

**APPLEBEE'S INTERNATIONAL, INC.**  
**EXECUTIVE COMPENSATION COMMITTEE**  
**CHARTER**  
**ADOPTED JANUARY 2003**  
**REVISED DECEMBER 11, 2003**

**Purpose**

The Executive Compensation Committee is appointed by the Board of Directors to discharge the Board's responsibilities relating to compensation of the Company's officers. The Committee has overall responsibility for approving and evaluating the officer compensation plans, policies and programs of the Company.

The Executive Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement.

**Committee Membership**

The Executive Compensation Committee shall consist of no fewer than three members. The members of the Executive Compensation Committee shall meet the independence requirements of the NASDAQ Stock Market, Section 16 of the Securities Exchange Act of 1934 and Section 162(m) of the Internal Revenue Code.

The members of the Executive Compensation Committee shall be appointed by the Board on the recommendation of the Corporate Governance/Nominating Committee. Executive Compensation Committee members may be replaced by the Board at any time. The Executive Compensation Committee chairperson or chairpersons shall be designated by the Board, or if the Board chooses not to do so, by a majority vote of the Executive Compensation Committee.

**Meetings**

The members of the Executive Compensation Committee shall meet at least three times a year, and more frequently as circumstances dictate. A majority of the membership of the Executive Compensation Committee shall constitute a quorum for the transaction of business.

The Executive Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the Secretary of the Company.

The Executive Compensation Committee will report to the Board of Directors regarding its decisions and recommendations and will provide the Board copies of the minutes of its meetings.

**Committee Authority and Responsibilities**

1. The Executive Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to assist it in the evaluation of director, CEO or

senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Executive Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

2. The Executive Compensation Committee shall review and approve annually goals and objectives relevant to CEO base and incentive (short-term and long-term, cash and equity) compensation, evaluate the CEO's performance in light of those goals and objectives, and approve the CEO's compensation levels based on this evaluation. The CEO shall not be present during voting on or deliberations of his or her compensation. In determining the long-term incentive component of CEO compensation, the Executive Compensation Committee will consider, among other matters, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years. The Executive Compensation Committee shall conduct an annual evaluation of the performance of the CEO.
3. The Executive Compensation Committee shall review and approve annually, with respect to the executive officers of the Company (the "Executive Officers"), (a) the base compensation level, and (b) the incentive compensation (short-term and long-term cash and equity). Executive Officers shall mean those officers subject to Section 16 of the Securities Exchange Act of 1934. In addition, the Executive Compensation Committee shall review and approve, with respect to the CEO and all Executive Officers, all employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and any special or supplemental benefits.
4. The Executive Compensation Committee shall review and report on any additional compensation matters as the Board requests.
5. The Executive Compensation Committee shall review, modify and adopt succession planning for the CEO and all executive officers.
6. The Executive Compensation Committee shall review and approve not less often than annually the Company's retirement, welfare benefits and equity based programs, including their administration and the service provided those programs by any outside consultants.
7. The Executive Compensation Committee may form and delegate authority to subcommittees when appropriate, including the annual CEO evaluation. The Executive Compensation Committee may not delegate any decisions with respect to equity compensation for any Executive Officer of the Company.
8. The Executive Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
9. The Executive Compensation Committee shall annually review its own performance and report thereon to the Board.