________
Date:_____________________________________

WITNESSES:

Sign:____________________________________
Print Name: ______________________________
Date:____________________________________

Sign:____________________________________
Print Name: ______________________________
Date:____________________________________

**PRINCIPAL(S):**

Sign:____________________________________
Print Name:_______________________________
Date:_____________________________________

Sign:____________________________________
Print Name:_______________________________
Date:_____________________________________

**[SIGNATURE PAGE TO ACKNOWLEDGMENT AND RELEASE OF CLAIMS]**

**EXHIBIT B-2 TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**DEVELOPMENT RIGHTS RIDER TO FRANCHISE AGREEMENT**

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**DEVELOPMENT RIGHTS RIDER**
**TO OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**

1. **Background**. This Development Rights Rider (the "**Rider**") is made between **OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company ("**we**," "**us**," or "**our**") and ______________________________________________ ("**you**" or "**your**"). This Rider is attached to, and intended to be a part of, the Franchise Agreement that we and you have signed concurrently with signing this Rider for the operation of an Outback Steakhouse® restaurant located at ______________________________ (the "**Franchise Agreement**"). We and you are signing this Rider because you want the right to develop additional Outback Steakhouse® restaurants (besides the Restaurant covered by the Franchise Agreement) within a certain geographic area over a certain time period, and we are willing to grant you those development rights if you comply with this Rider. Capitalized terms used but not defined in this Rider will have the meaning attributed to them in the Franchise Agreement.

2. **Grant of Development Rights**.

(a) Subject to your strict compliance with this Rider, we grant you the right to develop ____________ (____) Outback Steakhouse restaurants (including the Restaurant that is the subject of the Franchise Agreement), according to the mandatory development schedule described in Exhibit A to this Rider (the "**Development Schedule**"), within the geographic area described in Exhibit B to this Rider (the "**Development Area**").

(b) If you (and, to the extent applicable and with our approval, your Affiliates) are fully complying with all of your obligations under this Rider, the Franchise Agreement, and all other franchise agreements then in effect between us or our Affiliates, on the one hand, and you or your Affiliates, on the other hand, then, during this Rider's term only, we (and our Affiliates) will not establish, or grant to others the right to establish, full-service Outback Steakhouse restaurants the physical premises of which are located within the Development Area. Notwithstanding the foregoing, we expressly reserve the right to establish, and to grant rights to others to establish, within or outside the Development Area: (i) full-service Outback Steakhouse restaurants at Non-Traditional Locations and/or (ii) Alternative Segment Outback Steakhouse restaurants. Furthermore, we reserve all rights set forth in **Section 1.3** of the Franchise Agreement, which are incorporated herein by reference.

(c) Except for the restaurant location restriction above, there are no restrictions that this Rider imposes on our (and our Affiliates') activities within the Development Area during this Rider's term. You acknowledge and agree that we and our Affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Development Area. After this Rider expires or is terminated (regardless of the reason for termination), we and our Affiliates have the right to establish, and grant to others the right to establish, full-service Outback Steakhouse restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever, except we will not establish, or grant others the right to establish, a full-service Outback Steakhouse restaurant located within a Territory granted to you under a franchise agreement with us (subject to our reserved rights as provided in **Section 2(b)** above).

(d) YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS RIDER AND THAT YOUR RIGHTS UNDER THIS RIDER ARE SUBJECT TO TERMINATION (WITHOUT OPPORTUNITY TO CURE) IF YOU DO NOT COMPLY STRICTLY

WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE DEVELOPMENT SCHEDULE. WE MAY ENFORCE THIS RIDER STRICTLY.

3. **Development Obligations**.

(a) To maintain your rights under this Rider, you (and/or Affiliated entities we approve) must sign franchise agreements for and have open and operating the agreed-upon number of Outback Steakhouse restaurants in the Development Area by the dates specified in the Development Schedule. You (and/or your approved Affiliate) will operate each Outback Steakhouse restaurant under a separate franchise agreement with us. The franchise agreement (and related documents) that you (and your Owners) must sign for each additional Outback Steakhouse restaurant will be our then-current form of franchise agreement (and related documents), any and all of the terms of which may differ materially from the terms contained in the current Franchise Agreement (and related documents). However, despite any contrary provision contained in the Franchise Agreement or any future franchise agreements, the Outback Steakhouse restaurants that you develop pursuant to this Rider must be open and operating by the dates specified in the Development Schedule.

(b) To retain your rights under this Rider, each of your Outback Steakhouse restaurants must operate continuously throughout this Rider's term in compliance with the applicable franchise agreement. An Outback Steakhouse restaurant which is permanently closed with our prior written approval will be deemed open and in operation for purposes of complying with your development obligation as long as a substitute Outback Steakhouse restaurant is open and in operation at an approved site within the Development Area within three (3) months from the date of such closing, relocation notwithstanding. Such replacement restaurant will not otherwise count toward your development obligation. If, in our sole discretion, we agree to grant you a longer period for the relocation, we may require that you pay us a minimum royalty fee and Multi-Unit Campaign contribution during the period the Outback Steakhouse restaurant is not in operation, such fees (unless otherwise agreed in writing by Franchisor) to be equal to the average monthly royalty fees and Multi-Unit Campaign contributions paid under the applicable franchise agreement during the prior twelve (12) month period (or such shorter period as the Outback Steakhouse restaurant has been open for business, if less than twelve (12) months).

(c) You recognize and acknowledge that this Rider requires you to open Outback Steakhouse restaurants in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in our Franchise Disclosure Document are subject to increase over time, and that future Outback Steakhouse restaurants likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Rider. You are obligated to execute all franchise agreements (and related agreements) and open the Outback Steakhouse restaurants for business by the dates set forth in the Development Schedule, regardless of (i) the requirement of a greater investment; (ii) the financial condition or performance of your prior Outback Steakhouse restaurants; or (iii) any other circumstances, financial or otherwise. The foregoing shall not be interpreted as imposing any obligation upon us to execute the franchise agreements under this Rider if you have not complied with each and every condition necessary to develop the Outback Steakhouse restaurants. We reserve the right to delay the development of additional Outback Steakhouse restaurants in accordance with **Section 6** below.

4. **No Subfranchising Rights**. This Rider does not give you any right to franchise, license, subfranchise, or sublicense others to operate Outback Steakhouse restaurants. Only you (and/or Affiliated entities that we approve) may develop, open, and operate Outback Steakhouse restaurants pursuant to this Rider. This Rider also does not give you (or your Affiliates) any independent right to use the Outback Steakhouse® trademark or any of our other Proprietary Marks. The right to use our Proprietary Marks is granted only under a franchise agreement signed directly with us. This Rider only grants you

development rights if you comply with its terms. You shall exercise such development rights by executing a separate franchise agreement for each Outback Steakhouse restaurant that you develop under this Rider, in accordance with **Section 6** hereof.

5. **Development Fee**.

(a) As consideration for the development rights we grant you in this Rider, you must pay us, at the same time you sign this Rider, a total of ___________________________ Dollars ($___________) (the "**Development Fee**"), which equals (a) the Forty Thousand Dollar ($40,000) initial franchise fee due under the Franchise Agreement, plus (b) a deposit of Ten Thousand Dollars ($10,000) for each additional Outback Steakhouse restaurant you agree to develop under the Development Schedule. Our initial franchise fee for each Outback Steakhouse restaurant you develop pursuant to this Rider is Forty Thousand Dollars ($40,000). The Development Fee is consideration for the rights we grant you in this Rider and for reserving the Development Area for you to the exclusion of others, is fully earned by us when we and you sign this Rider, and is not refundable under any circumstances, even if you do not comply or attempt to comply with the Development Schedule and we then terminate this Rider for that reason.

(b) While the Development Fee is not refundable under any circumstances, when you (or your approved Affiliate) sign the franchise agreement for each additional Outback Steakhouse restaurant to be developed, we will apply Ten Thousand Dollars ($10,000) of the Development Fee toward the initial franchise fee due for that Outback Steakhouse restaurant (leaving a balance due of Thirty Thousand Dollars ($30,000)). The balance of due for each initial franchise fee shall be paid in accordance with **Section 3.1** of the applicable franchise agreement.

6. **Grant of Franchises**.

(a) You must submit to us a separate site approval request for each Outback Steakhouse restaurant you wish to develop pursuant to this Rider. You agree to give us all information and materials we request in order to assess each proposed site. In connection with your site selection activities, we will furnish the assistance described in **Article IV** of the Franchise Agreement. However, we will not conduct site selection activities for you. We agree to use reasonable efforts to review and accept (or not accept) sites you propose within thirty (30) days after we receive all requested materials and information.

(b) You acknowledge and agree that (i) you are solely responsible for selecting a suitable site for each Outback Steakhouse restaurant that you develop pursuant to this Rider; (ii) in granting you the development rights under this Rider, we are relying on your knowledge of the real estate market in the Development Area and your ability to locate and access sites; and (iii) our acceptance of a site does not constitute our representation, promise, warranty or guaranty that an Outback Steakhouse restaurant will be profitable or otherwise successful at the accepted site. Similarly, our acceptance of one or more sites, and our rejection of other sites, is not a representation or a promise that an accepted site will have a higher sales volume or be more profitable than a site which we did not accept.

(c) The Development Schedule contains the cumulative number of Outback Steakhouse restaurants that you must develop and have open and operating by the specified deadlines. Our acceptance of any site and/or execution of a franchise agreement shall not waive, extend or modify the Development Schedule. You acknowledge and agree that we may refuse to accept any site, and specifically that we may, in our sole discretion, refuse to review any site submitted by you, if you are not at the time of the submission of the site approval request, in good standing under the Franchise Agreement and all other franchise agreements between us and you (or your Affiliates) and current in payment of all sums due to us or our Affiliates. Our refusal to review or accept any site shall not waive, extend, or modify the Development Schedule.

(d) Subject to **Section 6(c)** above, we will not unreasonably withhold acceptance of a proposed site if the site meets our then-current site criteria. We have the absolute right not to accept any site not meeting these criteria. No site shall be deemed approved unless you have received a written acceptance letter ("**Site Acceptance Letter**") from us.

(e) If we accept a proposed site, you agree, within the time period we specify (but no later than the date specified in the Development Schedule), to sign a separate franchise agreement (and related documents) for the Outback Steakhouse restaurant. If you do not do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance of the proposed site. After you (and your Owners) sign the franchise agreement (and related documents, including, without limitation, the Franchise Principal Agreement and Owner/Executive Agreement), its terms and conditions will control your development and operation of that Outback Steakhouse restaurant (except the required opening date will be governed exclusively by this Rider). You agree that you will not make any binding commitments to purchase, lease, or occupy a site until we have accepted the site in writing by sending you a Site Acceptance Letter.

(f) You acknowledge and agree that, in order to preserve and enhance the reputation and goodwill of all Outback Steakhouse restaurants and the Proprietary Marks, all Outback Steakhouse restaurants must be properly developed and operated in accordance with our standards and specifications. Accordingly, we may delay your development of additional Outback Steakhouse restaurants pursuant to this Rider for the time period we deem best if we reasonably believe, when you submit your site approval request for an additional restaurant, that you are not financially, operationally, managerially, or otherwise prepared to develop, open and/or operate the additional Outback Steakhouse restaurant in substantial compliance with our standards and specifications. To this end, you agree to promptly furnish to us such financial statements and other information regarding you (and your Affiliates) and your existing and proposed Outback Steakhouse restaurants (including, without limitation, investment and financing plans for the proposed Outback Steakhouse restaurant) as we request. We may delay additional development for the time period we deem best as long as the delay will not, in our reasonable opinion, cause you to breach your development obligations under the Development Schedule (unless we are willing to extend the Development Schedule proportionately to account for the delay).

7. **Operations Director**. If you and your Affiliates own and operate three (3) or more Outback Steakhouse restaurants, you hire or appoint a full-time Operations Director to oversee the operations of your Outback Steakhouse restaurants and each restaurant's managing partner ("**Proprietor**"). You must identify the proposed Operations Director candidate in writing for our prior approval, which will not be unreasonably withheld, provided the candidate satisfies our then-current qualifications and criteria. The Operations Director must attend and successfully complete, prior to assuming his/her position, our then-current management training program (either the full management training program or a modified version of the training program to meet the specific needs of the trainee, as deemed appropriate by us, in our sole discretion). The Operations Director may not also be a restaurant-level manager performing the duties typical of a Proprietor for a single Outback Steakhouse restaurant. The Operations Director must attend periodic conferences, seminars and meetings as specified by us from time to time. You will be solely responsible for any and all expenses of your Operations Director(s) in connection with their attendance and participation in such conferences, seminars and meetings, including, without limitation, transportation, lodging, meals and wages. You agree to comply with our guidelines for determining the maximum number of restaurants an Operations Director may supervise, as set forth in the Operations Manual or otherwise in writing.

8. **Term**. This Rider's term begins on the Effective Date of the Franchise Agreement and ends when (a) the final Outback Steakhouse restaurant to be developed under the Development Schedule has opened (or, if earlier, must have opened) for business; or (b) this Rider is otherwise terminated in accordance with **Section 9** below.

9. **Termination**.

(a) We may terminate this Rider and your right to develop Outback Steakhouse restaurants within the Development Area, effective upon delivery of written notice of termination to you, if:

(i) you fail to comply with the Development Schedule or any other obligation under this Rider, which defaults you have no right to cure;

(ii) the Franchise Agreement is terminated by us in compliance with its terms or by you for any reason; or

(iii) any other franchise agreement between us and you (or your Affiliate) for an Outback Steakhouse restaurant is terminated by us in compliance with its terms or by you (or your Affiliate (for any reason).

(b) No portion of the Development Fee is refundable upon a termination of this Rider or under any other circumstances.

(c) If we terminate this Rider because you fail to satisfy your development obligations under the Development Schedule, we will keep the Development Fee (which is not refundable) but otherwise will not seek to recover damages from you due solely to your failure to comply with the Development Schedule.

(d) A termination of this Rider is not deemed to be the termination of any franchise rights (even though this Rider is attached to the Franchise Agreement) because this Rider grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. A termination of this Rider does not affect any franchise rights granted under any then-effective individual franchise agreements.

(e) Notwithstanding the foregoing, you acknowledge and agree that the deadlines for opening each Outback Steakhouse restaurant pursuant to this Rider are also intended to be the deadlines for such Outback Steakhouse restaurant under the applicable franchise agreement. Thus, your failure to comply with the deadlines set forth in the Development Schedule will also constitute a material default under the applicable franchise agreement and allow us to terminate the franchise agreement for such Outback Steakhouse restaurant concurrently with the termination of this Rider.

10. **Post-Term Restrictive Covenants**. Notwithstanding any contrary provision in the Franchise Agreement, you covenant that, for a continuous uninterrupted period of two (2) years commencing upon the expiration or termination of this Rider, regardless of the cause for termination, neither you nor any of your Owners will have any direct or indirect interest (*e.g.*, through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, principal, representative, agent, lender or otherwise, in any Full Service Food Business (as defined in the Franchise Agreement) located or operating (i) within the Development Area or (ii) within a ten (10) mile

radius of any other Outback Steakhouse restaurant in operation or under construction on the effective date of expiration or termination of this Rider.

11. **Grant of Additional Development Rights**.

(a) Upon the expiration or termination of this Rider, your development rights with respect to the Development Area will automatically end, and you will not have the right to renew or extend the term of this Rider. If you wish to acquire additional development rights with respect to the Development Area following the expiration (but not the termination) of this Rider (if you have fully and timely complied with all of your development obligations), then you must notify us in writing at least ninety (90) days prior to the expiration of this Rider. Upon receipt of such notice, we will have the right to evaluate the prospects for the establishment of additional Outback Steakhouse restaurants within the Development Area.

(b) If we determine that the Development Area can support the development of additional Outback Steakhouse restaurants at that time, and provided you meet all of our then-current requirements for developers, then we will give you written notice of our proposal for the development of additional Outback Steakhouse restaurants within the Development Area, and you will have thirty (30) days to:

(i) accept in writing our proposal to develop, own and operate additional Outback Steakhouse restaurants within the Development Area;

(ii) sign our then-current form of development rights rider (or area development agreement) incorporating the terms of such proposal;

(iii) sign (concurrent with the execution of the development rights rider/area development agreement) our then-current form of franchise agreement (and ancillary agreements) for the first additional Outback Steakhouse restaurant to be developed); and

(iv) pay the applicable development fee.

Your failure to return these items to us within thirty (30) days after your receipt of our written proposal will be deemed your election not to acquire such additional development rights. We (and our Affiliates) will then have the absolute right to open and operate, and to grant others the right to open and operate, Outback Steakhouse restaurants in the Development Area at any time after this Rider has expired (except that no full-service Outback Steakhouse restaurants will be located within any Territory granted to you under an effective franchise agreement, subject to our reserved rights set forth in the applicable franchise agreement).

12. **Assignment**. Your development rights under this Rider are personal in nature and not transferable by assignment, will, operation of law, or otherwise. This means that we will not under any circumstances allow the development rights to be transferred. A transfer of the development rights would be deemed to occur (and would be prohibited) if there is an assignment of the Franchise Agreement, a transfer of a controlling ownership interest in you, a transfer of this Rider separate and apart from the Franchise Agreement, or any other event attempting to assign the development rights. An assignment of only a non-controlling ownership interest in you is permitted (and would not be deemed to be a transfer of your development rights) to the extent permitted by the terms and conditions of the Franchise Agreement.

13. **Rider to Control**. Except as provided in this Rider, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement (or any future franchise agreement) and this Rider, the terms of this Rider will control.

14. **Counterparts**. This Rider may be executed in multiple counterparts and by facsimile or electronically scanned (PDF) signature, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Rider on _______________, 20___, but to be effective as of the Effective Date of the Franchise Agreement.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:_________________________________
Print Name:__________________________
Title:_______________________________

**FRANCHISEE:**

____________________________________
a(n)_________________________________

By:__________________________________
Print Name:___________________________
Title:________________________________

[SIGNATURE PAGE TO DEVELOPMENT RIGHTS RIDER]

**EXHIBIT A**

**TO DEVELOPMENT RIGHTS RIDER**

You agree to develop and open __________ (__) Outback Steakhouse® restaurants in the Development Area, including the Restaurant that is the subject of the Franchise Agreement, in accordance with the following Development Schedule:

| **Restaurant Number** | **Date by which Franchise Agreement Must be Signed** | **Date by which Restaurant Must be Opened** | **Cumulative Number of Restaurants to be Open and Operating in the Development Area No Later than the Opening Dates (in previous column)** |
|---|---|---|---|
| 1 | Concurrently with this Rider | ___ months from date of Development Rights Rider | 1 |
| 2 | | | 2 |
| 3 | | | 3 |
| 4 | | | 4 |

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:_________________________________
Print Name:___________________________
Title:_______________________________

**FRANCHISEE:**

_____________________________________
a(n)__________________________________

By:__________________________________
Print Name:___________________________
Title:________________________________

**EXHIBIT B**

**TO DEVELOPMENT RIGHTS RIDER**

The Development Area, as contemplated in **Section 2** of the Rider, shall consist of the following geographic area:

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

☐ Check box if map is attached. (In the event of any conflict between the map and the written description, the written description will control.)

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:_________________________________
Print Name:__________________________
Title:_______________________________

**FRANCHISEE:**

____________________________________
a(n)_________________________________

By:_________________________________
Print Name:__________________________
Title:_______________________________

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

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**OPERATIONS MANUAL**
**TABLE OF CONTENTS**

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## OPERATIONS MANUALS – TABLES OF CONTENTS

**EXHIBIT D-1 TO THE DISCLOSURE DOCUMENT**

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**LIST OF FRANCHISEES AND FRANCHISED OUTBACK STEAKHOUSE RESTAURANTS IN THE UNITED STATES**

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| Store No. | Store Address | City | State | Zip | Store Phone Number | Franchisee |
|---|---|---|---|---|---|---|
| **ALASKA** | | | | | | |
| 0210 | 101 W. 34th Avenue | Anchorage | AK | 99503 | (907) 562-8787 | Evergreen Restaurant LLC 0210 |
| **ARIZONA** | | | | | | |
| 0316 | 1080 N. 54th Street | Chandler | AZ | 85226 | (480) 496-8333 | Cerca Trova Southwest Restaurant Group, LLC |
| 0328 | 2687 S. Market Street | Gilbert | AZ | 85295 | (480) 782-7504 | Cerca Trova Southwest Restaurant Group, LLC |
| 0311 | 5605 W. Bell Road | Glendale | AZ | 85308 | (602) 547-3236 | Cerca Trova Southwest Restaurant Group, LLC |
| 0317 | 2600 E. Lucky Lane | Flagstaff | AZ | 86004 | (520) 774-7630 | Cerca Trova Southwest Restaurant Group, LLC |
| 0314 | 1650 S. Clearview | Mesa | AZ | 85208 | (480) 654-0804 | Cerca Trova Southwest Restaurant Group, LLC |
| 0326 | 1860 E. McKellips Road | Mesa | AZ | 85203 | (480) 615-7667 | Cerca Trova Southwest Restaurant Group, LLC |
| 0313 | 4715 E. Cactus Rd. | Phoenix | AZ | 85032 | (602) 494-3902 | Cerca Trova Southwest Restaurant Group, LLC |
| 0323 | 14225 W. Grand Avenue | Surprise | AZ | 85374 | (623) 544-4687 | Cerca Trova Southwest Restaurant Group, LLC |
| 0310 | 1734 E. Southern Ave. | Tempe | AZ | 85282 | (480) 491-6064 | Cerca Trova Southwest Restaurant Group, LLC |
| 0312 | 4871 E. Grant Road | Tucson | AZ | 85712 | (520) 323-8892 | Cerca Trova Southwest Restaurant Group, LLC |
| **CALIFORNIA** | | | | | | |
| 0557 | 166 E. Huntington Drive | Arcadia | CA | 91006 | (626) 447-6435 | Cerca Trova Steakhouse, L.P. |
| 0513 | 5051 Stockdale Highway | Bakersfield | CA | 93309 | (661) 834-7850 | Cerca Trova Steakhouse, L.P. |
| 0558 | 30 Pointe Drive | Brea | CA | 92821 | (714) 990-8100 | Cerca Trova Steakhouse, L.P. |
| 0581 | 7575 Beach Boulevard | Buena Park | CA | 90622 | (714) 523-5788 | Cerca Trova Steakhouse, L.P. |
| 0583 | 1761 N. Victory Place | Burbank | CA | 91504 | (818) 567-2717 | Cerca Trova Steakhouse, L.P. |
| 0575 | 1476 N. Azusa Avenue | Covina | CA | 91723 | (626) 812-0488 | Cerca Trova Steakhouse, L.P. |
| 0527 | 371 Gellert Boulevard | Daly City | CA | 94015 | (650) 756-3691 | Cerca Trova Steakhouse, L.P. |

| Store No. | Store Address | City | State | Zip | Store Phone Number | Franchisee |
|---|---|---|---|---|---|---|
| 0523 | 6505 Regional Street | Dublin | CA | 94568 | (925) 833-9335 | Cerca Trova Steakhouse, L.P. |
| 0551 | 722 Jamacha Road | El Cajon | CA | 92019 | (619) 588-4332 | Cerca Trova Steakhouse, L.P. |
| 0573 | 26652 Portola Parkway | Foothill Ranch | CA | 92610 | (949) 455-4158 | Cerca Trova Steakhouse, L.P. |
| 0512 | 2765 West Shaw | Fresno | CA | 93711 | (559) 224-1181 | Cerca Trova Steakhouse, L.P. |
| 0577 | 12001 Harbor Boulevard | Garden Grove | CA | 92840 | (714) 663-1107 | Cerca Trova Steakhouse, L.P. |
| 0562 | 25322 Cabot Road | Laguna Hills | CA | 92653 | (949) 829-0683 | Cerca Trova Steakhouse, L.P. |
| 0560 | 5305 Clark Avenue | Lakewood | CA | 90712 | (562) 634-0353 | Lakewood Steakhouse, L.P. |
| 0586 | 20 West Shorline Drive | Long Beach | CA | 90802 | (562) 435-0002 | Cerca Trova Steakhouse, L.P. |
| 0533 | 1246 Great Mall Drive | Milpitas | CA | 95035 | (408) 263-5400 | Cerca Trova Steakhouse, L.P. |
| 0517 | 2045-D West Briggsmore Ave. | Modesto | CA | 95350 | (209) 577-2410 | Cerca Trova Steakhouse, L.P. |
| 0582 | 2980 Plaza Bonita | National City | CA | 91950 | (619) 475-4329 | Cerca Trova Steakhouse, L.P. |
| 0565 | 25261 N. The Old Road | Newhall | CA | 91381 | (661) 287-9630 | Cerca Trova Steakhouse, L.P. |
| 0561 | 18711 Devonshire Street | Northridge | CA | 91324 | (818) 366-2341 | Cerca Trova Steakhouse, L.P. |
| 0571 | 12850 Norwalk Boulevard | Norwalk | CA | 90650 | (562) 863-8908 | Cerca Trova Steakhouse, L.P. |
| 0584 | 4492 Ontario Mills Parkway | Ontario | CA | 91764 | (909) 484-2999 | Cerca Trova Steakhouse, L.P. |
| 0566 | 2341 Lockwood Street | Oxnard | CA | 93030 | (805) 988-4329 | Cerca Trova Steakhouse, L.P. |
| 0559 | 72-220 Highway 111 | Palm Desert | CA | 92260 | (760) 779-9068 | Cerca Trova Steakhouse, L.P. |
| 0564 | 1061 West Avenue P | Palmdale | CA | 93551 | (661) 274-9607 | Cerca Trova Steakhouse, L.P. |
| 0536 | 4350 Century Boulevard | Pittsburg | CA | 94565 | (925) 778-3845 | Cerca Trova Steakhouse, L.P. |
| 0511 | 150A Longbrook Way | Pleasant Hill | CA | 94523 | (925) 687-2225 | Cerca Trova Steakhouse, L.P. |
| 0555 | 14701 Pomerado Road | Poway | CA | 92064 | (858) 486-1563 | Cerca Trova Steakhouse, L.P. |
| 0522 | 910 Dana Drive | Redding | CA | 96003 | (530) 226-9394 | Cerca Trova Steakhouse, L.P. |
| 0521 | 181 N. Sunrise Avenue | Roseville | CA | 95661 | (916) 772-6060 | Cerca Trova Steakhouse, L.P. |
| 0529 | 1340 Howe Avenue | Sacramento | CA | 95825 | (916) 927-0806 | Cerca Trova Steakhouse, L.P. |
| 0563 | 620 E. Hospitality Lane | San Bernardino | CA | 92408 | (909) 890-0061 | Cerca Trova Steakhouse, L.P. |
| 0553 | 4196 Clairemont Mesa Blvd. | San Diego | CA | 92117 | (858) 274-6283 | Cerca Trova Steakhouse, L.P. |
| 0578 | 1640 Camino Del Rio North | San Diego | CA | 92108 | (619) 294-8998 | Cerca Trova Steakhouse, L.P. |
| 0590 | 177 San Marcos Blvd. | San Marcos | CA | 92069 | (760) 916-1126 | Cerca Trova Steakhouse, L.P. |
| 0591 | 3525 W. Carson Street, #159 | Torrance | CA | 90503 | (310) 750-0459 | Cerca Trova Steakhouse, L.P. |
| 0554 | 530 N. Mountain Avenue | Upland | CA | 91786 | (909) 931-1050 | Cerca Trova Steakhouse, L.P. |

| Store No. | Store Address | City | State | Zip | Store Phone Number | Franchisee |
|---|---|---|---|---|---|---|
| 0530 | 521 Davis Street | Vacaville | CA | 95688 | (707) 452-9200 | Cerca Trova Steakhouse, L.P. |
| 0580 | 12400-B Amargosa Road | Victorville | CA | 92392 | (760) 962-1003 | Cerca Trova Steakhouse, L.P. |
| 0538 | 4004 S. Mooney Blvd. | Visalia | CA | 93277 | (559) 334-3842 | Cerca Trova Steakhouse, L.P. |
| 0587 | 549 Westminster Mall | Westminster | CA | 92683 | (714) 890-0130 | Cerca Trova Steakhouse, L.P. |
| **COLORADO** | | | | | | |
| 0619 | 2066 S. Abilene Street | Aurora | CO | 80014 | (303) 695-9600 | Cerca Trova Southwest Restaurant Group, LLC |
| 0626 | 4687 Milestone Lane | Castle Rock | CO | 80104 | (303) 814-0099 | Cerca Trova Southwest Restaurant Group, LLC |
| 0612 | 7065 Commerce Center Drive | Colorado Springs | CO | 80919 | (719) 590-6283 | Cerca Trova Southwest Restaurant Group, LLC |
| 0617 | 2825 Geyser Drive | Colorado Springs | CO | 80906 | (719) 527-8745 | Cerca Trova Southwest Restaurant Group, LLC |
| 0624 | 16301 E. 40th Avenue | Denver | CO | 80239 | (303) 576-6633 | Cerca Trova Southwest Restaurant Group, LLC |
| 0618 | 10443 E. Costilla Avenue | Englewood | CO | 80112 | (303) 792-2903 | Cerca Trova Southwest Restaurant Group, LLC |
| 0620 | 14295 W. Colfax Avenue | Golden | CO | 80401 | (303) 216-2460 | Cerca Trova Southwest Restaurant Group, LLC |
| 0621 | 2432 Highway 6 & 50 | Grand Junction | CO | 81505 | (970) 257-7550 | Cerca Trova Southwest Restaurant Group, LLC |
| 0614 | 15 W. Springer Drive | Highlands Ranch | CO | 80129 | (303) 791-1500 | Cerca Trova Southwest Restaurant Group, LLC |
| 0610 | 8601 W. Cross Drive | Littleton | CO | 80123 | (303) 932-0315 | Cerca Trova Southwest Restaurant Group, LLC |
| 0615 | 497 E. 120th Avenue | Thornton | CO | 80233 | (303) 450-4111 | Cerca Trova Southwest Restaurant Group, LLC |
| 0611 | 9329 N. Sheridan Blvd. | Westminster | CO | 80030 | (303) 427-2714 | Cerca Trova Southwest Restaurant Group, LLC |
| **FLORIDA** | | | | | | |
| 1067 | 9333 Airport Blvd (Orlando Airport) | Orlando | FL | 32827 | (407) 851-1334 | Host International, Inc. |

| Store No. | Store Address | City | State | Zip | Store Phone Number | Franchisee |
|---|---|---|---|---|---|---|
| **IDAHO** | | | | | | |
| 1310 | 7189 Overland Road | Boise | ID | 83709 | (208) 323-4230 | Evergreen Restaurant LLC 1310 |
| 1311 | 970 Lindsay Boulevard | Idaho Falls | ID | 83402 | (208) 523-9301 | Evergreen Restaurant LLC 1311 |
| 1313 | 2011 West Karcher Road | Nampa | ID | 83651 | (208) 461-4585 | Evergreen Restaurant LLC 1313 |
| 1314 | 1965 Bluelakes Boulevard North | Twin Falls | ID | 83301 | (208) 733-4585 | Evergreen Restaurant LLC 1314 |
| **MICHIGAN** | | | | | | |
| 2334 | Detroit Airport, 11050 W G Rogell Drive | Romulus | MI | 48242 | (734) 955-9455 | Host International, Inc. |
| **MISSISSIPPI** | | | | | | |
| 2520 | 3586 Sangani Drive, Ste H | D'Iberville | MS | 39540 | (228) 392-9797 | J & R D'Iberville LLC |
| 2521 | 5286 Parkway | Flowood | MS | 39232 | (601) 992-4045 | J & R Flowood LLC |
| 2516 | 103 Carlisle Drive | Hattiesburg | MS | 39402 | (601) 264-0771 | J & R Hattiesburg LLC |
| 2517 | 111 S. Frontage Road | Meridian | MS | 39301 | (601) 485-3447 | J & R Meridian LLC |
| 2518 | 125 Goodman Road W., Ste A | Southaven | MS | 38671 | (662) 349-7488 | J & R Southaven LLC |
| 2515 | 1348 N. Gloster Street | Tupelo | MS | 38804 | (662) 842-1734 | J & R Tupelo LLC |
| **MONTANA** | | | | | | |
| 2710 | 2001 Overland Ave. | Billings | MT | 59102 | (406) 652-3565 | Evergreen Restaurant LLC 2710 Opco |
| 2712 | 6059 E. Valley Center Road | Bozeman | MT | 59718 | (406) 587-5200 | Evergreen Restaurant LLC 2712 |
| 2711 | 2415 N. Reserve | Missoula | MT | 59808 | (406) 327-6900 | Evergreen Restaurant LLC 2711 |
| **NEVADA** | | | | | | |
| 3213 | 521 N. Stephanie Street | Henderson | NV | 89014 | (702) 451-7808 | Cerca Trova Southwest Restaurant Group, LLC |
| 3212 | 1950 N. Rainbow Boulevard | Las Vegas | NV | 89108 | (702) 647-1035 | Cerca Trova Southwest Restaurant Group, LLC |
| 3214 | 8671 W. Sahara Avenue | Las Vegas | NV | 89117 | (702) 228-1088 | Cerca Trova Southwest Restaurant Group, LLC |
| 3218 | 3411 S. Las Vegas Boulevard | Las Vegas | NV | 89109 | (702) 251-7770 | Cerca Trova Southwest Restaurant Group, LLC |
| 3220 | 7380 S. Las Vegas Boulevard | Las Vegas | NV | 89123 | (702) 643-3148 | Cerca Trova Southwest Restaurant Group, LLC |

| Store No. | Store Address | City | State | Zip | Store Phone Number | Franchisee |
|---|---|---|---|---|---|---|
| 3222 | 3785 Las Vegas Boulevard, Unit 4100 Showcase Mall | Las Vegas | NV | 89109 | (702) 220-4185 | Cerca Trova Southwest Restaurant Group, LLC |
| 3219 | 1900 S. Casino Drive | Laughlin | NV | 89029 | (702) 298-0419 | Cerca Trova Southwest Restaurant Group, LLC |
| 3217 | 2625 Craig Road | North Las Vegas | NV | 89032 | (702) 647-4152 | Cerca Trova Southwest Restaurant Group, LLC |
| 3215 | 3645 S. Virginia Street | Reno | NV | 89502 | (775) 827-5050 | Cerca Trova Southwest Restaurant Group, LLC |
| 3216 | 1805 E. Lincoln Way | Sparks | NV | 89434 | (775) 358-2700 | Cerca Trova Southwest Restaurant Group, LLC |
| **NEW MEXICO** | | | | | | |
| 5110 | 4921 Jefferson Northeast | Albuquerque | NM | 87109 | (505) 884-8760 | Cerca Trova Southwest Restaurant Group, LLC |
| 5111 | 10022 Coors Boulevard Northwest | Albuquerque | NM | 87114 | (505) 890-9713 | Cerca Trova Southwest Restaurant Group, LLC |
| 5112 | 4921 E. Main Street/US Highway 550 | Farmington | NM | 87402 | (505) 324-2122 | Cerca Trova Southwest Restaurant Group, LLC |
| 5114 | 940 N. Telshor Boulevard | Las Cruces | NM | 88011 | (505) 522-1370 | Cerca Trova Southwest Restaurant Group, LLC |
| 5115 | 4250 Cerrilos Road | Santa Fe | NM | 87507 | (505) 424-6800 | Cerca Trova Southwest Restaurant Group, LLC |
| **OREGON** | | | | | | |
| 3810 | 6260 Keizer Station Blvd. NE | Keizer | OR | 97303 | (503) 399-3700 | Evergreen Restaurant LLC 3810 |
| 3812 | 3613 Crater Lake Highway | Medford | OR | 97504 | (541) 732-0997 | Evergreen Restaurant LLC 3812 |
| 3811 | 11146 SW Barnes Road | Portland | OR | 97225 | (503) 643-8007 | Evergreen Restaurant LLC 3811 |
| 3817 | 3463 Hutton Street | Springfield | OR | 97477 | (541) 746-7700 | Evergreen Restaurant LLC 3817 |
| 3814 | 8665 SW Tualatin-Sherwood Rd. | Tualatin | OR | 97062 | (503) 885-0410 | Evergreen Restaurant LLC 3814 |
| **SOUTH DAKOTA** | | | | | | |
| 4211 | 665 East Disk Dr. | Rapid City | SD | 57701 | (605) 341-1192 | Evergreen Restaurant LLC 4211 |
| **TENNESSEE** | | | | | | |
| 2514 | 1110 N. Germantown Pkwy. | Cordova | TN | 38018 | (901) 751-9800 | J & R Cordova LLC |

| Store No. | Store Address | City | State | Zip | Store Phone Number | Franchisee |
|---|---|---|---|---|---|---|
| 2512 | 194 Stonebrook Place | Jackson | TN | 38305 | (731) 664-9000 | J & R Jackson, Tennessee Joint Venture |
| **UTAH** | | | | | | |
| 4511 | 1664 N. Heritage Park Blvd. | Layton | UT | 84041 | (801) 779-9394 | Evergreen Restaurant LLC 4511 |
| 4512 | 372 East University Pkwy | Orem | UT | 84058 | (801) 764-0552 | Evergreen Restaurant LLC 4512 |
| 4510 | 7770 South 1300 East | Sandy | UT | 84094 | (801) 566-9394 | Evergreen Restaurant LLC 4510 |
| 4514 | 250 Redcliff Drive | St. George | UT | 84790 | (435) 674-7788 | Evergreen Restaurant LLC 4514 |
| **WASHINGTON** | | | | | | |
| 4612 | 15100 SE 38th Street | Bellevue | WA | 98006 | (425) 746-4647 | Evergreen Restaurant LLC 4612 |
| 4625 | 22606 Bothell-Everett Highway | Bothell | WA | 98021 | (425) 486-7340 | Evergreen Restaurant LLC 4625 |
| 4614 | 10121 Evergreen Way #15 | Everett | WA | 98204 | (425) 513-2181 | Evergreen Restaurant LLC 4614 |
| 4617 | 6819 West Canal Drive | Kennewick | WA | 99336 | (509) 735-9304 | Evergreen Restaurant LLC 4617 |
| 4650 | 172nd St. NE & 27th Ave NE | Marysville | WA | 98271 | (360) 657-5589 | Evergreen Restaurant LLC 4650 |
| 4618 | 2615 Capital Mall Dr. SW | Olympia | WA | 98502 | (360) 352-4692 | Evergreen Restaurant LLC 4618 |
| 4624 | 12920 Meridian East | Puyallup | WA | 98373 | (253) 864-7725 | Evergreen Restaurant LLC 4624 |
| 4628 | 2709 Bickford Ave., Suite F | Snohomish | WA | 98290 | (360) 243-3462 | Evergreen Restaurant LLC 4628 |
| 4616 | 4750 N. Division Street | Spokane | WA | 99207 | (509) 484-6956 | Evergreen Restaurant LLC 4616 |
| 4622 | 14746 E. Indiana Avenue | Spokane Valley | WA | 99216 | (509) 892-6700 | Evergreen Restaurant LLC 4622 |
| 4619 | 16510 Southcenter Parkway | Tukwila | WA | 98188 | (206) 575-9705 | Evergreen Restaurant LLC 4619 |
| 4626 | 2412 Rudkin Road | Union Gap | WA | 98903 | (509) 469-4886 | Evergreen Restaurant LLC 4626 |
| 4620 | 8700 NE Vancouver Mall Dr. | Vancouver | WA | 98662 | (360) 883-0005 | Evergreen Restaurant LLC 4620 |
| **WYOMING** | | | | | | |
| 5011 | 1626 Fleischli Pkwy | Cheyenne | WY | 82001 | (307) 638-8171 | Evergreen Restaurant LLC 5011 |
| 5010 | 229 Miracle Rd. | Evansville | WY | 82636 | (307) 235-0391 | Evergreen Restaurant LLC 5010 |

The primary contacts for our California franchisees are:

Out West Restaurant Group, Inc. (all Outback restaurants in California except #0511, 0512, 0513 and 0517)
Attn: Keith Wall, CFO

8885 Rio San Diego, Suite 360
San Diego, CA 92108

Head Management Group, Inc. (Outback restaurants #0511, 0512, 0513 and 0517)
Attn: Jack Head, President
4381 Beech Haven Trail, Suite 400
Atlanta, GA 30339

The primary contact for our Arizona, Colorado, New Mexico and Nevada franchisees is:

Out West Restaurant Group, Inc.
Attn: Keith Wall, CFO
8885 Rio San Diego, Suite 360
San Diego, CA 92108

The primary contact for our Mississippi and Tennessee franchisees is:

J&R Restaurant Group
Attn: Steve Grantham, Jr., President
4500 I-55 North, Suite 292
Jackson, MS 39211

The primary contact for our Alaska, Idaho, Montana, Oregon, South Dakota, Utah, Washington and Wyoming franchisees is:

Evergreen Restaurant Group, LLC
Attn: Jeff Jones, President
1180 NW Maple Street, Suite 105
Issaquah, WA 98027

The primary contact for our Florida, Kentucky and Michigan franchisees (airport locations) is:

Host International, Inc.
Attn: Jeffrey L. Poersch, Vice President & Associate General Counsel
6905 Rockledge Drive, 7th Floor
Bethesda, MD 20817

**If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

## EXHIBIT D-2 TO THE DISCLOSURE DOCUMENT

## LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

## LIST OF FORMER FRANCHISEES

The following franchisee(s) left the system during the last fiscal year (January 1, 2024 to December 29, 2024) or have not communicated with us within ten weeks of this disclosure document's issuance date:

| Name | State | City | Phone Number |
|---|---|---|---|
| Phoenix - N. Scottsdale (0327)<br>Cerca Trova Southwest Restaurant Group, LLC<br>c/o Out West Restaurant Group<br>Attn: Keith Wall, CFO<br>Closed: 03/27/2024 | Arizona | Phoenix | (858) 456-2703 |
| Elk Grove (0535)<br>Cerca Trova Southwest Restaurant Group, LLC<br>c/o Out West Restaurant Group<br>Attn: Keith Wall, CFO<br>Closed: 09/08/2024 | California | Elk Grove | (916) 714-0141 |
| Pinole (0532)<br>Cerca Trova Southwest Restaurant Group, LLC<br>c/o Out West Restaurant Group<br>Attn: Keith Wall, CFO<br>Closed: 10/18/2024 | California | Pinole | (510) 758-7386 |
| Cincinnati Airport (1801)<br>Host International, Inc.<br>Attn: Jeffrey L. Poersch, Vice President & Associate General Counse<br>Closed: 07/26/2024 | Kentucky | Erlanger | (859) 767-1055 |

The following franchisees left the system after December 29, 2024:

| Name | State | City | Phone Number |
|---|---|---|---|
| Temecula (0579)<br>Cerca Trova Southwest Restaurant Group, LLC<br>c/o Out West Restaurant Group<br>Attn: Keith Wall, CFO<br>Closed: 01/19/2025 | California | Temecula | (951) 719-3700 |

**If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**

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**LIST OF**

**STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

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## STATE ADMINISTRATORS

**CALIFORNIA**
Commissioner
Department of Financial Protection and Innovation
201 Arena Boulevard
Sacramento, CA 95834
(916) 327-7585

**HAWAII**
Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
King Kalakaua Building
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

**ILLINOIS**
Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, Illinois 62701
(217) 782-4465

**INDIANA**
Secretary of State
Securities Division, Franchise Section
302 West Washington, Room E111
Indianapolis, Indiana 46204
(317) 232-6681

**MARYLAND**
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

**MICHIGAN**
Michigan Office of Attorney General
Consumer Protection Div., Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48909
(517) 335-7567

**MINNESOTA**
Commissioner of Commerce
Department of Commerce - Securities Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1638

**NEBRASKA**
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K St #300
P.O. Box 95006
Lincoln, Nebraska 68509-5006
(402) 471-3445

**NEW YORK**
New York Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8285

**NORTH DAKOTA**
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 14th Floor, Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

**OREGON**
Director
Department of Consumer and Business Services
Financial Regulation Division
350 Winter St. NE
PO Box 14480
Salem, Oregon 97309-0405
(503) 378-4140

**RHODE ISLAND**
Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pasture Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9527

**SOUTH DAKOTA**
Department of Labor and Regulation
Division of Insurance – Securities Regulation
124 South Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773 4823

**TEXAS**
Registrations Unit
Secretary of State
P.O. Box 13193
Austin, Texas 78711-3193
(512) 475-0775

**VIRGINIA**
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

**WASHINGTON**
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501-6456
(360) 902-8760

**WISCONSIN**
Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
or
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

**AGENTS FOR SERVICE OF PROCESS**

**CALIFORNIA**
Commissioner Department of Financial Protection & Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

**HAWAII**
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

**ILLINOIS**
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

**INDIANA**
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

**MARYLAND**
Maryland Securities Commissioner
Office of the Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

**MICHIGAN**
Michigan Attorney General's Office
Consumer Protection Division, Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

**MINNESOTA**
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1638

**NEW YORK**
Attn: New York Secretary of State
New York Department of State
Division of Corporations
One Commerce Plaza, 6th Floor
99 Washington Avenue
Albany, New York 12231-0001
(518) 473-2492

**NORTH DAKOTA**
Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

**OREGON**
Director
Department of Consumer and Business Services
Financial Regulation Division
350 Winter St. NE
PO Box 14480
Salem, Oregon 97309-0405
(503) 378-4140

**RHODE ISLAND**
Director of Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pasture Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9527

**SOUTH DAKOTA**
Division of Insurance
Director of Division of Securities
124 South Euclid, 2nd Floor
Pierre, South Dakota 57501-2017
(605) 773 4823

**VIRGINIA**
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

**WASHINGTON**
Director of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501-6456
(360) 902-8760

**WISCONSIN**
Division of Securities
PO Box 1768
Madison, Wisconsin 53701-1768

**EXHIBIT F TO THE DISCLOSURE DOCUMENT**

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**STATE SPECIFIC ADDENDA AND RIDERS**

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**ADDITIONAL DISCLOSURES FOR THE**
**OUTBACK STEAKHOUSE OF FLORIDA, LLC**
**DISCLOSURE DOCUMENT**

The following are additional disclosures for the Franchise Disclosure Document of Outback Steakhouse of Florida, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

## CALIFORNIA

1. Item 3 is amended to reflect that:

   Neither we nor any person identified in Item 2 of the disclosure document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling such persons from membership is such association or exchange.

2. Item 6 is amended to reflect that 10% per annum is the highest interest rate allowed in California.

3. Item 17 is amended by the addition of the following language:

   California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

   The Franchise Agreement contains covenants not to compete which extend beyond expiration or termination of the Agreement. These provisions may not be enforceable under California law.

   Section 31125 of the California Corporations Code requires us to give you a disclosure document in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

   If the Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

   The Franchise Agreement requires the application of the laws of Florida. This provision may be unenforceable under California Law.

   You must sign a general release if you renew or transfer your franchise. California Corporations Code Sec. 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Sec. 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

   The Franchise Agreement contains a provision requiring litigation to occur in Florida. This provision may not be enforceable under California Law.

4. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

5. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

6. REGISTRATION OF THIS DISCLOSURE DOCUMENT DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION.

7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## HAWAII

Cover Page, Additional Disclosures:

**THE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THE STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

The name and address of Franchisor's agent in this state authorized to receive service of process is Commissioner of Securities, Department of Commerce and Consumer Affairs, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## MARYLAND

Item 5 is amended to include the following paragraph under "**Franchise Agreement**":

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has requested a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 5 is amended to include the following paragraph under **"Development Rights Rider"**:

> In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement or Development Rights Rider opens.

Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

> A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17, under the Summary column of part (h), is amended to include the following sentence:

> A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17, under the Summary column of part (v), is modified to include the words "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## MINNESOTA

**Renewal, Termination, Transfer and Dispute Resolution**. The following paragraphs are added at the end of the chart in Item 17 of the disclosure document:

> "With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given

90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement."

"Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

"Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D."

**Trademarks.** The following is added to Item 13 of the disclosure document:

"We will protect your right to use the trademarks, service marks, trade names, logos, or other commercial symbols or will indemnify you from any loss, costs, or expenses arising out of a claim, suit, or demand regarding the use of the marks to the extent required by Minnesota law."

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

Item 3, "Litigation," additional disclosure:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark:

a. Has any administrative, criminal, or material civil action pending against that person alleging a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations. There are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the System or its business operations.

b. Has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

c. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, "Bankruptcy", additional disclosure:

Except as described in this Item, neither we, our affiliates, our predecessors, officers, or general partners, during the ten year period immediately before the date of the disclosure document: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws; or (c) was a principal officer of a company or general partner of a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or any foreign bankruptcy laws, or that obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy laws during or within one year after the officer or general partner held this position in the company or partnership.

Item 17, "Renewal, Termination, Assignment and Choice of Law", revised disclosures:

a. The following sentence is added to item "d":

"You may also terminate the Franchise Agreement or Area Development Agreement on any grounds available by law."

b. The following sentence is added to item "j":

"However, no assignment will be made by franchisor except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement or Area Development Agreement."

c. The following sentence is added to items "v" and "w":

"The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33."

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," additional disclosures:

The New York General Business Law, Article 33, Sections 680 through 695, may supersede any provision of the Franchise Agreement or Area Development Agreement inconsistent with that law.

You must sign a general release when you transfer area development rights, or when you renew or transfer a franchise. This provision may not be enforceable under New York law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

## VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## WASHINGTON

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Liquidated damages due to us based on a premature termination of the Franchise Agreement, or related to an improper transfer of the Franchise Agreement, are limited to an amount equal to the Royalty Fees we would have received during the lesser of 24 months or the remainder of the term.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT**

**RIDER TO THE**
**OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF MARYLAND**

The Outback Steakhouse® Restaurant Franchise Agreement between ____________________________ ("**Franchisee**" or "**You**") and Outback Steakhouse of Florida LLC ("**Franchisor**") dated ___________________ (the "**Agreement**") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "**Amendment**"):

**MARYLAND LAW MODIFICATIONS**

1. All initial fees and payments owed by Franchisee to Franchisor under the Agreement shall be deferred until Franchisor completes its pre-opening obligations under the Agreement. All such deferred initial fees and payments shall be due and payable to Franchisor upon the opening of the Restaurant.

2. If the parties sign a Development Rights Rider, all Development Fees and initial payments by Franchisee under the Development Rights Rider shall be deferred until the first Restaurant under the Development Rights Rider opens. All deferred Development Fees and initial payments shall be due and payable upon the opening of the first Restaurant.

3. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201 - 14-233 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. Franchisee is required in this Agreement to execute a release of claims and/or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act. Such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments shall be void with respect to claims under the Law.

   b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement shall not be interpreted to limit any rights Franchisee may have under Sec. 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.

   c. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

   d. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

   e. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. This Agreement requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. All representations in this Agreement requiring prospective franchisees to assent to any release, estoppel or waiver of liability are not intended to and shall not act as a release, estoppel or waiver of any liability incurred under the

Maryland Franchise Registration and Disclosure Law resulting from the offer or sale of the franchise.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

5. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Amendment effective as of the day and year first above written, regardless of the actual date of signature.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:___________________________________
Print Name:______________________________
Title:__________________________________
Date:__________________________________

**FRANCHISEE:**

_______________________________________
a(n)___________________________________

By:___________________________________
Print Name:______________________________
Title:__________________________________
Date:__________________________________

**RIDER TO THE**
**OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**
**FOR THE STATE OF MINNESOTA**

The Outback Steakhouse® Restaurant Franchise Agreement between ____________________________ ("**Franchisee**" or "**You**") and Outback Steakhouse of Florida LLC ("**Franchisor**") dated ___________________ (the "**Agreement**") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "**Amendment**"):

**MINNESOTA LAW MODIFICATIONS**

1. The Minnesota Commissioner of Commerce requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota law, including the Minnesota Franchise Act, Minn. Stat. §§ 80C.01 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Releases. The first sentence of Section 2.2(g) and the first sentence of Section 13.3(c)(iii) of the Agreement are amended by adding the following:

> , provided, however, that any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchise Law.

b. Termination. The following language is added to the Agreement as new Section 14.6:

> With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Franchise Agreement.

c. Governing Law. The following language is added to the end of Section 18.9:

> Nothing in this Agreement shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

d. Jurisdiction and Venue. The following language is added to the end of Section 18.10:

> Minn. Stat. Sec. 80C.21 and Minn. Rules 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in this Agreement shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

e. Waiver of Jury Trial. If and then only to the extent required by the Minnesota Franchise Law, Section 18.15 of the Agreement is deleted.

f. Trademarks. The following language is added to the end of Section 8.4:

> We will protect your right to use the trademarks, service marks, trade names, logos, or other commercial symbols or will indemnify you from any loss, costs, or expenses arising

out of a claim, suit, or demand regarding the use of the marks to the extent required by Minnesota law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Agreement on the day and year first above written.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:______________________________

Print Name:________________________

Title:_____________________________

Date:_____________________________

**FRANCHISEE:**

_________________________________

a(n)_____________________________

By:______________________________

Print Name:________________________

Title:_____________________________

Date:_____________________________

**AMENDMENT TO THE**
**OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**
**<u>FOR THE STATE OF NEW YORK</u>**

The Outback Steakhouse® Restaurant Franchise Agreement between ____________________________ ("**Franchisee**" or "**You**") and Outback Steakhouse of Florida LLC ("**Franchisor**") dated ___________________ (the "**Agreement**") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "**Amendment**"):

**<u>NEW YORK LAW MODIFICATIONS</u>**

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. <u>Release.</u> Sections 2.2(g), Section 13.3(c)(iii) and Attachment F of the Agreement, are amended to add the following language immediately following the requirement that you sign a release:

      > Provided, however, that all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this provision that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied.

   b. <u>Transfer by Franchisor</u>. Section 13.1 is amended by adding the following:

      > Franchisor will not transfer or assign its rights under the Franchise Agreement except to a transferee or assignee who in Franchisor's good faith judgment is willing and able to assume our obligations under the Agreement.

   c. <u>Termination</u>: The following language is added to the Agreement as new Section 14.6:

      > Notwithstanding the foregoing, you may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

   d. <u>Governing Law</u>. The following language is added to the end of Section 18.9

      > The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

   e. <u>Acknowledgements</u>. Section 19 is deleted in its entirety. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

**IN WITNESS WHEREOF,** the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:___________________________________

Print Name:____________________________

Title:___________________________________

Date:___________________________________

**FRANCHISEE:**

______________________________________

a(n)___________________________________

By:__________________________________

Print Name:___________________________

Title:__________________________________

Date:__________________________________

**RIDER TO THE**
**OUTBACK STEAKHOUSE® RESTAURANT**
**FRANCHISE AGREEMENT**
**<u>FOR THE STATE OF WASHINGTON</u>**

The Outback Steakhouse® Restaurant Franchise Agreement between ____________________________ ("**Franchisee**" or "**You**") and Outback Steakhouse of Florida LLC ("**Franchisor**") dated ___________________ (the "**Agreement**") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "**Amendment**"):

**<u>WASHINGTON LAW MODIFICATIONS</u>**

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1991). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Washington Franchise Investment Protection Act provides rights to You concerning nonrenewal and termination of the Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.

b. If Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Washington Franchise Investment Protection Act or any rule or order thereunder; except when the release is executed under a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. If there are provisions in the Agreement that unreasonably restrict or limit the statute of limitations period for claims brought under the Act, or other rights or remedies under the Act, those provisions may be unenforceable.

c. If the Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of Washington, the requirement may be unenforceable under Washington law. Arbitration or mediation involving a franchise purchased in the State of Washington, must either be held in the State of Washington or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

d. If the Agreement requires that it be governed by a state's law, other than the State of Washington, and there is a conflict between the law and the Washington Franchise Investment Protection Act, the Washington Franchise Investment Protection Act shall control.

e. If the Agreement includes a noncompetition covenant, it is not enforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

f. If the Agreement restricts, restrains, or prohibits a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor, any such provisions contained in the Agreement or elsewhere are void and unenforceable in Washington.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Agreement on the day and year first above written.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:___________________________________

Print Name:____________________________

Title:__________________________________

Date:__________________________________

**FRANCHISEE:**

_______________________________________

a(n)____________________________________

By:____________________________________

Print Name:_____________________________

Title:__________________________________

Date:__________________________________

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

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**FORM OF SUCCESSOR FRANCHISE RIDER TO FRANCHISE AGREEMENT (RENEWAL)**

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**SUCCESSOR FRANCHISE RIDER TO**
**OUTBACK STEAKHOUSE®**
**FRANCHISE AGREEMENT (RENEWAL)**

THIS SUCCESSOR FRANCHISE RIDER (this "**Rider**") is between **Outback Steakhouse of Florida LLC**, a Florida limited liability company having its principal office at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607 ("**Franchisor**"), and ________________________________, a(n) ___________________ having its principal office at _______________________________________ ("**Franchisee**"). This Rider will be deemed effective as of ________________, ______, regardless of the actual date of signature.

**RECITALS:**

This Rider is made and entered into under the following circumstances:

WHEREAS, Franchisor (or its predecessor) and Franchisee entered into an Outback Steakhouse® Restaurant Franchise Agreement dated _______________ (the "**Expiring Franchise Agreement**");

WHEREAS, the Expiring Franchise Agreement gave Franchisee the right to operate a single Outback Steakhouse® restaurant located at ___________________________(Restaurant No. ______) (the "**Restaurant**") for a term expiring at the close of business on ____________________, ______;

WHEREAS, the Expiring Franchise Agreement granted Franchisee a right of renewal for one (1) additional consecutive term of twenty (20) years, subject to certain terms and conditions.

WHEREAS, Franchisor and Franchisee are signing this Rider because the Expiring Franchise Agreement has or will shortly expire, and Franchisor has agreed to grant Franchisee a successor franchise for the Restaurant by signing the Successor Franchise Agreement (as defined below);

WHERAS, simultaneously with signing this Rider, Franchisor and Franchisee are signing Franchisor's current form of Franchise Agreement (the "**Successor Franchise Agreement**") to govern Franchisee's continued operation of its Outback Steakhouse® Restaurant. Any capitalized terms used herein without definition have the meaning ascribed to such terms in the Successor Franchise Agreement; and

WHEREAS, this Rider modifies certain provisions of the Successor Franchise Agreement that do not apply to Franchisee's operation of the Restaurant during the successor franchise term.

NOW, THEREFORE, in consideration of the foregoing recitals, and of the premises, covenants, terms and conditions contained herein, the parties hereto agree to amend the Successor Franchise Agreement as follows:

**OPERATIVE PROVISIONS:**

1. **Expiration of Expiring Franchise Agreement**. The Expiring Franchise Agreement's term expires (or expired) on the day before the Effective Date. Franchisee has no further rights under the Expiring Franchise Agreement following the Effective Date.

2. **Renewal Term**. To reflect that the Successor Franchise Agreement is a result of Franchisee exercising its renewal rights and that the Restaurant was previously opened for business, **Section 2.1** is hereby deleted in its entirety and the following substituted therefore:

**Section 2.1** Renewal Term. The term of this Agreement shall commence on the date of this Agreement and expire, unless sooner terminated:

(a) if the real property on which the Restaurant is located is owned by Franchisee, its Affiliate, the Franchise Principal or any other person or entity who also owns, directly or indirectly, more than ten percent (10%) of the Ownership Interests in Franchisee (hereinafter "**Affiliated Landowner**"), the close of business on ____________________, the date that is the fortieth ($40^{th}$) anniversary of the date the Restaurant first opened for business (the "**Opening Dat**e"); or

(b) otherwise, if the real property on which the Restaurant is located is not owned by an Affiliated Landowner, on the earlier of (i) the close of business on ____________________, the date that is the fortieth ($40^{th}$) anniversary of the Opening Date; or (ii) upon expiration of the Lease (defined in **Section 4.3** hereof), provided Franchisee has exercised all renewal rights and options available to Franchisee under the Lease as of such date.

3. **No Additional Renewal Terms**. To reflect that Franchisee has exercised the only renewal term available to it and that Franchisee has no additional rights of renewal, **Section 2.2** is hereby deleted in its entirety and the following substituted therefore:

**Section 2.2** Renewal. When this Agreement expires (unless it is terminated sooner), Franchisee shall have no option to acquire a renewal franchise, and Franchisee shall have no continued right to operate the Restaurant under the Proprietary Marks and other aspects of the System.

4. **Renewal Franchise Fee**. To reflect that the Successor Franchise Agreement is a result of Franchisee exercising its renewal rights and that Franchisee has no obligation to pay an Initial Franchisee Fee, but must instead pay a renewal franchise fee, **Section 3.1** is hereby deleted in its entirety and the following substituted therefore:

**Section 3.1** No Initial Franchise Fee; Renewal Fee. Franchisee is not required to pay to Franchisor an initial franchise fee. However, for the successor (renewal) franchise rights granted upon execution of this Agreement, Franchisee shall pay to Franchisor Twenty Thousand Dollars ($20,000) simultaneously with signing this Agreement. Upon signing this Agreement, the renewal franchise fee of Twenty Thousand Dollars ($20,000) shall be deemed fully earned and non-refundable in consideration for administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise to others.

5. **Pre-Opening Obligations**. Since the Restaurant is already open and operating, Franchisor's obligations under **Section 5.1** (Initial Training), **Section 5.2** (Plans and Specifications) and **Section 5.3** (Pre-Opening Assistance) of the Successor Franchise Agreement are excused. Likewise, all provisions of **Article IV** (Site Selection, Lease, Development and Opening of Restaurant) that contemplate the opening of a new Outback Steakhouse® restaurant are hereby waived.

6. **Opening**. To reflect that the Restaurant is already open for business and that Franchisee has performed its pre-opening obligations, **Section 6.2** (Opening) and **Section 6.5** (Pre-Opening) of the Successor Franchise Agreement are hereby deleted in their entirety.

7. **Termination**. Since the Restaurant is already open and operating, **Section 14.2(a)** of the Successor Franchise Agreement is hereby deleted in its entirety.

8. **Rider to Control**. Except as provided in this Rider, the Successor Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Successor Franchise Agreement and this Rider, the terms of this Rider shall control.

9. **Counterparts**. This Rider may be executed in multiple counterparts and by facsimile or electronically scanned (PDF) signatures, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned have executed this Rider on ____________________________, but to be effective as of the date first written above.

**FRANCHISOR:**

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**, a Florida limited liability company

By:_____________________________________

Print Name:______________________________

Title:___________________________________

Date:___________________________________

**FRANCHISEE:**

_________________________________________

a(n)_____________________________________

By:_____________________________________

Print Name:______________________________

Title:___________________________________

Date:___________________________________

[*Signature page to Successor Franchise Rider to Franchise Agreement (Renewal)*]

## EXHIBIT H TO THE DISCLOSURE DOCUMENT

# IT HELP DESK SUPPORT AGREEMENT

# HELP DESK SUPPORT AGREEMENT

**This Help Desk Support Agreement** (this ***"Agreement"***) is entered into for each Franchisee as of the date set forth opposite such Franchisee's name on Exhibit A attached hereto (the ***"Effective Date"***) by and between **Bloomin' Brands**, **Inc**., a Delaware corporation with its principal place of business at 2202 N. West Shore Blvd., Suite 500, Tampa, FL 33607 and its affiliates (collectively, ***"BBI"***), ______________________________ ("***Franchisee Principal***") with a business address of ____________ _____________________, and the entities set forth on Exhibit A attached hereto (hereafter referred to individually as "***Franchisee***" and collectively as "***Franchisees***"). This Help Desk Support Agreement supersedes any previously executed agreement regarding help desk support.

**RECITALS**

A. Each Franchisee owns and operates a restaurant as a franchisee of a wholly owned subsidiary of BBI pursuant to a franchise agreement between the Franchisee and such BBI subsidiary ("***Franchise Agreement***").

B. Each Franchisee restaurant location desires to utilize BBI's information technology ("***IT***") help desk services to support Franchisee's information technology system for such restaurant locations on the terms and conditions contained herein.

**Now, Therefore,** the parties agree as follows:

**1. SERVICES; EQUIPMENT; SECURITY.**

**1.1 Services.** During the Term of this Agreement, BBI will provide Franchisee restaurant location(s) ["***Location(s)***"] set forth on Exhibit **A** with such IT help desk support services and Optional Services, if any (collectively, "***Services***"), as are described on the Service Level Agreement attached hereto as Exhibit **B**. The terms and conditions of this Agreement shall apply to each Franchisee Location receiving Services hereunder.

**1.2 Equipment.** Franchisee agrees and acknowledges that it is solely responsible for all costs associated with the purchase, maintenance and replacement of all hardware and software required (collectively, "***Equipment***") for each Franchisee Location. All network Equipment will be procured and configured by BBI. BBI will invoice Franchisee for the amounts incurred for Equipment purchased without mark-up, plus any incremental costs for configuration services performed by BBI on such Equipment. Payment terms are as set forth in Section 3. Franchisee will not have configuration access to any of the network Equipment and BBI may implement configuration changes as required to maintain consistency across the enterprise. Franchisee may not connect any device to a Location's internal local area network without the express prior written approval of BBI.

**1.3 Scope of Service Limitation**; **Security.** Franchisee agrees and acknowledges that (a) the Services provided hereunder are in no way intended to meet applicable security standards set by governmental and regulatory authorities, compliance with which Franchisee is solely responsible; (b) Franchisee is solely responsible for its compliance with applicable Payment Card Industry (***"PCI"***) PCI standards; (c) the Services do not include any services related to payroll, finance or human resources solutions, for which Franchisee is solely responsible; and (d) Franchisee is solely responsible for the protection and security of any content, data and information used, transmitted or disclosed in the operation of its business and via the use of the Services, including but not limited to compliance with PCI standards and encryption and protection of all personally identifiable information, credit card information and any confidential information of Franchisee, its customers, personnel and any other third party.

**2. COMPLIANCE.**

**2.1 Compliance.** Franchisee agrees to comply with the requirements of any law, statute, treaty, rule, directive, regulation, tariff, order, decree, judgment and other governmental act of any federal, state, county or local governmental entity, regulatory agency or arbitrator (collectively, "***Laws***") with jurisdiction over Franchisee, Franchisee's affiliates and their employees or their activities in connection with the operation of Franchisee's business, its use of the Services, or Franchisee's performance of its obligations under this Agreement.

**3. FEES AND PAYMENT.**

**3.1 Fees.** Franchisee shall pay, when due, to BBI the fees and charges invoiced to BBI for

Equipment and Services provided to Franchisee Location(s) ("***Fees***") as are described in Exhibit B hereto. Unless a different billing cycle is agreed to by the parties, Franchisee shall be invoiced monthly in advance on or around the first day of each month for all Fees relating to access and use of the Services. Any Fees relating to any Equipment purchased for a Location shall be invoiced to Franchisee as they are incurred. All payments will be made by Franchisee to BBI within thirty (30) days of the invoice date. Fees for Equipment and Services described in Exhibit B are exclusive of taxes and expenses. All Fees due under this Agreement are non-cancelable and the sums paid nonrefundable. BBI reserves the right to suspend the Service or terminate this Agreement in the case any Fees payable under this Agreement have not been paid within ten (10) days after receiving notice of default from BBI. Any such suspension or termination is without prejudice to any other rights and remedies available to BBI. BBI may modify the Fees due hereunder upon written notice to Franchisee, the effective date of which shall be the first day of the Renewal Term immediately following the notice.

3.2 **Taxes.** Franchisee agrees to timely pay all sales, use, excise, value added tax and similar taxes that are imposed by applicable law that BBI must pay based on the Equipment and Services provided to Franchisee, except for taxes based on BBI's income.

3.3 **Interest Charges.** Any fees or charges not paid in full when due shall bear daily interest at the rate equal to one and a half percent (1 1/2%) above the prime rate.

**4. TERM AND TERMINATION.**

4.1 **Term.** Unless earlier terminated as provided herein, this Agreement shall commence on the Effective Date and remain in effect for a period of twelve (12) months (the "***Initial Term***"), and shall automatically renew for successive twelve (12) month periods (each a "***Renewal Term***") thereafter. The Initial Term and each Renewal Term shall be collectively referred to as the ***"Term".***

4.2 **Termination for Cause.** This Agreement may be terminated at any time during the Term by either party upon the material breach by the other party of any of such other party's obligations hereunder, which material breach has not been cured within ten (10) days after the breaching party has received written notice thereof.

4.3 **Termination Without Cause.** This Agreement may be terminated by BBI without cause upon sixty days (60) prior written notice to Franchisee.

4.4 **Suspension of Service.** BBI may suspend Service immediately, without notice, if in the reasonable opinion of BBI, suspension of Services is necessary to prevent or protect against fraud or otherwise protect BBI's personnel, customers, facilities or services.

4.5 **Termination of Franchise Agreement.** This Agreement may be terminated by BBI immediately upon written notice to Franchisee Principal and Franchisee if the Franchise Agreement terminates.

4.6 **Effect of Termination.** Upon termination of this Agreement for any reason: (a) any amounts owed to BBI under this Agreement before such termination will be immediately due and payable, and (b) all access rights to the Services granted herein shall immediately terminate.

**5. DISCLAIMER OF WARRANTY.**

5.1 BBI DOES NOT WARRANT OR PROVIDE ANY GUARANTEES WITH RESPECT TO THE EQUIPMENT AND FRANCHISEE AGREES TO LOOK SOLELY TO THE MANUFACTURER OF THE EQUIPMENT FOR ANY WARRANTY OR OTHER CLAIMS RELATED TO THE EQUIPMENT. THE SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE" WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND. BBI DOES NOT WARRANT OR PROVIDE ANY GUARANTEE THAT THE SERVICES WILL BE PROVIDED ERROR-FREE, UNINTERRUPTED, SECURE, OR VIRUS-FREE, OR THAT BBI WILL CORRECT ALL OR ANY SERVICE ERRORS. IN PROVIDING SERVICES TO FRANCHISESE HEREUNDER, BBI DOES NOT WARRANT OR PROVIDE ANY GUARANTEE THAT A FRANCHISEE'S INFORMATION TECHNOLOGY HARDWARE AND SOFTWARE OR THE SYSTEMS CREATED THEREBY MEET THE

MINIMUM DATA SECURITY STANDARDS OF ANY GOVERNMENTAL OR REGULATORY AUTHORITY. BBI MAKES NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR ANY IMPLIED WARRANTIES ARISING OUT OF COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

**6. LIMITATION OF LIABILITY.**

**6.1** IN NO EVENT WILL BBI BE LIABLE TO FRANCHISEE PRINCIPAL, FRANCHISEE OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS/PROFITS OR REVENUE, DATA, HARDWARE, OR GOOD WILL). BBI'S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT (INCLUDING FROM USE OR INABILITY TO USE THE EQUIPMENT AND SERVICES, INABILITY TO USE ANY DATA OR INFORMATION, AND/OR LOSS OF DATA), WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL IN NO EVENT EXCEED, IN THE AGGREGATE, THE TOTAL AMOUNT ACTUALLY PAID TO BBI BY FRANCHISEE FOR THE EQUIPMENT AND/OR SERVICES THAT ARE THE SUBJECT OF THE CLAIM IN THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM.

**7. INDEMNIFICATION.**

**7.1** Franchisee agrees to indemnify, hold harmless and defend BBI, its affiliates and their respective officers, directors, employees, agents, successors and assigns ("***BBI Indemnified Parties***"), from and against any and all claims, demands, judgments, liabilities, damages, losses, expenses and costs (including, but not limited to, court costs and reasonable attorney fees) incurred by the BBI Indemnified Parties that arise from (a) Franchisee's payroll, finance or human resources decisions and practices, and (b) breach of Franchisee's security and compliance obligations pursuant to Sections 1.3 and 2.1 hereof.

**8. CONFIDENTIALITY.**

**8.1** To effectuate this Agreement, it will be necessary for Franchisee to disclose to BBI and BBI to disclose to Franchisee certain proprietary or confidential technical or business information in written, graphic, oral or other tangible or intangible forms (the "***Confidential Information***"). In order to protect such Confidential Information from improper disclosure and use, BBI and Franchisee agree (a) that all information exchanged between the parties in furtherance of this Agreement, shall be deemed the Confidential Information of the disclosing party for purposes of this Agreement; (b) that all Confidential Information shall be and shall remain the exclusive property of the disclosing party; (c) that the parties shall not disclose such Confidential Information to any person or entity, other than affiliates and subcontractors and their employees who have a need to know such information in furtherance of the objectives of this Agreement, without the prior written approval of the disclosing party; (d) to keep such Confidential Information confidential and to use at least the same level of care to prevent disclosure or unauthorized use of the received Confidential Information as the recipient exercises in protecting its own Confidential Information of a similar nature; (e) to return promptly any copies of such Confidential Information to the disclosing party at its request, provided that the recipient may retain a single copy of the received information exclusively as an archival record of the disclosure and for no other purpose; and (f) to use such Confidential Information only for the purposes of this Agreement and for other purposes only upon such terms as may be agreed upon between the parties in writing. If pursuant to the provision of Services hereunder BBI is granted or obtains access to any Franchisee content, BBI will limit access and use solely to conduct such investigation and BBI will take necessary and reasonable steps to treat such accessed content as Confidential Information, as defined herein.

**8.2** The obligations set forth in Section 8.1 shall not apply to any information that (a) was legally in the recipient's possession prior to receipt from the disclosing party; (b) was received in good faith without restriction from a third party free to disclose it without obligation to the disclosing party; (c) now is or later becomes publicly known through no breach of a confidentiality obligation by the recipient; (d) was independently developed by the recipient without reference to or direct reliance upon any of the Confidential Information received; or (e) is required to be disclosed pursuant to a subpoena or other process issued by a court or administrative agency having appropriate jurisdiction, provided that the party receiving the subpoena or other process, unless expressly prohibited by law, shall give sufficient prior notice to the other to permit the other to seek a protective order or an exemption from such disclosure requirement. The obligation of confidentiality and use with respect to Confidential Information shall survive any termination of this Agreement for a period of three (3) years from the termination of this Agreement.

**9. GENERAL PROVISIONS.**

9.1 **Authority of Franchisee Principal.** Franchisee Principal represents and warrants that he/ she is duly authorized to execute this Agreement on behalf of the Franchisees.

9.2 **Independent Contractors.** Nothing contained in this Agreement shall be construed to create or imply a partnership, joint venture, principal/ agent or employment relationship among the parties. No party shall take any action or permit any action to be taken on its behalf which purports to be done in the name of or on behalf of another party and shall have no power or authority to bind another party or to assume or create any obligation, express or implied, on another party's behalf.

9.3 **Assignment.** Franchisee shall not assign, delegate, or subcontract any portion of its rights, duties, or obligations under this Agreement without the prior written consent of BBI and any attempt to do so shall be void. BBI may assign this Agreement, including its rights and duties hereunder, without the prior consent of Franchisee.

9.4 **Entire Agreement; Waiver.** This Agreement, including Exhibits A and B attached hereto, sets forth the entire understanding and agreement of the parties, and supersedes any and all prior or contemporaneous oral or written agreements or understandings between the parties, as to the subject matter of this Agreement. This Agreement may be amended, modified or changed only by a writing signed by all parties. The waiver of a breach of any provision of this Agreement will not operate or be interpreted as a waiver of any other or subsequent breach.

9.5 **Governing Law.** This Agreement will for all purposes be solely and exclusively governed, construed and enforced in accordance with the laws of the State of Florida (without regard to the conflicts of law provisions thereof). Franchisee and Franchisee Principal agree that the exclusive venue for any dispute arising out of this Agreement shall be a federal or state court in Hillsborough County, Florida.

9.6 **Notice.** Any notice under this Agreement will be in writing and delivered by personal delivery, overnight courier, confirmed facsimile, confirmed email, or certified or registered mail, return receipt requested, and will be deemed given upon personal delivery, one (1) day after deposit with an overnight courier, five (5) days after deposit in the U.S. mail, or upon confirmation of receipt of facsimile. All notices hereunder shall be delivered to addresses set forth above or in Exhibit A, provided that any party may, by notice to the other parties, change the address or fax number to which such notices are to be given.

9.7 **Severability.** If any provision herein is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. The parties agree to replace any invalid provision with a valid provision that most closely approximates the intent and economic effect of the invalid provision.

9.8 **Survival.** The following Sections shall survive the termination or expiration of this Agreement: 1.3, 5, 6, 7, 8 and 9.

[Signature pages follow]

Franchisee Principal and authorized representatives of Franchisee and BBI have read the foregoing and agree and accept such terms as of the Effective Date.

**"BBI"**

BLOOMIN' BRANDS, INC.,
a Delaware corporation,

By:__________________________________________

Its:__________________________________________

**"FRANCHISEE PRINCIPAL"**

Sign:__________________________________________

Print:__________________________________________

**"FRANCHISEES"** – signatures appear on following page(s).

**FRANCHISEE SIGNATURE PAGE(S)**
**TO THE**
**HELP DESK SUPPORT AGREEMENT**

**EFFECTIVE DATE:**

**LOCATION:** ___________________________________

**STORE NO.:**_______________

Date: ______________________

[*insert franchisee entity name*],
a(n) ___________________________________________

By: _____________________________________________
Print Name: ______________________________________
Title: ___________________________________________

**LOCATION:** ___________________________________

**STORE NO.:**_______________

Date:_______________________

[*insert franchisee entity name*],
a(n) ___________________________________________

By: _____________________________________________
Print Name: ______________________________________
Title: ___________________________________________

**LOCATION:** ___________________________________

**STORE NO.:**_______________

Date:_______________________

[*insert franchisee entity name*],
a(n) ___________________________________________

By: _____________________________________________
Print Name: ______________________________________
Title: ___________________________________________

**LOCATION:** ___________________________________

**STORE NO.:**_______________

Date:_______________________

[*insert franchisee entity name*],
a(n) ___________________________________________

By: _____________________________________________
Print Name: ______________________________________
Title: ___________________________________________

**EXHIBIT A**

**FRANCHISEES**

| No. | Franchisee | Store No. | Brand | Location | Effective Date |
|---|---|---|---|---|---|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | | | | | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| 10. | | | | | |

*[END OF EXHIBIT A]*

## EXHIBIT B

## BBI HELP DESK
## SERVICE LEVEL AGREEMENT ("SLA")

SCOPE:

Technology support services are provided through the BBI Department of Information Technology Help Desk Unit. The Services to be provided consist of primary (first level) help desk support. In order to provide optimal first level support service to all BBI and Franchisee restaurants, all Service requests must be made to the BBI IT Help Desk as described herein.

HELP DESK SERVICES:

I. The BBI IT Help Desk will provide the following Services to Franchisee callers seeking assistance:

A. End-to-End support/problem determination for BBI's standardized software and hardware located within a Franchisee restaurant location, including the following:

1. All restaurant technical problems will be recorded.

2. Problems will be resolved or assigned to the appropriate specialist.

3. Problems will be monitored.

4. Users will be notified of commitment times and any problems that occur in meeting the established commitment.

5. Problem resolution will be documented and available in report status.

6. Monthly reports will be provided (upon request).

B. A single point of contact within the BBI IT Department for:

1. Orders for new restaurant IT equipment.

2. Equipment moves, adds, and changes (equipment does NOT include personal computers, but does includes restaurant printers and restaurant telephones).

II. The BBI IT Help Desk will **NOT** provide Services to Franchisee for following systems or requests:

A. Personal devices within the restaurant environment, either BOH or FOH

B. Data-polling, e.g., getting labor or sales data from the restaurant to the Franchisee home-office

C. Payroll solutions, Human Resources and Training

D. Finance solutions

E. Any 'external' inventory solutions

F. Any 'reporting' solutions other than those within the restaurant environment

G. All home-office technology solutions owned/operated by the Franchisee

III. Optional Services

Should BBI elect to offer services to Franchisees that are not otherwise provided hereunder ("**Optional Services**"), and Franchisee elects to receive such Optional Services, the parties will execute an amendment to this Exhibit B to include a description of such Optional Services, associated fees and any additional term deemed necessary.

IV. Hours of Operation

Services will be provided between the hours of 7:00 a.m. and 3:00 a.m. Eastern Time (next morning), 7 days a week, 363 days a year (the BBI Help Desk is closed Thanksgiving and Christmas Day). Any request received outside of business hours will be returned the following business day based on priority.

V. Method for Requesting Assistance/Service

The telephone number (1-800-555-5808) is available to take Service call requests. Alternatively, an email can be sent to BBISupport@bloominbrands.com. When phone lines are busy, calls will be forwarded to voice mail, where a message can be left. The Help Desk guarantees a return call within sixty (60) minutes of a voice mail message detailing a critical issue.

VI. Setting Priority Levels for Support

The Help Desk will make every reasonable effort to resolve issues at the time of the service call. This will be the initial method for resolving issues before assigning a priority level. Help Desk staff will log and assign priorities for all requests not resolved at the time of the call, based on specific definitions. Requests will be handled according to the priority assigned to them. The following table describes the priority levels assigned to requests for hardware/software problem resolution with associated response and completion time goals:

| Priority | Definition | Response Time |
|---|---|---|
| Critical | Entire system down, operations halted | Within 1 hour |
| High | Issues affecting a portion of front-of-house hardware, but system still operable | Within 12 hours |
| Medium | General issues not involving front-of-house hardware or daily operations | 1 business day |
| Low | Password resets, how-to issues, and other miscellaneous non-operationally impacting | 2 business days |

VII. Remote Desktop Access

Depending on the availability of technical resources, Help Desk staff will make every reasonable effort to resolve issues at the time of the service call by using remote access tools. This will allow a support analyst to access the caller's desktop remotely for the purpose of expediting the resolution of the call. The caller can view the activity on the local monitor as it occurs. The support analyst will request and receive the caller's consent before accessing the machine remotely. If consent is not provided, the Service request will be assigned the appropriate level of priority.

VIII. Hardware and Software Standards

The Help Desk will provide support only for standardized and BBI approved hardware and software. A list of approved hardware and software is updated regularly and will be provided to Franchisee upon request.

IX. Reporting

The IT Help Desk will provide reports to Franchisee upon request, but no more than once monthly, containing information on actual performance achieved, compared to service levels agreed upon. Information will be reported on both open and closed Service requests.

X. Purchasing Approval

A. The individuals within the Franchise who have the authority to place orders with the BBI IT Help Desk for service or equipment that may generate billed back charges are identified below [*insert names and job title*]:

__________________________________

__________________________________

__________________________________

Any changes to the individuals identified above shall be communicated to BBI in writing pursuant to the notice provision of the Agreement.

B. When software or hardware orders are placed with the IT Help Desk, it will be the above-named contact's responsibility to provide purchase order information that can then be referenced on the applicable order(s). The IT Help Desk will work with such individual to place and confirm components on orders. If the IT Help Desk is not provided with the correct authorization, the order will be placed on hold awaiting this authorization.

C. The clock for response time for the IT Help Desk will be suspended during this wait and will restart only after this information is provided.

XI. Franchisee Responsibilities

In order to facilitate the support process, callers requesting support are requested to:

1. Provide detailed information regarding service requests;

2. Make every effort to be available to communicate with a support analyst if and when required;

3. Provide consent for a support analyst to access the computer remotely when requested;

4. Notify the help desk in advance of any pre-determined required assistance;

5. Check the IT website frequently for information and links to self-help assistance.

XII. Fees

Franchisee agrees to pay BBI for the Services described in Section I hereof, during the Term, the amount of $55.00 per month per Franchisee Location, as well as applicable fees for Optional Services, if any, payable as described in the Agreement. Fees relating to any Equipment purchased for a Location shall be invoiced to Franchisee as they are incurred.

*[END OF EXHIBIT B]*

**OUTBACK STEAKHOUSE OF FLORIDA, LLC**

**STATE EFFECTIVE DATES**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

| State | Effective Date |
|---|---|
| California | November 25, 2024 (Exemption) |
| Maryland | March 7, 2025 (Exemption) |
| Michigan | December 21, 2024 |
| Minnesota | August 29, 2024 |
| New York | October 15, 2024 |
| Washington | November 3, 2024 (Exemption) |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit F.

The franchisor is Outback Steakhouse of Florida, LLC, located at 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607. Its telephone number is (813) 282-1225.

Issuance date: April 25, 2025 (with the effective dates in franchise registration states as noted on the State Effective Dates page of this disclosure document)

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows: Patrick Hafner and Annette Rodriguez, 2202 North West Shore Boulevard, 5th Floor, Tampa, Florida 33607, (813) 282-1225.

We authorize the respective state agencies identified on Exhibit E to receive service of process for us in the particular state.

I received a disclosure document from Outback Steakhouse of Florida, LLC dated as of April 25, 2025, which included the following Exhibits:

| | |
|---|---|
| A | Financial Statements and Guarantee |
| B-1 | Form of Franchise Agreement |
| B-2 | Form of Development Rights Rider to Franchise Agreement |
| C | Operations Manual Table of Contents |
| D-1 | List of Franchisees and Franchise Restaurants in the United States |
| D-2 | List of Franchisees Who Have Left the System |
| E | List of State Agencies/Agents for Service of Process |
| F | State Specific Addenda and Riders |
| G | Form of Successor Franchise Rider to Franchise Agreement (Renewal) |
| H | IT Help Desk Support Agreement |

______________________________
Date

(Keep this copy for your records)

Prospective Franchisee:

Signature:______________________________

Print Name:______________________________

Company:______________________________

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit F.

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| H | IT Help Desk Support Agreement |

Prospective Franchisee:

______________________________
Date

Signature:______________________________

Print Name:______________________________

(Date, Sign and Return to Us)

Company:______________________________