

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 30, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

1-13666
Commission File Number

DARDEN RESTAURANTS, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

**1000 Darden Center Drive
Orlando, Florida**
(Address of principal executive offices)

59-3305930
(I.R.S. Employer
Identification No.)

32837
(Zip Code)

407-245-4000
(Registrant's telephone number, including area code)

Not applicable (Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

Number of shares of common stock outstanding as of September 15, 2015 : 128,138,946 (excluding 1,270,694 shares held in our treasury).

TABLE OF CONTENTS

	Page
Part I - Financial Information	
Item 1. Financial Statements (Unaudited)	4
Consolidated Statements of Earnings	4
Consolidated Statements of Comprehensive Income	5
Consolidated Balance Sheets	6
Consolidated Statements of Changes in Stockholders' Equity	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 3. Quantitative and Qualitative Disclosures About Market Risk	31
Item 4. Controls and Procedures	31
Part II - Other Information	
Item 1. Legal Proceedings	32
Item 1A. Risk Factors	32
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 6. Exhibits	32
Signature	33
Index to Exhibits	34

Cautionary Statement Regarding Forward-Looking Statements

Statements set forth in or incorporated into this report regarding the expected net increase in the number of our restaurants, U.S. same-restaurant sales, total sales growth, food and beverage expenses, restaurant labor expenses, restaurant expenses, marketing expenses, general and administrative expenses, depreciation expenses, diluted net earnings per share growth and capital expenditures in fiscal 2016, potential monetization of our real estate and all other statements that are not historical facts, including without limitation statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Darden Restaurants, Inc. and its subsidiaries that are preceded by, followed by or that include words such as “may,” “will,” “expect,” “intend,” “anticipate,” “continue,” “estimate,” “project,” “believe,” “plan” or similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This statement is included for purposes of complying with the safe harbor provisions of that Act. Any forward-looking statements speak only as of the date on which such statements are made, and we undertake no obligation to update such statements for any reason to reflect events or circumstances arising after such date. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. The most significant of these uncertainties are described in Darden's Form 10-K, Form 10-Q (including this report) and Form 8-K reports.

**PART I
FINANCIAL INFORMATION**

Item 1. Financial Statements (Unaudited)

**DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(In millions, except per share data)
(Unaudited)**

	Three Months Ended	
	August 30, 2015	August 24, 2014
Sales	\$ 1,687.0	\$ 1,595.8
Costs and expenses:		
Food and beverage	502.8	502.0
Restaurant labor	536.0	508.3
Restaurant expenses	271.9	272.3
Marketing expenses	65.6	64.5
General and administrative expenses	97.1	95.4
Depreciation and amortization	81.1	78.7
Impairments and disposal of assets, net	(1.7)	7.0
Total operating costs and expenses	\$ 1,552.8	\$ 1,528.2
Operating income	134.2	67.6
Interest, net	22.4	111.3
Earnings (loss) before income taxes	111.8	(43.7)
Income tax expense (benefit)	30.8	(24.4)
Earnings (loss) from continuing operations	\$ 81.0	\$ (19.3)
Earnings from discontinued operations, net of tax expense of \$3.1 and \$320.7, respectively	5.4	522.5
Net earnings	\$ 86.4	\$ 503.2
Basic net earnings per share:		
Earnings (loss) from continuing operations	\$ 0.64	\$ (0.14)
Earnings from discontinued operations	0.04	3.95
Net earnings	\$ 0.68	\$ 3.81
Diluted net earnings per share:		
Earnings (loss) from continuing operations	\$ 0.63	\$ (0.14)
Earnings from discontinued operations	0.04	3.95
Net earnings	\$ 0.67	\$ 3.81
Average number of common shares outstanding:		
Basic	127.4	132.2
Diluted	129.3	132.2
Dividends declared per common share	\$ 0.55	\$ 0.55

See accompanying notes to our unaudited consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended	
	August 30, 2015	August 24, 2014
Net earnings	\$ 86.4	\$ 503.2
Other comprehensive income (loss):		
Foreign currency adjustment	0.8	1.5
Change in fair value of marketable securities, net of taxes of \$0.0 and \$0.0, respectively	—	(0.1)
Change in fair value of derivatives and amortization of unrecognized gains and losses on derivatives, net of taxes of \$0.5 and \$15.4, respectively	0.7	23.9
Amortization of unrecognized net actuarial loss, net of taxes of \$(0.1) and \$0.5, respectively, related to pension and other post-employment benefits	(0.1)	0.3
Other comprehensive income	\$ 1.4	\$ 25.6
Total comprehensive income	\$ 87.8	\$ 528.8

See accompanying notes to our unaudited consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions)

	August 30, 2015	May 31, 2015
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 690.1	\$ 535.9
Receivables, net	60.8	78.0
Inventories	162.6	163.9
Prepaid income taxes	26.4	18.9
Prepaid expenses and other current assets	74.3	69.4
Deferred income taxes	166.6	157.4
Assets held for sale	23.8	32.9
Total current assets	\$ 1,204.6	\$ 1,056.4
Land, buildings and equipment, net of accumulated depreciation and amortization of \$2,319.0 and \$2,304.6, respectively	3,104.2	3,215.8
Goodwill	872.4	872.4
Trademarks	574.6	574.6
Other assets	270.7	275.5
Total assets	\$ 6,026.5	\$ 5,994.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 210.2	\$ 198.8
Accrued payroll	106.5	141.1
Accrued income taxes	32.4	12.6
Other accrued taxes	53.5	51.5
Unearned revenues	298.8	328.6
Current portion of long-term debt	15.0	15.0
Other current liabilities	426.2	449.1
Total current liabilities	\$ 1,142.6	\$ 1,196.7
Long-term debt, less current portion	1,437.6	1,452.3
Deferred income taxes	331.6	341.8
Deferred rent	230.8	225.9
Other liabilities	459.8	444.5
Total liabilities	\$ 3,602.4	\$ 3,661.2
Stockholders' equity:		
Common stock and surplus	\$ 1,478.5	\$ 1,405.9
Retained earnings	1,042.3	1,026.0
Treasury stock	(7.8)	(7.8)
Accumulated other comprehensive income (loss)	(85.2)	(86.6)
Unearned compensation	(3.7)	(4.0)
Total stockholders' equity	\$ 2,424.1	\$ 2,333.5
Total liabilities and stockholders' equity	\$ 6,026.5	\$ 5,994.7

See accompanying notes to our unaudited consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the three months ended August 30, 2015 and August 24, 2014
(In millions)
(Unaudited)

	Common Stock And Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation	Total Stockholders' Equity
Balance at May 31, 2015	\$ 1,405.9	\$ 1,026.0	\$ (7.8)	\$ (86.6)	\$ (4.0)	\$ 2,333.5
Net earnings	—	86.4	—	—	—	86.4
Other comprehensive income	—	—	—	1.4	—	1.4
Dividends declared	—	(70.1)	—	—	—	(70.1)
Stock option exercises (1.5 shares)	55.7	—	—	—	—	55.7
Stock-based compensation	4.1	—	—	—	—	4.1
ESOP note receivable repayments	—	—	—	—	0.3	0.3
Income tax benefits credited to equity	11.6	—	—	—	—	11.6
Issuance of stock under Employee Stock Purchase Plan and other plans (0.0 shares)	1.2	—	—	—	—	1.2
Balance at August 30, 2015	<u>\$ 1,478.5</u>	<u>\$ 1,042.3</u>	<u>\$ (7.8)</u>	<u>\$ (85.2)</u>	<u>\$ (3.7)</u>	<u>\$ 2,424.1</u>
Balance at May 25, 2014	\$ 1,302.2	\$ 995.8	\$ (7.8)	\$ (128.1)	\$ (5.2)	\$ 2,156.9
Net earnings	—	503.2	—	—	—	503.2
Other comprehensive income	—	—	—	25.6	—	25.6
Dividends declared	—	(72.4)	—	—	—	(72.4)
Stock option exercises (0.2 shares)	7.7	—	—	—	—	7.7
Stock-based compensation	4.6	—	—	—	—	4.6
ESOP note receivable repayments	—	—	—	—	0.3	0.3
Income tax benefits credited to equity	1.0	—	—	—	—	1.0
Repurchases of common stock (0.0 shares)	(0.1)	(0.5)	—	—	—	(0.6)
Issuance of stock under Employee Stock Purchase Plan and other plans (0.0 shares)	1.6	—	—	—	—	1.6
Accelerated share repurchase program	(500.0)	—	—	—	—	(500.0)
Balance at August 24, 2014	<u>\$ 817.0</u>	<u>\$ 1,426.1</u>	<u>\$ (7.8)</u>	<u>\$ (102.5)</u>	<u>\$ (4.9)</u>	<u>\$ 2,127.9</u>

See accompanying notes to our unaudited consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended	
	August 30, 2015	August 24, 2014
Cash flows—operating activities		
Net earnings	\$ 86.4	\$ 503.2
Earnings from discontinued operations, net of tax	(5.4)	(522.5)
Adjustments to reconcile net earnings from continuing operations to cash flows:		
Depreciation and amortization	81.1	78.7
Impairments and disposal of assets, net	(1.7)	7.0
Amortization of loan costs and losses on interest-rate related derivatives	1.8	3.0
Stock-based compensation expense	10.2	6.2
Change in current assets and liabilities	(22.5)	(62.3)
Contributions to pension and postretirement plans	(0.3)	(0.3)
Change in cash surrender value of trust-owned life insurance	4.7	(2.6)
Deferred income taxes	(24.0)	(22.6)
Change in deferred rent	4.8	6.7
Change in other assets and liabilities	(0.4)	(1.4)
Loss on extinguishment of debt	—	80.0
Other, net	3.3	3.9
Net cash provided by operating activities of continuing operations	<u>\$ 138.0</u>	<u>\$ 77.0</u>
Cash flows—investing activities		
Purchases of land, buildings and equipment	(64.9)	(81.7)
Proceeds from disposal of land, buildings and equipment	130.2	—
Proceeds from sale of marketable securities	—	5.1
Increase in other assets	(3.7)	(3.9)
Net cash provided by (used in) investing activities of continuing operations	<u>\$ 61.6</u>	<u>\$ (80.5)</u>
Cash flows—financing activities		
Proceeds from issuance of common stock	56.9	9.3
Income tax benefits credited to equity	11.6	1.0
Dividends paid	(70.0)	(72.8)
Repurchases of common stock	—	(0.6)
ESOP note receivable repayment	0.3	0.3
Proceeds from issuance of short-term debt	—	377.4
Repayments of short-term debt	—	(585.0)
Repayment of long-term debt	(15.0)	(949.9)
Principal payments on capital and financing leases	(0.8)	(0.5)
Payment for accelerated share repurchase program	—	(500.0)
Proceeds from financing lease obligation	—	93.1
Net cash used in financing activities of continuing operations	<u>\$ (17.0)</u>	<u>\$ (1,627.7)</u>
Cash flows—discontinued operations		
Net cash used in operating activities of discontinued operations	(28.4)	(32.4)
Net cash provided by investing activities of discontinued operations	—	1,979.0
Net cash (used in) provided by discontinued operations	<u>\$ (28.4)</u>	<u>\$ 1,946.6</u>
Increase in cash and cash equivalents	154.2	315.4
Cash and cash equivalents - beginning of period	535.9	98.3
Cash and cash equivalents - end of period	<u>\$ 690.1</u>	<u>\$ 413.7</u>

See accompanying notes to our unaudited consolidated financial statements.

DARDEN RESTAURANTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In millions)
(Unaudited)

	Three Months Ended	
	August 30, 2015	August 24, 2014
Cash flows from changes in current assets and liabilities		
Receivables, net	18.4	12.5
Inventories	1.3	26.8
Prepaid expenses and other current assets	(5.4)	10.1
Accounts payable	9.8	(39.8)
Accrued payroll	(34.6)	(16.7)
Prepaid/accrued income taxes	30.7	(18.5)
Other accrued taxes	2.8	3.4
Unearned revenues	(23.5)	(25.1)
Other current liabilities	(22.0)	(15.0)
Change in current assets and liabilities	<u>\$ (22.5)</u>	<u>\$ (62.3)</u>
Supplemental schedule of noncash investing activities:		
Increase in land, buildings and equipment through accrued purchases	\$ 18.9	\$ 30.5

See accompanying notes to our unaudited consolidated financial statements.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

Darden Restaurants, Inc. (we, our, Darden or the Company) owns and operates full-service dining restaurants in the United States and Canada under the trade names Olive Garden®, LongHorn Steakhouse®, The Capital Grille®, Yard House®, Bahama Breeze®, Seasons 52®, and Eddie V's Prime Seafood® and Wildfish Seafood Grille® (collectively "Eddie V's"). Through subsidiaries, we own and operate all of our restaurants in the United States and Canada, except for three restaurants located in Central Florida and three restaurants in California that we manage, but are jointly owned with third parties, two franchised U.S. airport restaurants and nine franchised restaurants in Puerto Rico. We also have area development and franchise agreements with unaffiliated operators to develop and operate our brands primarily in Asia, the Middle East and Latin America. Pursuant to these agreements, as of August 30, 2015, 27 franchised restaurants were in operation in the Middle East, Mexico, Brazil, Peru, El Salvador and Malaysia.

We have prepared these consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally presented in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal recurring nature. We operate on a 52/53 week fiscal year, which ends on the last Sunday in May and our fiscal year ending May 29, 2016 will contain 52 weeks of operation. Operating results for the quarter ended August 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending May 29, 2016.

These statements should be read in conjunction with the consolidated financial statements and related notes to consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2015. The accounting policies used in preparing these consolidated financial statements are the same as those described in our Form 10-K.

We prepare our consolidated financial statements in conformity with GAAP. The preparation of these financial statements requires us 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 sales and costs and expenses during the reporting period. Actual results could differ from those estimates.

We have reclassified certain amounts in prior-period financial statements to conform to the current period's presentation. Included among these, in our consolidated statements of earnings, we revised the categories of our costs and expenses as follows: marketing expenses and general and administrative expenses, previously reported as components of selling, general and administrative expenses, are now reported as separate line items. Additionally, gains and losses on disposals of assets, previously reported as a component of selling, general and administrative expenses are now reported in impairments and disposal of assets, net.

Note 2. Dispositions

On July 28, 2014, we closed on the sale of 705 Red Lobster restaurants; however, as of August 30, 2015, 3 of the properties remain subject to landlord consents and satisfaction of other contractual requirements. Therefore, the assets of these remaining restaurants continue to be classified as held for sale and recognition of the gain on the related proceeds was deferred. The proceeds of approximately \$14.1 million associated with the remaining landlord consents are classified as other current liabilities on our consolidated balance sheet as of August 30, 2015. As the landlord consents and remaining contractual requirements are satisfied, which we expect to occur in the second quarter of fiscal 2016, we will derecognize the related assets and record the commensurate gain on the transaction. All direct cash flows related to operating these businesses were eliminated at the date of sale. Our continuing involvement has been limited to a transition service agreement for up to two years from the date of sale with minimal impact to our cash flows. In conjunction with the sale of Red Lobster, there were 19 locations where Red Lobster shared a land parcel with another Darden brand. The land and related buildings for these 19 Darden locations were included in the sale transaction and simultaneously leased back to Darden. The proceeds associated with the sale of these properties are classified as a financing lease obligation on our consolidated balance sheet as a component of other liabilities and the associated lease payments will amortize the obligation over the life of the properties. In total, we have recognized a pre-tax gain on the sale of Red Lobster of \$845.2 million, which is included in earnings from discontinued operations in our consolidated statements of earnings.

For the quarters ended August 30, 2015 and August 24, 2014, all gains on disposition, impairment charges and disposal costs, along with the sales, costs and expenses and income taxes attributable to these restaurants, have been aggregated in a single caption entitled "Earnings from discontinued operations, net of tax expense" in our consolidated statements of earnings.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

for all periods presented. No amounts for shared general and administrative operating support expense or interest expense were allocated to discontinued operations. Assets associated with those restaurants not yet disposed of, that are considered held for sale, have been segregated from continuing operations and presented as assets held for sale on our accompanying consolidated balance sheets.

Earnings from discontinued operations, net of taxes in our accompanying consolidated statements of earnings are comprised of the following:

(in millions)	Three Months Ended	
	August 30, 2015	August 24, 2014
Sales	\$ —	\$ 400.4
Costs and expenses:		
Restaurant and marketing expenses	0.3	354.6
Depreciation and amortization	—	0.2
Other costs and expenses (1)	(8.8)	(797.6)
Earnings before income taxes	8.5	843.2
Income tax expense	3.1	320.7
Earnings from discontinued operations, net of tax	\$ 5.4	\$ 522.5

(1) Amounts include the gain recognized on the sale of Red Lobster.

Assets classified as held for sale on our accompanying consolidated balance sheets as of August 30, 2015 and May 31, 2015, consisted of land, buildings and equipment with carrying amounts of \$23.8 million and \$32.9 million, respectively.

Note 3. Supplemental Cash Flow Information

(in millions)	Three Months Ended	
	August 30, 2015	August 24, 2014
Interest paid, net of amounts capitalized	\$ 6.2	\$ 54.0
Income taxes paid, net of refunds	29.3	10.2

Note 4. Stock-Based Compensation

We grant stock options for a fixed number of shares to certain employees and directors with an exercise price equal to the fair value of the shares at the date of grant. We also grant restricted stock, restricted stock units, and performance stock units with a fair value generally determined based on our closing stock price on the date of grant. In addition, we also grant cash settled stock units (Darden Stock Units) and cash settled performance stock units, which are classified as liabilities and are marked to market as of the end of each period.

The weighted-average fair value of non-qualified stock options and the related assumptions used in the Black-Scholes option pricing model were as follows:

	Stock Options Granted Three Months Ended	
	August 30, 2015	August 24, 2014
Weighted-average fair value	\$ 14.35	\$ 10.35
Dividend yield	3.3%	4.5%
Expected volatility of stock	28.0%	37.3%
Risk-free interest rate	1.9%	2.1%
Expected option life (in years)	6.5	6.5
Weighted-average exercise price per share	\$ 73.18	\$ 44.49

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table presents a summary of our stock-based compensation activity for the three months ended August 30, 2015 :

(in millions)	Stock Options	Restricted Stock/ Restricted Stock Units	Darden Stock Units	Cash-Settled Performance Stock Units	Equity-Settled Performance Stock Units
Outstanding beginning of period	7.71	0.10	1.37	0.38	—
Awards granted	0.38	0.02	0.28	—	0.16
Awards exercised	(1.42)	—	(0.27)	(0.10)	—
Awards forfeited	(0.09)	—	(0.02)	(0.08)	—
Performance unit adjustment	—	—	—	0.07	—
Outstanding end of period	6.58	0.12	1.36	0.27	0.16

We recognized expense from stock-based compensation as follows:

(in millions)	Three Months Ended	
	August 30, 2015	August 24, 2014
Stock options	\$ 2.5	\$ 3.2
Restricted stock/restricted stock units	0.4	0.4
Darden stock units	4.2	1.3
Cash-settled performance stock units	1.8	0.9
Equity-settled performance stock units	0.3	—
Employee stock purchase plan	0.3	0.4
Director compensation program/other	0.7	—
Total stock-based compensation expense	\$ 10.2	\$ 6.2

Note 5. Income Taxes

The effective income tax rate for the quarter ended August 30, 2015 was 27.5 percent compared to an effective income tax rate benefit of 55.8 percent for the quarter ended August 24, 2014 . Excluding the tax impact of the \$80.0 million of debt breakage costs (\$49.4 million net of tax), recognized during the quarter ended August 24, 2014, our effective tax rate would have been approximately 17.0 percent . The change in the effective income tax rate for the quarter ended August 30, 2015 as compared to the quarter ended August 24, 2014 , excluding the impacts of the debt breakage costs, is primarily attributable to the impact of FICA tax credits for employee reported tips and Work Opportunity Tax Credits on lower earnings before income taxes for the quarter ended August 24, 2014 .

Included in our remaining balance of unrecognized tax benefits is \$ 0.9 million related to tax positions for which it is reasonably possible that the total amounts could change within the next twelve months based on the outcome of examinations or as a result of the expiration of the statute of limitations for specific jurisdictions.

Note 6. Net Earnings per Share

Outstanding stock options, restricted stock and equity-settled performance stock units granted by us represent the only dilutive effect reflected in diluted weighted average shares outstanding, none of which impact the numerator of the diluted net earnings per share computation. Stock options, restricted stock and equity-settled performance stock units excluded from the calculation of diluted net earnings per share because the effect would have been anti-dilutive, are as follows:

(in millions)	Three Months Ended	
	August 30, 2015	August 24, 2014
Anti-dilutive stock-based compensation awards	0.1	6.4

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 7. Stockholders' Equity

Accumulated Other Comprehensive Income (Loss) (AOCI)

The components of accumulated other comprehensive income (loss), net of tax, for the quarters ended August 30, 2015 and August 24, 2014 are as follows:

(in millions)	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Marketable Securities	Unrealized Gains (Losses) on Derivatives	Benefit Plan Funding Position	Accumulated Other Comprehensive Income (Loss)
Balance at May 31, 2015	\$ (1.7)	\$ 0.1	\$ (19.1)	\$ (65.9)	\$ (86.6)
Gain (loss)	0.8	—	2.0	—	2.8
Reclassification realized in net earnings	—	—	(1.3)	(0.1)	(1.4)
Balance at August 30, 2015	<u>\$ (0.9)</u>	<u>\$ 0.1</u>	<u>\$ (18.4)</u>	<u>\$ (66.0)</u>	<u>\$ (85.2)</u>
Balance at May 25, 2014	\$ (4.7)	\$ 0.1	\$ (50.4)	\$ (73.1)	\$ (128.1)
Gain (loss)	(1.2)	(0.1)	(2.0)	—	(3.3)
Reclassification realized in net earnings	2.7	—	25.9	0.3	28.9
Balance at August 24, 2014	<u>\$ (3.2)</u>	<u>\$ —</u>	<u>\$ (26.5)</u>	<u>\$ (72.8)</u>	<u>\$ (102.5)</u>

Reclassifications related to foreign currency translation for the three months ended August 24, 2014, primarily relate to the disposition of Red Lobster and are included in earnings from discontinued operations, net of tax expense in our consolidated statement of earnings. The following table presents the amounts and line items in our consolidated statements of earnings where adjustments reclassified from AOCI into net earnings were recorded:

(in millions) AOCI Components	Location of Gain (Loss) Recognized in Earnings	Amount Reclassified from AOCI into Net Earnings	
		Three Months Ended	
		August 30, 2015	August 24, 2014
Derivatives			
Equity contracts	(1)	2.1	(0.9)
Interest rate contracts	(2)	(1.3)	(40.5)
Total before tax		\$ 0.8	\$ (41.4)
Tax benefit		0.5	15.5
Net of tax		\$ 1.3	\$ (25.9)
Benefit plan funding position			
Recognized net actuarial loss - pension/postretirement plans	(3)	\$ (0.6)	\$ (0.6)
Recognized net actuarial loss - other plans	(4)	0.8	(0.2)
Total before tax		\$ 0.2	\$ (0.8)
Tax benefit		(0.1)	0.5
Net of tax		\$ 0.1	\$ (0.3)

(1) Primarily included in restaurant labor costs and general and administrative expenses. See Note 9 for additional details.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

- (2) Included in interest, net, on our consolidated statements of earnings. Reclassifications for the three months ended August 24, 2014, primarily related to the acceleration of hedge loss amortization resulting from the pay down of long-term debt.
- (3) Included in the computation of net periodic benefit costs - pension and postretirement plans, which is a component of restaurant labor expenses and general and administrative expenses. See Note 8 for additional details.
- (4) Included in the computation of net periodic benefit costs - other plans, which is a component of general and administrative expenses.

Note 8. Retirement Plans

Components of net periodic benefit cost are as follows:

(in millions)	Defined Benefit Plans	
	Three Months Ended	
	August 30, 2015	August 24, 2014
Service cost	\$ —	\$ 0.2
Interest cost	2.7	2.1
Expected return on plan assets	(3.6)	(3.1)
Recognized net actuarial loss	0.6	0.5
Net periodic benefit (credit) cost	<u>\$ (0.3)</u>	<u>\$ (0.3)</u>

(in millions)	Postretirement Benefit Plan	
	Three Months Ended	
	August 30, 2015	August 24, 2014
Service cost	\$ —	\$ 0.2
Interest cost	0.2	0.4
Amortization of unrecognized prior service credit	(1.2)	—
Recognized net actuarial loss	0.3	0.1
Net periodic benefit (credit) cost	<u>\$ (0.7)</u>	<u>\$ 0.7</u>

Note 9. Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments as provided by FASB ASC Topic 815, Derivatives and Hedging, and those utilized as economic hedges. We use financial derivatives to manage interest rate and compensation risks inherent in our business operations. To the extent our cash-flow hedging instruments are effective in offsetting the variability of the hedged cash flows, and otherwise meet the cash flow hedge accounting criteria required by Topic 815 of the FASB ASC, changes in the derivatives' fair value are not included in current earnings but are included in accumulated other comprehensive income (loss), net of tax. These changes in fair value will be reclassified into earnings at the time of the forecasted transaction. Ineffectiveness measured in the hedging relationship is recorded currently in earnings in the period in which it occurs. To the extent our fair-value hedging instruments are effective in mitigating changes in fair value, and otherwise meet the fair value hedge accounting criteria required by Topic 815 of the FASB ASC, gains and losses in the derivatives' fair value are included in current earnings, as are the gains and losses of the related hedged item. To the extent the cash flow hedge accounting criteria are not met, the derivative contracts are utilized as economic hedges and changes in the fair value of such contracts are recorded currently in earnings in the period in which they occur.

By using these instruments, we expose ourselves, from time to time, to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. We minimize this credit risk by entering into transactions with high quality counterparties. We currently do not have any provisions in our agreements with counterparties that would require either party to hold or post collateral in the event that the market value of the related derivative instrument exceeds a

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

certain limit. As such, the maximum amount of loss due to counterparty credit risk we would incur at August 30, 2015, if counterparties to the derivative instruments failed completely to perform, would approximate the values of derivative instruments currently recognized as assets on our consolidated balance sheet. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates, commodity prices, or the market price of our common stock. We minimize this market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

We are currently party to interest-rate swap agreements with \$200.0 million of notional value to limit the risk of changes in fair value of \$100.0 million of the \$121.9 million 4.500 percent senior notes due October 2021 and \$100.0 million of the \$500.0 million 6.200 percent senior notes due October 2017. The swap agreements effectively swap the fixed-rate obligations for floating-rate obligations, thereby mitigating changes in fair value of the related debt prior to maturity. The swap agreements were designated as fair value hedges of the related debt and met the requirements to be accounted for under the short-cut method, resulting in no ineffectiveness in the hedging relationship. During each of the quarters ended August 30, 2015 and August 24, 2014, \$0.5 million was recorded as a reduction to interest expense related to net swap settlements.

We enter into equity forward contracts to hedge the risk of changes in future cash flows associated with the unvested, unrecognized Darden stock units. The equity forward contracts will be settled at the end of the vesting periods of their underlying Darden stock units, which range between four and five years. The contracts were initially designated as cash flow hedges to the extent the Darden stock units are unvested and, therefore, unrecognized as a liability in our financial statements. As of August 30, 2015, we were party to equity forward contracts that were indexed to 0.6 million shares of our common stock, at varying forward rates between \$45.66 per share and \$52.66 per share, extending through August 2018. The forward contracts can only be net settled in cash. As the Darden stock units vest, we will de-designate that portion of the equity forward contract that no longer qualifies for hedge accounting and changes in fair value associated with that portion of the equity forward contract will be recognized in current earnings. We periodically incur interest on the notional value of the contracts and receive dividends on the underlying shares. These amounts are recognized currently in earnings as they are incurred or received.

We entered into equity forward contracts to hedge the risk of changes in future cash flows associated with recognized, cash-settled performance stock units and employee-directed investments in Darden stock within the non-qualified deferred compensation plan. The equity forward contracts are indexed to 0.1 million shares of our common stock at forward rates between \$46.17 and \$50.19 per share, can only be net settled in cash and expire between fiscal 2016 and 2019. We did not elect hedge accounting with the expectation that changes in the fair value of the equity forward contracts would offset changes in the fair value of the performance stock units and Darden stock investments in the non-qualified deferred compensation plan within general and administrative expenses in our consolidated statements of earnings.

The notional and fair values of our derivative contracts are as follows:

(in millions)				Balance Sheet Location	Fair Values								
Notional Values													
					Derivative Assets		Derivative Liabilities						
August 30, 2015		May 31, 2015			August 30, 2015	May 31, 2015	August 30, 2015	May 31, 2015					
Derivative contracts designated as hedging instruments													
Equity forwards	\$	9.4	\$	11.4	(1)	\$	—	\$	0.4	\$	(0.7)	\$	—
Interest rate related		200.0		200.0	(1)		3.4		3.6		—		—
						\$	3.4	\$	4.0	\$	(0.7)	\$	—
Derivative contracts not designated as hedging instruments													
Equity forwards	\$	24.7	\$	51.7	(1)	\$	—	\$	1.3	\$	(1.8)	\$	—
						\$	—	\$	1.3	\$	(1.8)	\$	—
Total derivative contracts						\$	3.4	\$	5.3	\$	(2.5)	\$	—

(1) Derivative assets and liabilities are included in receivables, net, prepaid expenses and other current assets and other current liabilities, as applicable, on our consolidated balance sheets.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The effects of derivative instruments in cash flow hedging relationships in the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in AOCI (effective portion)		Location of Gain (Loss) Reclassified from AOCI to Earnings	Amount of Gain (Loss) Reclassified from AOCI to Earnings (effective portion)		Location of Gain (Loss) Recognized in Earnings (ineffective portion)	(1) Amount of Gain (Loss) Recognized in Earnings (ineffective portion)	
	Three Months Ended			Three Months Ended			Three Months Ended	
Type of Derivative	August 30, 2015	August 24, 2014		August 30, 2015	August 24, 2014		August 30, 2015	August 24, 2014
Equity	\$ 2.0	\$ (2.0)	(2)	\$ 2.1	\$ (0.9)	(2)	\$ 0.1	\$ 0.3
Interest rate	—	—	Interest, net	(1.3)	(40.5)	Interest, net	—	—
	\$ 2.0	\$ (2.0)		\$ 0.8	\$ (41.4)		\$ 0.1	\$ 0.3

- (1) Generally, all of our derivative instruments designated as cash flow hedges have some level of ineffectiveness, which is recognized currently in earnings. However, as these amounts are generally nominal and our consolidated financial statements are presented “in millions,” these amounts may appear as zero in this tabular presentation.
- (2) Location of the gain (loss) reclassified from AOCI to earnings as well as the gain (loss) recognized in earnings for the ineffective portion of the hedge is restaurant labor expenses and general and administrative expenses.

The effects of derivative instruments in fair value hedging relationships in the consolidated statements of earnings are as follows:

(in millions)	Amount of Gain (Loss) Recognized in Earnings on Derivatives		Location of Gain (Loss) Recognized in Earnings on Derivatives	Hedged Item in Fair Value Hedge Relationship	Amount of Gain (Loss) Recognized in Earnings on Related Hedged Item		Location of Gain (Loss) Recognized in Earnings on Related Hedged Item
	Three Months Ended				Three Months Ended		
	August 30, 2015	August 24, 2014			August 30, 2015	August 24, 2014	
Interest rate	\$ (0.1)	\$ 0.7	Interest, net	Debt	\$ 0.1	\$ (0.7)	Interest, net

The effects of derivatives not designated as hedging instruments in the consolidated statements of earnings are as follows:

(in millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Amount of Gain (Loss) Recognized in Earnings	
		Three Months Ended	
		August 30, 2015	August 24, 2014
Equity forwards	Restaurant labor expenses	\$ 1.7	\$ (0.6)
Equity forwards	General and administrative expenses	3.8	(1.8)
		\$ 5.5	\$ (2.4)

Based on the fair value of our derivative instruments designated as cash flow hedges as of August 30, 2015, we expect to reclassify \$4.0 million of net losses on derivative instruments from accumulated other comprehensive income (loss) to earnings during the next 12 months based on the maturity of our equity forward contracts and amortization of deferred losses on settled interest-rate related instruments. However, the amounts ultimately realized in earnings will be dependent on the fair value of the contracts on the settlement dates, as well as the probability of occurrence of interest payments on certain tranches of our long-term debt.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 10. Fair Value Measurements

The fair values of cash equivalents, receivables, net, accounts payable and short-term debt approximate their carrying amounts due to their short duration.

The following tables summarize the fair values of financial instruments measured at fair value on a recurring basis as of August 30, 2015 and May 31, 2015 :

Items Measured at Fair Value at August 30, 2015					
(in millions)		Fair value of assets (liabilities)	Quoted prices in active market for identical assets (liabilities) (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	\$ 2.2	\$ —	\$ 2.2	\$ —
U.S. Treasury securities	(2)	5.0	5.0	—	—
Mortgage-backed securities	(1)	1.5	—	1.5	—
Derivatives:					
Equity forwards	(3)	(2.5)	—	(2.5)	—
Interest rate swaps	(4)	3.4	—	3.4	—
Total		\$ 9.6	\$ 5.0	\$ 4.6	\$ —

Items Measured at Fair Value at May 31, 2015					
(in millions)		Fair value of assets (liabilities)	Quoted prices in active market for identical assets (liabilities) (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed-income securities:					
Corporate bonds	(1)	\$ 2.2	\$ —	\$ 2.2	\$ —
U.S. Treasury securities	(2)	5.0	5.0	—	—
Mortgage-backed securities	(1)	1.6	—	1.6	—
Derivatives:					
Equity forwards	(3)	1.7	—	1.7	—
Interest rate swaps	(4)	3.6	—	3.6	—
Total		\$ 14.1	\$ 5.0	\$ 9.1	\$ —

- (1) The fair value of these securities is based on closing market prices of the investments when applicable, or, alternatively, valuations utilizing market data and other observable inputs, inclusive of the risk of nonperformance.
- (2) The fair value of our U.S. Treasury securities is based on closing market prices.
- (3) The fair value of our equity forwards is based on the closing market value of Darden stock, inclusive of the risk of nonperformance.
- (4) The fair value of our interest rate lock and swap agreements is based on current and expected market interest rates, inclusive of the risk of nonperformance.

The carrying value and fair value of long-term debt, including the amounts included in current liabilities, as of August 30, 2015 , was \$1.45 billion and \$1.56 billion , respectively. The carrying value and fair value of long-term debt, including the amounts included in current liabilities, as of May 31, 2015 , was \$1.47 billion and \$1.57 billion , respectively. The fair value of long-term debt, which is classified as Level 2 in the fair value hierarchy, is determined based on market prices or, if market prices are not available, the present value of the underlying cash flows discounted at our incremental borrowing rates.

Adjustments to the fair values of non-financial assets measured at fair value on a non-recurring basis as of August 30, 2015 were not material. As of May 31, 2015 , non-financial assets measured at fair value on a non-recurring basis with a carrying value of \$70.5 million , primarily related to restaurant assets involved in sale-leaseback arrangements, were written down to their fair value of \$55.4 million resulting in an impairment charge of \$15.1 million . The fair value of non-financial

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

assets measured at fair value on a non-recurring basis, which is classified as Level 3 in the fair value hierarchy, is determined based on appraisals or sales prices of comparable assets and estimates of future cash flows.

Note 11. Commitments and Contingencies

As collateral for performance on contracts and as credit guarantees to banks and insurers, we are contingently liable for guarantees of subsidiary obligations under standby letters of credit. As of August 30, 2015 and May 31, 2015, we had \$119.2 million and \$124.2 million, respectively, of standby letters of credit related to workers' compensation and general liabilities accrued in our consolidated financial statements. As of August 30, 2015 and May 31, 2015, we had \$14.1 million and \$14.0 million, respectively, of standby letters of credit related to contractual operating lease obligations and other payments. All standby letters of credit are renewable annually.

As of August 30, 2015 and May 31, 2015, we had \$150.9 million and \$147.7 million, respectively, of guarantees associated with leased properties that have been assigned to third parties. These amounts represent the maximum potential amount of future payments under the guarantees. The fair value of the maximum potential future payments discounted at our weighted-average cost of capital as of August 30, 2015 and May 31, 2015, amounted to \$116.2 million and \$113.4 million, respectively. We did not record a liability for the guarantees, as the likelihood of the third parties defaulting on the assignment agreements was deemed to be remote. In the event of default by a third party, the indemnity and default clauses in our assignment agreements govern our ability to recover from and pursue the third party for damages incurred as a result of its default. We do not hold any third-party assets as collateral related to these assignment agreements, except to the extent that the assignment allows us to repossess the building and personal property. Assuming exercise of all option periods, these guarantees expire over their respective lease terms, which range from fiscal 2016 through fiscal 2044.

We are subject to private lawsuits, administrative proceedings and claims that arise in the ordinary course of our business. A number of these lawsuits, proceedings and claims may exist at any given time. These matters typically involve claims from guests, employees and others related to operational issues common to the restaurant industry, and can also involve infringement of, or challenges to, our trademarks. While the resolution of a lawsuit, proceeding or claim may have an impact on our financial results for the period in which it is resolved, we believe that the final disposition of the lawsuits, proceedings and claims in which we are currently involved, either individually or in the aggregate, will not have a material adverse effect on our financial position, results of operations or liquidity.

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 12. Segment Information

We manage our restaurant brands, Olive Garden, LongHorn Steakhouse, The Capital Grille, Yard House, Bahama Breeze, Seasons 52 and Eddie V's in North America as operating segments. The brands operate principally in the U.S. within full-service dining. We aggregate our operating segments into reportable segments based on a combination of the size, economic characteristics and sub-segment of full-service dining within which each brand operates. We have four reportable segments: 1) Olive Garden, 2) LongHorn Steakhouse, 3) Fine Dining and 4) Other Business.

The Olive Garden segment includes the results of our company-owned Olive Garden restaurants in the U.S. and Canada. The LongHorn Steakhouse segment includes the results of our company-owned LongHorn Steakhouse restaurants in the U.S. The Fine Dining segment aggregates our premium brands that operate within the fine-dining sub-segment of full-service dining and includes the results of our company-owned The Capital Grille and Eddie V's restaurants in the U.S. The Other Business segment aggregates our remaining brands and includes the results of our company-owned Yard House, Seasons 52 and Bahama Breeze restaurants in the U.S. This segment also includes results from our franchises and consumer-packaged goods sales.

External sales are derived principally from food and beverage sales, we do not rely on any major customers as a source of sales and the customers and long-lived assets of our reportable segments are predominantly in the U.S. There were no material transactions among reportable segments.

Our management uses segment profit as the measure for assessing performance of our segments. Segment profit includes revenues and expenses directly attributable to restaurant-level results of operations (sometimes referred to as restaurant-level earnings). These expenses include food and beverage costs, restaurant labor costs, restaurant expenses and marketing expenses (collectively "restaurant and marketing expenses"). The following tables reconcile our segment results to our consolidated results reported in accordance with GAAP:

(in millions)						
For the three months ended August 30, 2015	Olive Garden	LongHorn Steakhouse	Fine Dining	Other Business	Corporate	Consolidated
Sales	\$ 944.6	\$ 383.9	\$ 113.3	\$ 245.2	\$ —	\$ 1,687.0
Restaurant and marketing expenses	752.6	326.8	95.5	201.4	—	1,376.3
Segment profit	\$ 192.0	\$ 57.1	\$ 17.8	\$ 43.8	\$ —	\$ 310.7
Depreciation and amortization	\$ 36.5	\$ 19.4	\$ 6.8	\$ 12.5	\$ 5.9	\$ 81.1
Impairments and disposal of assets, net	(1.2)	(1.2)	0.7	—	—	(1.7)
Capital expenditures	21.8	16.7	5.4	19.9	1.1	64.9

(in millions)						
For the three months ended August 24, 2014	Olive Garden	LongHorn Steakhouse	Fine Dining	Other Business	Corporate	Consolidated
Sales	\$ 913.5	\$ 356.9	\$ 104.0	\$ 221.4	\$ —	\$ 1,595.8
Restaurant and marketing expenses	765.1	303.6	88.7	189.7	—	1,347.1
Segment profit	\$ 148.4	\$ 53.3	\$ 15.3	\$ 31.7	\$ —	\$ 248.7
Depreciation and amortization	\$ 37.1	\$ 17.6	\$ 6.5	\$ 11.6	\$ 5.9	\$ 78.7
Impairments and disposal of assets, net	0.6	0.8	—	5.5	0.1	7.0
Capital expenditures	33.8	17.3	6.5	22.7	1.4	81.7

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Reconciliation of segment profit to earnings from continuing operations before income taxes:

(in millions)	Three Months Ended	
	August 30, 2015	August 24, 2014
Segment profit	\$ 310.7	\$ 248.7
Less general and administrative expenses	(97.1)	(95.4)
Less depreciation and amortization	(81.1)	(78.7)
Less impairments and disposal of assets, net	1.7	(7.0)
Less interest, net	(22.4)	(111.3)
Earnings before income taxes	\$ 111.8	\$ (43.7)

Note 13. Impairments and Disposal of Assets, Net

During the fiscal quarter ended August 30, 2015, we recognized a net gain of \$1.7 million in impairments and disposal of assets, net (\$1.0 million net of tax), primarily related to sale-leaseback transactions. During the fiscal quarter ended August 24, 2014, we recognized a net impairment loss of \$7.0 million in impairments and disposal of assets, net (\$4.3 million net of tax), primarily related to restaurant impairments. Impairment charges were measured based on the amount by which the carrying amount of these assets exceeded their fair value. Fair value is generally determined based on appraisals or sales prices of comparable assets and estimates of future cash flows. These amounts are included in impairments and disposal of assets, net as a component of earnings from continuing operations in the accompanying consolidated statements of earnings.

Note 14. Workforce Reduction Costs

During fiscal 2014 and 2015, we performed reviews of our operations and support structure resulting in changes in our growth plans and related support structure needs. As a result, we had workforce reductions and program spending cuts throughout fiscal 2014 and 2015. In accordance with these actions, we incurred employee termination benefits costs and other costs. The following table summarizes the accrued employee termination benefits and other costs which are primarily included in other current liabilities on our consolidated balance sheet as of August 30, 2015 :

(in millions)	Fiscal Year 2014 Plans	Fiscal Year 2015 Plans	Payments	Adjustments	Balance at August 30, 2015
Employee termination benefits (1)	\$ 13.4	\$ 24.2	\$ (27.0)	\$ 1.0	\$ 11.6
Other	1.1	0.6	(1.2)	(0.2)	0.3
Total	\$ 14.5	\$ 24.8	\$ (28.2)	\$ 0.8	\$ 11.9

(1) Excludes costs associated with stock options and restricted stock that will be settled in shares upon vesting.

We expect the remaining liability to be paid by the second quarter of fiscal 2017.

Note 15. Application of New Accounting Standards

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This update provides a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update was originally effective for annual and interim periods beginning after December 15, 2016, which would have required us to adopt these provisions in the first quarter of fiscal 2018. In July 2015, the FASB affirmed its proposal for a one-year deferral of the effective date. Early application is now permitted, but not before the original effective date. This update permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect this guidance will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory (Topic 330). This update requires inventory within the scope of the standard to be measured at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of

DARDEN RESTAURANTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

completion, disposal, and transportation. This update is effective for annual and interim periods beginning after December 15, 2016, which will require us to adopt these provisions in the first quarter of fiscal 2018. Early adoption is permitted. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements

Note 16. Subsequent Events

On September 17, 2015 , the Board of Directors declared a cash dividend of \$0.55 per share to be paid November 2, 2015 to all shareholders of record as of the close of business on October 9, 2015 .

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion and analysis below for the Company, which contains forward-looking statements, should be read in conjunction with the unaudited financial statements, the notes to such financial statements and the "Forward-Looking Statements" included elsewhere in this Form 10-Q.

To facilitate review of our discussion and analysis, the following table sets forth our financial results for the periods indicated. All information is derived from the unaudited consolidated statements of earnings for the quarters ended August 30, 2015 and August 24, 2014. This information and the following analysis have been presented with the results of operations, costs incurred in connection with the sale and related gain on the sale of Red Lobster and results for the two closed company-owned synergy restaurants classified as discontinued operations for all periods presented.

	Three Months Ended		
	August 30, 2015	August 24, 2014	% Chg
Sales	\$ 1,687.0	\$ 1,595.8	5.7 %
Costs and expenses:			
Food and beverage	502.8	502.0	0.2
Restaurant labor	536.0	508.3	5.4
Restaurant expenses	271.9	272.3	(0.1)
Marketing expenses	65.6	64.5	1.7
General and administrative expenses	97.1	95.4	1.8
Depreciation and amortization	81.1	78.7	3.0
Impairments and disposal of assets, net	(1.7)	7.0	(124.3)
Total costs and expenses	\$ 1,552.8	\$ 1,528.2	1.6
Operating income	134.2	67.6	98.5
Interest, net	22.4	111.3	(79.9)
Earnings (loss) before income taxes	111.8	(43.7)	NM
Income tax expense (benefit) (1)	30.8	(24.4)	NM
Earnings (loss) from continuing operations	\$ 81.0	\$ (19.3)	NM
Earnings from discontinued operations, net of tax	5.4	522.5	(99.0)
Net earnings	\$ 86.4	\$ 503.2	(82.8)%
Diluted net earnings per share:			
Earnings (loss) from continuing operations	\$ 0.63	\$ (0.14)	NM
Earnings from discontinued operations	0.04	3.95	(99.0)%
Net earnings	\$ 0.67	\$ 3.81	(82.4)%
(1) Effective tax rate	27.5%	55.8%	

The following table details the number of company-owned restaurants currently reported in continuing operations that were open at the end of the first quarter of fiscal 2016, compared with the number open at the end of fiscal 2015 and the end of the first quarter of fiscal 2015.

	August 30, 2015	May 31, 2015	August 24, 2014
Olive Garden (1)	843	846	840
LongHorn Steakhouse	482	480	465
The Capital Grille	54	54	54
Bahama Breeze	37	36	37
Seasons 52	43	43	40
Eddie V's	16	16	15
Yard House	59	59	53
Total	1,534	1,534	1,504

(1) Includes six locations in Canada for all periods presented.

OVERVIEW OF OPERATIONS

Financial Highlights - Consolidated

Our sales from continuing operations were \$1.69 billion for the first quarter of fiscal 2016, compared to \$1.60 billion for the first quarter of fiscal 2015. The increase of 5.7 percent in sales for the first quarter of fiscal 2016 was primarily driven by a combined Darden same-restaurant sales increase of 3.4 percent as well as revenue from the addition of 30 net new company-owned restaurants since the first quarter of fiscal 2015.

For the first quarter of fiscal 2016, our net earnings from continuing operations were \$81.0 million compared to a net loss from continuing operations of \$19.3 million for the first quarter of fiscal 2015, and our diluted net earnings per share from continuing operations were \$0.63 for the first quarter of fiscal 2016 compared to a diluted net loss per share from continuing operations of \$0.14 for the first quarter of fiscal 2015. Our diluted per share results from continuing operations for the first quarter of fiscal 2016 were adversely impacted by approximately \$0.05 related to the real estate plan implementation. Our diluted per share results from continuing operations for the first quarter of fiscal 2015 were adversely impacted by approximately \$0.37 due to debt breakage costs related to the retirement of \$900.0 million in principal of long-term debt and approximately \$0.07 due to legal, financial advisory and other costs related to implementation of the strategic action plan announced in December 2013 and asset impairments.

Financial Highlights - Segments

Olive Garden's segment profit margin increased to 20.3 percent in the first quarter of fiscal 2016, compared to 16.2 percent for the first quarter of fiscal 2015 driven by positive same-restaurant sales, food and beverage cost favorability, fewer weeks of deep discounted promotions and cost reduction initiatives. LongHorn's segment profit margin was flat at 14.9 percent in the first quarter of fiscal 2016 and fiscal 2015 as significant beef cost inflation offset sales leverage. Fine Dining's segment profit margin increased to 15.7 percent in the first quarter of fiscal 2016, compared to 14.7 percent for the first quarter of fiscal 2015 driven by leverage from sales growth which more than offset beef cost inflation. The Other Business segment profit margin increased to 17.9 percent in the first quarter of fiscal 2016, compared to 14.3 percent for the first quarter of fiscal 2015 primarily driven by positive same-restaurant sales leverage and lower food and beverage costs.

Outlook

We expect the combined Darden same-restaurant sales increase in fiscal 2016 to range between 2.0 and 2.5 percent, with an increase in Olive Garden same-restaurant sales between 1.5 percent and 2.5 percent, an increase in LongHorn Steakhouse same-restaurant sales between 2.5 percent and 3.5 percent, and a blended same-restaurant sales increase for The Capital Grille, Bahama Breeze, Seasons 52, Eddie V's and Yard House of approximately 3.0 percent. Based on fiscal 2015 sales of \$6.76 billion, we expect fiscal 2016 sales from continuing operations to increase between 2.0 percent and 2.5 percent. In fiscal 2016, we expect to add approximately 18 - 22 new restaurants, and we expect capital expenditures incurred to build new restaurants and remodel and maintain existing restaurants to be between \$230.0 million and \$255.0 million.

SALES

The following table presents our sales and U.S. same-restaurant sales (SRS) by brand for the periods indicated.

(in millions)	Three Months Ended			
	August 30, 2015	August 24, 2014	% Chg	SRS (1)
Olive Garden	\$ 944.6	\$ 913.5	3.4%	2.7%
LongHorn Steakhouse	\$ 383.9	\$ 356.9	7.6%	4.4%
Yard House	\$ 124.2	\$ 111.1	11.8%	3.4%
The Capital Grille	\$ 88.7	\$ 82.6	7.4%	7.2%
Bahama Breeze	\$ 58.1	\$ 56.8	2.3%	1.8%
Seasons 52	\$ 59.5	\$ 50.4	18.1%	3.9%
Eddie V's	\$ 24.6	\$ 21.4	15.0%	5.1%

(1) Same-restaurant sales is a year-over-year comparison of each period's sales volumes for a 52-week year and is limited to restaurants open at least 16 months.

Olive Garden's sales increase for the first quarter of fiscal 2016 was primarily driven by a U.S. same-restaurant sales increase in the first quarter fiscal 2016 combined with revenue from three net new restaurants. The increase in U.S. same-restaurant sales for the first quarter of fiscal 2016 resulted from a 2.4 percent increase in average check combined with a 0.3 percent increase in same-restaurant guest counts.

LongHorn Steakhouse's sales increase for the first quarter of fiscal 2016 was primarily driven by revenue from 17 net new restaurants combined with a same-restaurant sales increase for the first quarter of fiscal 2016. The increase in same-restaurant sales for the first quarter of fiscal 2016 resulted from a 2.4 percent increase in same-restaurant guest counts combined with a 2.0 percent increase in average check.

In total, Yard House, The Capital Grille, Bahama Breeze, Seasons 52 and Eddie V's generated sales for the first quarter of fiscal 2016, which were 10.2 percent above last fiscal year's first quarter, primarily driven by the incremental sales from 10 net new restaurants added since the first quarter of fiscal 2015, and a combined same-restaurant sales increase of 4.3 percent across these brands.

COSTS AND EXPENSES

The following table sets forth selected operating data as a percent of sales for the periods indicated. All information is derived from the unaudited consolidated statements of earnings for the quarters ended August 30, 2015 and August 24, 2014. Additionally, this information and the following analysis have been presented with the results of operations, costs incurred in connection with the sale and related gain on the sale of Red Lobster and results for the two closed synergy restaurants classified as discontinued operations for all periods presented.

	Three Months Ended	
	August 30, 2015	August 24, 2014
Sales	100.0 %	100.0 %
Costs and expenses:		
Food and beverage	29.8	31.5
Restaurant labor	31.8	31.9
Restaurant expenses	16.1	17.0
Marketing expenses	3.9	4.0
General and administrative expenses	5.7	6.0
Depreciation and amortization	4.8	4.9
Impairments and disposal of assets, net	(0.1)	0.4
Total operating costs and expenses	92.0 %	95.7 %
Operating income	8.0	4.3
Interest, net	1.4	7.0
Earnings (loss) before income taxes	6.6	(2.7)
Income tax expense (benefit)	1.8	(1.5)
Earnings (loss) from continuing operations	4.8	(1.2)

Quarter Ended August 30, 2015 Compared to Quarter Ended August 24, 2014

Total costs and expenses were \$1.55 billion and \$1.53 billion for the quarters ended August 30, 2015 and August 24, 2014, respectively. As a percent of sales, total costs and expenses decreased from 95.7 percent for the first quarter of fiscal 2015 to 92.0 percent for the first quarter of fiscal 2016.

- Food and beverage costs decreased as percent of sales as a result of lower costs for promotional items, favorable menu mix and pricing.
- Restaurant labor costs decreased as a percent of sales primarily as a result of sales leverage.
- Restaurant expenses (which include utilities, repairs and maintenance, credit card, lease, property tax, workers' compensation, new restaurant pre-opening and other restaurant-level operating expenses) decreased as a percent of sales, primarily as a result of sales leverage and lower workers' compensation expenses.
- Marketing expenses decreased as a percent of sales, primarily as a result of sales leverage.
- General and administrative expenses decreased as a percent of sales, primarily as a result of sales leverage and support cost savings, partially offset by strategic real estate plan implementation costs.
- Depreciation and amortization expense decreased as a percent of sales primarily due to sales leverage. The decrease also resulted from the impact of completed sale-leaseback transactions.
- Impairments and disposal of assets, net decreased as a percent of sales primarily due to net disposal gains in the first quarter of fiscal 2016 compared to restaurant-related impairments in the first quarter of fiscal 2015.

- Net interest expense decreased as a percent of sales primarily due to the \$80.0 million of debt breakage costs recognized in the first quarter of fiscal 2015 related to the retirement of long-term debt.

INCOME TAXES

The effective income tax rate for the quarter ended August 30, 2015 was 27.5 percent compared to an effective income tax rate benefit of 55.8 percent for the quarter ended August 24, 2014. Excluding the tax impact of the \$80.0 million of debt breakage costs (\$49.4 million net of tax), recognized during the quarter ended August 24, 2014, our effective tax rate would have been approximately 17.0 percent. The change in the effective income tax rate for the quarter ended August 30, 2015 as compared to the quarter ended August 24, 2014, excluding the impacts of the debt breakage costs, is primarily attributable to an increase in the impact of FICA tax credits for employee reported tips and Work Opportunity Tax Credits on lower earnings before income taxes for the quarter ended August 24, 2014.

EARNINGS FROM DISCONTINUED OPERATIONS

On an after-tax basis, earnings from discontinued operations for the first quarter of fiscal 2016 were \$5.4 million (\$0.04 per diluted share) compared with earnings from discontinued operations for the first quarter of fiscal 2015 of \$522.5 million (\$3.95 per diluted share). Earnings from discontinued operations reflects pre-tax gains of \$8.3 million recorded in the first quarter of fiscal 2016, and \$817.2 million recorded in the first quarter of fiscal 2015 related to the sale of Red Lobster.

SEASONALITY

Our sales volumes fluctuate seasonally. Typically, our average sales per restaurant are highest in the spring and winter, followed by the summer, and lowest in the fall. Holidays, changes in the economy, severe weather and similar conditions may impact sales volumes seasonally in some operating regions. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows generated from operating activities are our principal source of liquidity, which we use to finance capital expenditures for new restaurants and to remodel existing restaurants, to pay dividends to our shareholders and to repurchase shares of our common stock. Since substantially all of our sales are for cash and cash equivalents, and accounts payable are generally due in 5 to 30 days, we are able to carry current liabilities in excess of current assets. In addition to cash flows from operations, we use a combination of long-term and short-term borrowings to fund our capital needs.

We currently manage our business and financial ratios to maintain an investment grade bond rating, which has historically allowed flexible access to financing at reasonable costs. Currently, our publicly issued long-term debt carries “Ba1” (Moody’s Investors Service), “BBB-” (Standard & Poor’s) and “BBB-” (Fitch) ratings. Our commercial paper has ratings of “NP” (Moody’s Investors Service), “A-3” (Standard & Poor’s) and “F-3” (Fitch). These ratings are as of the date of the filing of this Form 10-Q and have been obtained with the understanding that Moody’s Investors Service, Standard & Poor’s and Fitch will continue to monitor our credit and make future adjustments to these ratings to the extent warranted. The ratings are not a recommendation to buy, sell or hold our securities, may be changed, superseded or withdrawn at any time and should be evaluated independently of any other rating.

We maintain a \$750.0 million revolving Credit Agreement (Revolving Credit Agreement) with Bank of America, N.A. (BOA), as administrative agent, and the lenders and other agents party thereto. The Revolving Credit Agreement is a senior unsecured credit commitment to the Company and contains customary representations and affirmative and negative covenants (including limitations on liens and subsidiary debt and a maximum consolidated lease adjusted total debt to total capitalization ratio of 0.75 to 1.00) and events of default usual for credit facilities of this type. As of August 30, 2015, we were in compliance with all covenants under the Revolving Credit Agreement.

The Revolving Credit Agreement matures on October 24, 2018 and the proceeds may be used for commercial paper back-up, working capital and capital expenditures, the refinancing of certain indebtedness, certain acquisitions and general corporate purposes. Loans under the Revolving Credit Agreement bear interest at a rate of LIBOR plus a margin determined by reference to a ratings-based pricing grid (Applicable Margin), or the base rate (which is defined as the highest of the BOA prime rate, the Federal Funds rate plus 0.500 percent, and the Eurocurrency Rate plus 1.00 percent) plus the Applicable Margin. Assuming a “BBB-” equivalent credit rating level, the Applicable Margin under the Revolving Credit Agreement will be 1.300 percent for LIBOR loans and 0.300 percent for base rate loans. As of August 30, 2015, we had no outstanding balances under the Revolving Credit Agreement.

As of August 30, 2015 , our long-term debt consisted principally of:

- \$255.0 million unsecured, variable-rate, amortizing term loan, maturing in August 2017;
- \$500.0 million of unsecured 6.200 percent senior notes due in October 2017;
- \$121.9 million of unsecured 4.500 percent senior notes due in October 2021;
- \$111.1 million of unsecured 3.350 percent senior notes due in November 2022;
- \$10.0 million of unsecured 4.520 percent senior notes due in August 2024;
- \$150.0 million of unsecured 6.000 percent senior notes due in August 2035; and
- \$300.0 million of unsecured 6.800 percent senior notes due in October 2037.

We also had \$15.0 million included in current liabilities as current portion of long-term debt as of August 30, 2015 , associated with the term loan, which reflects the annual principal amortization payment due in August 2016.

The interest rates on our \$500.0 million senior notes due in October 2017 and \$300.0 million senior notes due in October 2037 are subject to adjustment from time to time if the debt rating assigned to such series of notes is downgraded below a certain rating level (or subsequently upgraded). The maximum adjustment is 2.000 percent above the initial interest rate and the interest rate cannot be reduced below the initial interest rate. In October 2014, Moody's Investor Service downgraded our senior unsecured ratings to "Ba1" from "Baa3" resulting in an increase of 0.250 percent in the interest rates on our senior notes due in October 2017 and October 2037 , effective as of the first day of the interest period during which the ratings change took place. Accordingly, our annual interest expense increased by \$2.0 million as a result of these rate adjustments.

We may from time to time repurchase our outstanding debt in privately negotiated transactions. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements and other factors.

From time to time we enter into interest rate derivative instruments. See Note 9 to our unaudited consolidated financial statements in Part I, Item 1 of this report, which is incorporated by reference.

A summary of our contractual obligations and commercial commitments as of August 30, 2015 is as follows:

(in millions) Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt (1)	\$ 2,278.5	\$ 92.9	\$ 888.4	\$ 79.6	\$ 1,217.6
Operating Leases (2)	1,360.1	204.3	379.1	299.2	477.5
Purchase obligations (3)	457.5	431.0	20.9	5.6	—
Capital lease obligations (4)	83.4	5.8	11.9	12.3	53.4
Benefit obligations (5)	343.2	36.0	54.1	65.9	187.2
Unrecognized income tax benefits (6)	15.1	1.0	5.2	8.9	—
Total contractual obligations	\$ 4,537.8	\$ 771.0	\$ 1,359.6	\$ 471.5	\$ 1,935.7
(in millions) Other Commercial Commitments	Amount of Commitment Expiration per Period				
	Total Amounts Committed	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Standby letters of credit (7)	\$ 133.3	\$ 133.3	\$ —	\$ —	\$ —
Guarantees (8)	150.9	34.7	56.3	34.3	25.6
Total commercial commitments	\$ 284.2	\$ 168.0	\$ 56.3	\$ 34.3	\$ 25.6

- (1) Includes interest payments associated with existing long-term debt, including the current portion. Variable-rate interest payments associated with the term loan were estimated based on an average interest rate of 2.3 percent. Excludes issuance discount and issuance costs of \$13.9 million.
- (2) Includes financing lease obligations and associated imputed interest of \$75.5 million over the life of the obligations.
- (3) Includes commitments for food and beverage items, supplies, capital projects, information technology and other miscellaneous commitments.
- (4) Capital lease obligations include imputed interest of \$29.5 million over the life of the obligations.
- (5) Includes expected contributions associated with our defined benefit plans and payments associated with our postretirement benefit plan and our non-qualified deferred compensation plan through August of fiscal 2026.
- (6) Includes interest on unrecognized income tax benefits of \$0.8 million, \$0.1 million of which relates to contingencies expected to be resolved within one year.
- (7) Includes letters of credit for \$119.2 million related to workers' compensation and general liabilities accrued in our consolidated financial statements, letters of credit for \$0.2 million of lease payments included in the contractual operating lease obligation payments noted above and other letters of credit totaling \$13.9 million.
- (8) Consists solely of guarantees associated with leased properties that have been assigned to third parties. We are not aware of any non-performance under these arrangements that would result in our having to perform in accordance with the terms of the guarantees.

Our Board of Directors has authorized us to repurchase up to an aggregate of 187.4 million shares of our common stock. Repurchased common stock has historically been reflected as a reduction of stockholders' equity. During the quarter ended August 30, 2015, we repurchased 0.1 thousand shares of our common stock compared to 11.8 thousand shares of our common stock during the quarter ended August 24, 2014. As of August 30, 2015, we have repurchased a total of 182.0 million shares of our common stock, 169.3 million of which have been retired and restored to authorized but unissued shares of common stock.

Net cash flows provided by operating activities of continuing operations increased to \$138.0 million for the first three months of fiscal 2016, from \$77.0 million for the first three months of fiscal 2015. The increase was primarily due to higher net earnings and timing of payments of accounts payable.

Net cash flows provided by investing activities of continuing operations were \$61.6 million for the first three months of fiscal 2016, compared to net cash flows used in investing activities of continuing operations of \$80.5 million for the first three months of fiscal 2015. Proceeds from the disposal of land, buildings and equipment of \$130.2 million for the first three months of fiscal 2016 reflect the impact of closed sale-leaseback transactions. Capital expenditures decreased to \$64.9 million for the first three months of fiscal 2016 from \$81.7 million for the first three months of fiscal 2015 reflecting a decrease in new restaurant construction and remodel activity during fiscal 2016.

Net cash flows used in financing activities of continuing operations were \$17.0 million for the first three months of fiscal 2016 , compared to \$1.63 billion for the first three months of fiscal 2015 . Net cash flows used in financing activities for the first three months of fiscal 2016 included dividends paid of \$70.0 million and payments of long-term debt of \$15.0 million , partially offset by proceeds from the exercise of employee stock options. Net cash flows used in financing activities for the first three months of fiscal 2015 included net repayments of short-term debt of \$207.6 million , the retirement of approximately \$900.0 million aggregate principal of long-term debt, a \$500.0 million payment associated with an accelerated share repurchase agreement and \$72.8 million in dividends paid. Dividends declared by our Board of Directors totaled \$0.55 per share in the first quarter of fiscal 2016 , which is consistent with our dividend for the same period in fiscal 2015 .

During fiscal 2015, we conducted a comprehensive evaluation of a wide range of options for the potential monetization of our real estate portfolio. As a result of this evaluation, we undertook the following strategies:

- Sale-leaseback transactions of 64 restaurant properties, 14 of which were completed in fiscal 2015, 33 were completed in the first quarter of fiscal 2016 , and the remaining properties are expected to be completed in fiscal 2016. The 47 completed transactions generated proceeds of approximately \$175.0 million;
- Transfer 424 of our restaurant properties into a REIT, with substantially all of the REIT's initial assets being leased back to Darden. We expect to complete the REIT transaction during fiscal 2016; and
- Pursuit of different monetizing structures for our corporate headquarters, including a sale leaseback.

We expect to utilize the proceeds generated from these transactions in addition to cash on hand to pay down up to \$1.0 billion of long-term debt. While we have conducted substantial analysis of the feasibility of implementing a REIT transaction, a significant amount of work remains and there can be no assurance we will be able to successfully complete the transaction and establish a REIT. These transactions are bond-covenant compliant, and bondholder consent is not required

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, sales, costs or expenses, results of operations, liquidity, capital expenditures or capital resources. We are not aware of any trends or events that would materially affect our capital requirements or liquidity. We believe that our Revolving Credit Agreement and internal cash generating capabilities will be sufficient to finance our ongoing capital expenditures, dividends, stock repurchase program and other operating activities through fiscal 2016 .

It is possible that changes in circumstances, existing as of our annual impairment test on the first day of the fourth quarter of fiscal 2015 or at other times in the future, or in the numerous estimates associated with management's judgments, assumptions and estimates made in assessing the fair value of our goodwill, could result in an impairment loss of a portion or all of our goodwill or trademarks. If we recorded an impairment loss, our financial position and results of operations would be adversely affected and our leverage ratio for purposes of our credit agreement would increase. If such leverage ratio were to exceed the maximum permitted under our credit agreement, we would be in default under our credit agreement. As of August 30, 2015 , a write down of goodwill, other indefinite-lived intangible assets, or any other assets in excess of approximately \$1.49 billion would have been required to cause our leverage ratio to exceed the permitted maximum. Due to the seasonal nature of our business, a lesser amount of impairment in future quarters could cause our leverage ratio to exceed the permitted maximum.

FINANCIAL CONDITION

Our current assets totaled \$1.20 billion as of August 30, 2015 , compared to \$1.06 billion as of May 31, 2015 . The increase was primarily due to the increase in cash and cash equivalents driven by proceeds from the sale-leaseback transactions completed during the first quarter of fiscal 2016 .

Our current liabilities totaled \$1.14 billion as of August 30, 2015 , compared to \$1.20 billion as of May 31, 2015 . The decrease was primarily due to a decrease in accrued payroll related to the payment of annual incentive compensation and a decrease in unearned revenues associated with gift card redemptions in excess of sales.

CRITICAL ACCOUNTING POLICIES

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires us 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 sales, costs and expenses during the reporting period. Actual results could differ from those estimates. We have discussed the development, selection and disclosure of those estimates with the Audit Committee. Our critical accounting policies have not changed materially from those previously reported in our Annual Report on Form 10-K for the fiscal year ended May 31, 2015 .

APPLICATION OF NEW ACCOUNTING STANDARDS

Information regarding application of new accounting standards is incorporated by reference from Note 16 to our unaudited consolidated financial statements in Part I, Item 1 of this report.

FORWARD-LOOKING STATEMENTS

Statements set forth in or incorporated into this report regarding the expected net increase in the number of our restaurants, projections for U.S. same-restaurant sales, total sales, food and beverage expenses, restaurant labor expenses, restaurant expenses, marketing expenses, general and administrative expenses, depreciation expenses, diluted net earnings per share growth and capital expenditures in fiscal 2016, potential monetization of our real estate and all other statements that are not historical facts, including without limitation statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Darden Restaurants, Inc. and its subsidiaries that are preceded by, followed by or that include words such as “may,” “will,” “expect,” “intend,” “anticipate,” “continue,” “estimate,” “project,” “believe,” “plan” or similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This statement is included for purposes of complying with the safe harbor provisions of that Act. Any forward-looking statements speak only as of the date on which such statements are first made, and we undertake no obligation to update such statements for any reason to reflect events or circumstances arising after such date. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. In addition to the risks and uncertainties of ordinary business obligations, and those described in information incorporated into this report, the forward-looking statements contained in this report are subject to the risks and uncertainties described in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended May 31, 2015, which are summarized as follows:

- Our ability to complete our strategic real estate plan, including risks related to our lease of certain restaurant properties;
- Food safety and food-borne illness concerns throughout the supply chain;
- Litigation, including allegations of illegal, unfair or inconsistent employment practices;
- Unfavorable publicity, or a failure to respond effectively to adverse publicity;
- Risks relating to public policy changes and federal, state and local regulation of our business, including in the areas of environmental matters, minimum wage, unionization, data privacy, menu labeling, immigration requirements and taxes;
- Labor and insurance costs;
- Insufficient guest or employee facing technology, or a failure to maintain a continuous and secure cyber network, free from material failure, interruption or security breach;
- Our inability or failure to execute a comprehensive business continuity plan following a major natural disaster such as a hurricane or manmade disaster, including terrorism;
- Health concerns arising from food-related pandemics, outbreaks of flu viruses or other diseases;
- Intense competition, or an insufficient focus on competition and the consumer landscape;
- Our failure to drive both short-term and long-term profitable sales growth through brand relevance, operating excellence, opening new restaurants of existing brands and developing or acquiring new dining brands;
- Our plans to expand our smaller brands Bahama Breeze, Seasons 52 and Eddie V's, and the testing of other new business ventures that have not yet proven their long-term viability;
- A lack of suitable new restaurant locations or a decline in the quality of the locations of our current restaurants;
- Higher-than-anticipated costs to open, close, relocate or remodel restaurants;
- A failure to identify and execute innovative marketing and guest relationship tactics and ineffective or improper use of social media or other marketing initiatives;
- A failure to recruit, develop and retain effective leaders or the loss or shortage of key personnel, or an inability to adequately monitor and respond to employee dissatisfaction;
- A failure to address cost pressures, including rising costs for commodities, health care and utilities used by our restaurants, and a failure to effectively deliver cost management activities and achieve economies of scale in purchasing;
- The impact of shortages or interruptions in the delivery of food and other products from third-party vendors and suppliers;
- Adverse weather conditions and natural disasters;
- Volatility in the market value of derivatives we use to hedge commodity prices;

[Table of Contents](#)

- Economic and business factors specific to the restaurant industry and other general macroeconomic factors including energy prices and interest rates that are largely out of our control;
- Disruptions in the financial markets that may impact consumer spending patterns, affect the availability and cost of credit and increase pension plan expenses;
- Risks associated with doing business with franchisees, business partners and vendors in foreign markets;
- Failure to protect our intellectual property;
- Impairment of the carrying value of our goodwill or other intangible assets;
- A failure of our internal controls over financial reporting and future changes in accounting standards; and
- An inability or failure to recognize, respond to and effectively manage the accelerated impact of social media.

Any of the risks described above or elsewhere in this report or our other filings with the SEC could have a material impact on our business, financial condition or results of operations. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. Therefore, the above is not intended to be a complete discussion of all potential risks or uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of market risks, including fluctuations in interest rates, foreign currency exchange rates, compensation and commodity prices. To manage this exposure, we periodically enter into interest rate, foreign currency exchange rate, equity forward and commodity derivative instruments for other than trading purposes (see Note 9 to our unaudited consolidated financial statements in Part I, Item 1 of this report).

We use the variance/covariance method to measure value at risk, over time horizons ranging from one week to one year, at the 95 percent confidence level. As of August 30, 2015, our potential losses in future net earnings resulting from changes in floating rate debt interest rate, interest rate instrument, and equity forwards exposures were approximately \$28.5 million over a period of one year. The value at risk from an increase in the fair value of all of our long-term fixed rate debt, over a period of one year, was approximately \$92.3 million. The fair value of our long-term fixed rate debt, including the amounts included in current liabilities, during the first three months of fiscal 2016 averaged \$1.57 billion, with a high of \$1.59 billion and a low of \$1.56 billion. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows by targeting an appropriate mix of variable and fixed rate debt.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of August 30, 2015, the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of August 30, 2015.

During the fiscal quarter ended August 30, 2015, there was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

See the discussion of legal proceedings contained in the third, fourth and fifth paragraphs of Note 11 to our unaudited consolidated financial statements in Part I, Item 1 of this report, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors contained in our Annual Report on Form 10-K for the year ended May 31, 2015 .

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below provides information concerning our repurchase of shares of our common stock during the quarter ended August 30, 2015 . Since commencing repurchases in December 1995, we have repurchased a total of 182.0 million shares through August 30, 2015 under authorizations from our Board of Directors to repurchase an aggregate of 187.4 million shares.

	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (2)
June 1, 2015 through July 5, 2015	115	\$ 68.11	115	5,431,009
July 6, 2015 through August 2, 2015	—	\$ —	—	5,431,009
August 3, 2015 through August 30, 2015	—	\$ —	—	5,431,009
Total	115	\$ 68.11	115	5,431,009

- (1) All of the shares purchased during the quarter ended August 30, 2015 were purchased as part of our repurchase program. On December 17, 2010, our Board of Directors approved an additional share repurchase authorization of 25.0 million shares which was announced publicly in a press release issued on December 20, 2010, bringing the total shares authorized to be repurchased to 187.4 million shares. There is no expiration date for our program. The number of shares purchased includes shares withheld for taxes on vesting of restricted stock, shares delivered or deemed to be delivered to us on tender of stock in payment for the exercise price of options, and shares reacquired pursuant to tax withholding on option exercises. These shares are included as part of our repurchase program and deplete the repurchase authority granted by our Board. The number of shares repurchased excludes shares we reacquired pursuant to forfeiture of restricted stock.
- (2) Repurchases are subject to prevailing market prices, may be made in open market or private transactions and may occur or be discontinued at any time. There can be no assurance that we will repurchase any shares.

Item 6. Exhibits

The exhibits listed in the accompanying Index to Exhibits are filed as part of this Form 10-Q and incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DARDEN RESTAURANTS, INC.

Dated: October 2, 2015

By: /s/ Jeffrey A. Davis

Jeffrey A. Davis

Senior Vice President and Chief Financial Officer

(Principal financial officer)

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Exhibit Title</u>
3.1	Articles of Amendment to Articles of Incorporation of Darden Restaurants, Inc., adopted June 17, 2015 (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed June 23, 2015).
4.1	Rights Agreement, dated June 23, 2015, between Darden Restaurants, Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed June 23, 2015).
10.1 *	Form of Notice of Non-Renewal of Management Continuity Agreement, dated July 23, 2015 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed July 27, 2015).
10.2 *	Form of Performance Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(kk) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.3 *	Form of Performance Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(ll) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.4 *	Form of annual Non-employee Director Restricted Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(mm) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.5 *	Form of initial Non-employee Director Restricted Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(nn) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.6 *	Form of quarterly Non-employee Director Restricted Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(oo) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.7 *	Form of annual Non-employee Director Stock Option Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(pp) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.8 *	Form of initial Non-employee Director Stock Option Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(qq) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.9 *	Form of Change in Control Agreement (incorporated by reference to Exhibit 10(rr) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.10 *	Form of Restricted Stock Units Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10(ss) to our Annual Report on Form 10-K (Commission File No. 001-13666) for the fiscal year ended May 31, 2015, filed July 24, 2015).
10.11 *	Form of Performance Restricted Stock Unit Award Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended.
10.12 *	Form of Non-Qualified Stock Option Agreement under the Darden Restaurants, Inc. 2002 Stock Incentive Plan, as amended.
10.13 *	Form of Nonqualified Stock Option Award Agreement under the Darden Restaurants, Inc. 2015 Omnibus Incentive Plan.
10.14 *	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors (Quarterly Grant in Lieu of Cash Retainer) under the Darden Restaurants, Inc. 2015 Omnibus Incentive Plan.
10.15 *	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the Darden Restaurants, Inc. 2015 Omnibus Incentive Plan.
10.16 *	Form of Performance Stock Unit Award Agreement (United States) under the Darden Restaurants, Inc. 2015 Omnibus Incentive Plan.
10.17 *	Form of Restricted Stock Award Agreement under the Darden Restaurants, Inc. 2015 Omnibus Incentive Plan.
10.18 *	Form of Employee RSU Award Agreement (Stock-Settled) under the Darden Restaurants, Inc. 2015 Omnibus Incentive Plan.
12	Computation of Ratio of Consolidated Earnings to Fixed Charges.
31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

[Table of Contents](#)

32(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

**DARDEN RESTAURANTS, INC.
2002 STOCK INCENTIVE PLAN**

FY [____] PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT
(United States)

This Performance Restricted Stock Unit Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company”), and you, a person notified by the Company, and identified in the Company’s records, as the recipient of an Award of Performance Restricted Stock Units during the Company’s fiscal year [____]. This Agreement is effective as of the date of grant communicated to you and set forth in the Company’s records (the “Grant Date”).

The Company wishes to award to you Performance Restricted Stock Units representing the opportunity to earn shares of the Company’s Common Stock, no par value (the “Common Stock”), subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Company’s 2002 Stock Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Performance Restricted Stock Units.

The Company hereby grants to you, effective as of the Grant Date, an Award of Performance Restricted Stock Units for that number of Performance Restricted Stock Units communicated to you and set forth in the Company’s records (the “PRSUs”), on the terms and conditions set forth in such communication, this Agreement and the Plan. Each PRSU represents the right to receive one share of Common Stock, subject to the terms and conditions set forth herein.

2. Rights with Respect to the PRSUs.

The PRSUs granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Common Stock. Your rights with respect to the PRSUs shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the PRSUs lapse, in accordance with Sections 3 or 5 hereof. Your right to receive cash payments and other distributions with respect to the PRSUs is more particularly described in Sections 8(b) and (c) hereof.

3. Vesting.

(a) Subject to the terms and conditions of this Agreement, the Earned PRSUs (as defined below), if any, shall vest, and the restrictions with respect to the PRSUs shall lapse, on the dates and in the amounts set forth in this Agreement if you remain continuously employed by the Company or an Affiliate of the Company until the date you become vested in accordance with the terms and conditions of this Agreement.

(b) The number of PRSUs that shall become earned, if any (the “Earned PRSUs”), following the end of the period commencing on [For relative performance awards – the Grant Date][For absolute performance awards – June 1, 2015] (the “Commencement Date”) and ending on [Insert Last Day of Fiscal Year 2018] (the “Performance Period”) shall be determined by multiplying the PRSUs by the Earned Percentage, calculated as set forth in Exhibit A to this Agreement, and may range from zero to one hundred fifty percent (150%) of the PRSUs.

(c) The Earned PRSUs, if any, shall vest as follows: (i) fifty percent (50%) shall vest on the third anniversary of the Grant Date, and (ii) fifty percent (50%) shall vest on the fourth anniversary of the Grant Date (the “End Date”).

(d) The calculations under this Section 3 shall be made by the Committee following the end of the Performance Period and any vesting resulting from such calculations shall be effective as of the applicable vesting date. Any PRSUs that do not vest on a vesting date pursuant to the terms of Section 3 or 5 shall be immediately and irrevocably forfeited, including the right to receive cash payments and other distributions pursuant to Sections 8(b) and (c) hereof, as of such vesting date.

(e) The Committee administering the Plan shall have the authority to make any determinations regarding questions arising from the application of the provisions of this Section 3, which determination shall be final, conclusive and binding on you and the Company.

4. Definitions of Change in Control, Cause and Good Reason.

(a) Change in Control. For purposes of this Agreement, a “Change in Control” shall mean:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (x) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 4(a)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any company controlled by, controlling or under common control with the Company or (D) any acquisition pursuant to a transaction that complies with Sections 4(a)(ii)(x), (y) and (z);

(ii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its

subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, (x) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (y) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (z) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iii) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) Cause. Your employment may be terminated for Cause if the Committee administering the Plan, after you shall have been afforded a reasonable opportunity to appear in person together with counsel before the Committee and to present such evidence as you deemed appropriate, determines that Cause exists. For purposes of this Agreement, “Cause” means (i) an act or acts of fraud or misappropriation on your part which result in or are intended to result in your personal enrichment at the expense of the Company and which constitute a criminal offense under State or Federal laws, (ii) your continued failure to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Committee, which demand specifically identifies the manner in which the Committee believes that you have not substantially performed your duties; (iii) your willful engagement in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise; or (iv) your conviction of,

or entering into a plea of either guilty or nolo contendere to, any felony, including, but not limited to, a felony involving moral turpitude, embezzlement, theft or similar act that occurred during or in the course of your employment with the Company. For purposes of this Agreement, an act, or failure to act, shall not be deemed to be “willful” unless it is done, or omitted to be done, by you in bad faith or without a reasonable belief that the action or omission was in the best interests of the Company.

(c) Good Reason. For purposes of this Agreement, “Good Reason” means:

(i) without your express written consent, (A) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (B) any other substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (A) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (B) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate’s entitlement to settlement of the PRSUs as provided hereunder upon a termination of employment for Good Reason.

5. Forfeiture; Early Vesting.

(a) If you cease to be employed by the Company or an Affiliate of the Company prior to the vesting or forfeiture of the PRSUs pursuant to Section 3 hereof, your rights to all of the PRSUs shall be immediately and irrevocably forfeited, including the right to receive cash payments and other distributions pursuant to Sections 8(b) and (c) hereof, except that:

(i) If, within two years after the date of the consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, the Earned Percentage shall be deemed to be one

hundred percent (100%) and you shall become immediately and unconditionally vested in all of the Earned PRSUs. If you are a person otherwise described in this Section 5(a)(i) but you are also described in Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi), then you shall be entitled to vested PRSUs as described in this Section 5(a)(i) in lieu of the amounts otherwise described in Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi). If you are otherwise described in Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi) and you voluntarily separate from service for a reason other than Good Reason within two years after the date of a Change in Control that occurs after the Grant Date, then you shall be entitled to vested PRSUs as described in Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi), as applicable, with the Earned Percentage described under this Section 5(a)(i).

(ii) Except as otherwise provided in Section 5(a)(i) above, if you retire on or after age 65 with five years of service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings Plan) (“Normal Retirement”) prior to the vesting or forfeiture of the PRSUs pursuant to Section 3 hereof, then the number of PRSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PRSUs, if any, shall become fully vested (x) as of the last day of the Performance Period if you retire on or prior to the third anniversary of the Grant Date or (y) as of the date of your Normal Retirement if you retire after the third anniversary of the Grant Date.

(iii) Except as otherwise provided in Section 5(a)(i) above, if you retire on or after age 55 with ten years of service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings Plan) but before Normal Retirement (“Early Retirement”) prior to the vesting or forfeiture of the PRSUs pursuant to Section 3 hereof, then the number of PRSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PRSUs, if any, shall become vested (x) as of the last day of the Performance Period if you retire on or prior to the third anniversary of the Grant Date, or (y) as of the date of your Early Retirement if you retire after the third anniversary of the Grant Date, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date of your Early Retirement divided by the number of full months during the period commencing on the Commencement Date and ending on the End Date.

(iv) Except as otherwise provided in Section 5(a)(i) above, if your age and service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings Plan) is equal to or greater than 70 on the date your employment is involuntarily terminated without Cause (“Involuntary Termination”) prior to the vesting or forfeiture of the PRSUs pursuant to Section 3 hereof, then the number of PRSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PRSUs, if any, shall become vested (x) as of the last day of

the Performance Period if your Involuntary Termination occurs on or prior to the third anniversary of the Grant Date, or (y) as of the date of your Involuntary Termination if such termination occurs after the third anniversary of the Grant Date, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date of your Involuntary Termination divided by the number of full months during the period commencing on the Commencement Date and ending on the End Date.

(v) If you die prior to the vesting or forfeiture of the PRSUs pursuant to Section 3, the Earned Percentage shall be deemed to be one hundred percent (100%) and you shall become immediately and unconditionally vested in all of the Earned PRSUs as of the date of your death.

(vi) Except as otherwise provided in Section 5(a)(i) above, if you become Disabled (as defined below) prior to the vesting or forfeiture of the PRSUs pursuant to Section 3 hereof, then the number of PRSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PRSUs, if any, shall become vested (x) as of the last day of the Performance Period if you become Disabled on or prior to the third anniversary of the Grant Date, or (y) as of the date on which you become Disabled if such date occurs after the third anniversary of the Grant Date, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date on which the Committee administering the Plan makes the determination that you are Disabled divided by the number of full months during the period commencing on the Commencement Date and ending on the End Date. For purposes of this Agreement, “Disabled” or “Disability” means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.

(b) If you are an executive officer of the Company and filing reports with the Securities and Exchange Commission pursuant to Section 16 of the Securities Exchange Act of 1934, as amended, then this PRSU Award has been awarded subject to the Darden Restaurants, Inc. Management and Professional Incentive Plan (the “MIP”), and this PRSU Award shall be cancelled, forfeited and returned to the Company unless all of the requirements set forth in the MIP for the year to which the grant of this PRSU Award relates are satisfied.

6. Restriction on Transfer.

Except as contemplated by Section 8(a), none of the PRSUs may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the PRSUs, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the PRSUs.

7. Financial Restatements.

This Section 7 only applies to you if at any time you were or are designated as an officer-level employee in the Company payroll system with the Peoplesoft identifier “OFC” or its equivalent. Notwithstanding the provisions of Sections 3, 5 and 8 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, repay to the Company any shares of Common Stock received by you or your personal representative pursuant to Section 8(c) of this Agreement, return to the Company any shares of Common Stock received by you or your personal representative from the payment of the PRSUs pursuant to Section 8 of this Agreement and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends and other distributions of cash or property received by you or your personal representative with respect to, any shares of Common Stock received by you or your personal representative from the payment of the PRSUs pursuant to Section 8 of this Agreement, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, all of your rights to PRSUs that are not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited, including the right to receive cash payments and other distributions on such PRSUs pursuant to Sections 8(b) and (c) of this Agreement. Notwithstanding anything to the contrary in this Section 7, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 7 with respect to you.

8. Settlement of PRSUs; Issuance of Common Stock.

(a) No shares of Common Stock shall be issued to you (or your beneficiary or, if none, your estate in the event of your death) prior to the date on which the applicable PRSUs vest, in accordance with the terms and conditions set forth in this Agreement.

(i) Except as otherwise provided in this Section 8(a), the Company shall promptly following the third anniversary of the Grant Date or the fourth anniversary of the Grant Date, as applicable, but no later than the 15th day of the third month following the end of the Company’s taxable year that includes the third anniversary of the Grant Date or the fourth anniversary of the Grant Date, as applicable, with respect to PRSUs that vest pursuant to Section 3(c) hereof, subject to any applicable withholding taxes pursuant to Section 11 hereof, cause the shares of Common Stock underlying your vested PRSUs (as adjusted by the applicable Earned Percentage) to be delivered, either by book-entry registration or in the form of a stock certificate or certificates, registered in your name.

(ii) In the event that your employment terminates in accordance with the provisions of Sections 5(a)(i) or 5(a)(v) hereof, the Company shall promptly following the date on which your employment with the Company terminates, but no later than the 15th day of the third month following the end of the Company’s

taxable year that includes the date on which your employment with the Company terminates, with respect to PRSUs that vest pursuant to Sections 5(a)(i) or 5(a)(v) hereof, subject to any applicable withholding taxes pursuant to Section 11 hereof, cause the shares of Common Stock underlying your vested PRSUs (as adjusted by the applicable Earned Percentage) to be delivered, either by book-entry registration or in the form of a stock certificate or certificates, registered in your name or in the names of your legal representatives, beneficiaries or heirs, as the case may be.

(iii) In the event that your employment terminates in accordance with the provisions of Section 5(a)(iv) hereof, the Company shall (x) promptly following the last day of the Performance Period, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the last day of the Performance Period, with respect to PRSUs that vest pursuant to Section 5(a)(iv) hereof on account of your termination of employment with the Company on or prior to the third anniversary of the Grant Date, or (y) promptly following the date on which your employment with the Company terminates, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the date on which your employment with the Company terminates, with respect to PRSUs that vest pursuant to Section 5(a)(iv) hereof on account of your termination of employment with the Company after the third anniversary of the Grant Date, and, in each case, subject to any applicable withholding taxes pursuant to Section 11 hereof, cause the shares of Common Stock underlying your vested PRSUs (as adjusted by the applicable Earned Percentage) to be delivered, either by book-entry registration or in the form of a stock certificate or certificates, registered in your name or in the names of your legal representatives, beneficiaries or heirs, as the case may be.

(iv) In the event that your employment terminates in accordance with the provisions of Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi) hereof, the Company shall (x) promptly following the last day of the Performance Period, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the last day of the Performance Period, with respect to PRSUs that vest pursuant to Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi) hereof on account of your termination of employment with the Company on or prior to the third anniversary of the Grant Date, or (y) during the month of August of the calendar year in which the fourth anniversary of the Grant Date occurs, with respect to PRSUs that vest pursuant to Sections 5(a)(ii), 5(a)(iii) or 5(a)(vi) hereof on account of your eligibility for retirement or termination of employment with the Company after the third anniversary of the Grant Date, and, in each case, subject to any applicable withholding taxes pursuant to Section 11 hereof, cause the shares of Common Stock underlying your vested PRSUs (as adjusted by the applicable Earned Percentage) to be delivered, either by book-entry registration or in the form of a stock certificate or certificates, registered in your name or in the names of your legal representatives, beneficiaries or heirs, as the case may be.

Notwithstanding the foregoing, any distribution (including any distribution of amounts otherwise described in Sections 8(b) and (c) below) to any “specified employee” as determined in accordance with procedures adopted by the Company that reflect the requirements of Code Section 409A(a)(2)(B)(i) (and any applicable guidance thereunder), that constitutes “deferred compensation” under Code Section 409A and is on account of such employee’s “separation from service” (within the meaning of Code Section 409A) shall be made as soon as practicable after the first day of the seventh month following such separation from service (or, if earlier, the date of the specified employee’s death). The Company will not deliver any fractional share of Common Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Common Stock relating to any vested PRSU. In the event of your death after your retirement or termination of employment and before payment, the number of shares of Common Stock otherwise deliverable and the amount otherwise payable under this Section 8(a) shall be delivered or paid, as applicable, to your beneficiary or, if none, your estate as soon as practicable after your death. No transfer by will or the applicable laws of descent and distribution of any PRSUs which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

(b) On each date on which shares of Common Stock under Section 8(a) are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of additional shares of Common Stock, the number of any other securities of the Company and the value or actual issuance of any other property (in each case as determined by the Committee) (except for cash dividends and other cash distributions), in each case that the Company would have distributed to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Common Stock that are being delivered to you under Section 8(a) had such shares been issued to you on the Grant Date, without interest, and less any tax withholding amount applicable to such distribution. To the extent that the PRSUs are forfeited prior to vesting, the right to receive such distributions shall also be forfeited.

(c) On each date on which shares of Common Stock under Section 8(a) are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of shares of Common Stock having an aggregate Fair Market Value (as determined by the Committee) equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Common Stock that are being delivered to you under Section 8(a) had such shares been issued to you on the Grant Date, without interest, and less any applicable withholding taxes. To the extent that the PRSUs are forfeited prior to vesting, the right to receive such shares of Common Stock shall also be forfeited.

9. Lock-Up Period.

Notwithstanding anything to the contrary contained herein, you shall not sell or otherwise transfer any shares of Common Stock that are delivered to you under Section 8(a) hereof (less any applicable withholding taxes) in respect of any Earned PRSUs that become vested on the third anniversary of the Grant Date in accordance with Section 3(c) hereof for a period of one year following the third anniversary of the Grant Date (the "Lock-Up Period"); provided, however, that if your employment with the Company terminates for any reason during the Lock-Up Period, then the Lock-Up Period with respect to such shares of Common Stock shall end on the date of your termination of employment.

10. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Common Stock such that an adjustment of the PRSUs is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the PRSUs.

11. Taxes.

(a) You acknowledge that you will consult with your personal tax advisor regarding the income tax consequences of the grant of the PRSUs, the receipt of cash payments or other distributions pursuant to Section 8 hereof, the vesting of the PRSUs and the receipt of shares of Common Stock upon the settlement of the PRSUs, and any other matters related to this Agreement. In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the vesting of the PRSUs and the corresponding receipt of shares of Common Stock and cash payments by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Common Stock or cash otherwise to be delivered or paid having a Fair Market Value equal to the minimum statutory withholding amount or such greater amount as may be permitted under applicable accounting standards, or (iii) delivering to the Company shares of Common Stock having a Fair Market Value

equal to the amount of such taxes. Your election must be made on or before the date that the amount of tax to be withheld is determined.

12. Restrictive Covenants.

(a) Non-Disclosure.

(i) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under applicable law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities, (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by employee in furtherance of employee's duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential ("Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by you concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(ii) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of your employment with the

Company and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(iii) Upon request by the Company and, in any event, upon termination of the your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(iv) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the applicable law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor, directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the full service restaurant business.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in this Section 12(b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (i) issued by any Direct Competitor, and (ii) publicly traded on a national securities exchange or over-the-counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact during the last two years of your employment, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company. "Person" means any individual, firm, partnership, association, corporation, limited liability entity, trust, venture or other business organization, entity or enterprise.

(d) Non-Recruitment. You agree that during the course of your employment with the Company and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 12(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 12(c) above and this Section 12(d) shall be limited to apply only where you use or disclose Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of marketing, developing and establishing its restaurant brands and concepts on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its restaurant brands and concepts, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the

Company to take steps to protect its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to any award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

13. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee

administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest. To the extent that any Award granted by the Company is subject to Code Section 409A, such Award shall be subject to terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

(b) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate of the Company. In addition, the Company or an Affiliate of the Company may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Reservation of Shares. The Company shall at all times prior to the vesting of the PRSUs reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the requirements of this Agreement.

(d) Securities Matters. The Company shall not be required to deliver any shares of Common Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(e) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(f) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida pursuant to the Darden dispute resolution program.

(g) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). You agree that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(h) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(i) Award Agreement and Related Documents. This PRSU Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a PRSU grant. **YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE MORGAN STANLEY SMITH BARNEY WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR PRSU GRANT.** In connection with your PRSU grant and this Award Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

**DARDEN RESTAURANTS, INC.
2002 STOCK INCENTIVE PLAN**

FY [____] NON-QUALIFIED STOCK OPTION AGREEMENT

This Non-Qualified Stock Option Agreement is between Darden Restaurants, Inc., a Florida corporation (the “Company” or “Corporation”), and you, a person notified by the Company and identified in the Company’s records, as the recipient of a Non-Qualified Stock Option Grant during the Company’s fiscal year [____]. This Agreement is effective as of the date of grant communicated to you and set forth in the Company’s records (the “Grant Date”).

The Company desires to provide you with an opportunity to purchase shares of the Company’s Common Stock, no par value (the “Common Stock”), as provided in this Agreement in order to carry out the purpose of the Company’s 2002 Stock Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Grant of Option.

The Company hereby grants to you, effective as of the Grant Date, the right and option (the “Option”) to purchase all or any part of the aggregate number of shares of Common Stock communicated to you and set forth in the Company’s records, on the terms and conditions contained in such communication, this Agreement and the Plan. The Option is not intended to be an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).

2. Exercise Price.

The per share purchase price of the shares subject to the Option shall be the purchase price per share communicated to you and set forth in the Company’s records.

3. Term of Option and Exercisability.

The term of the Option shall be for a period of ten years from the Grant Date, terminating at the close of business on the expiration date communicated to you and set forth in the Company’s records (the “Expiration Date”) or such shorter period as is prescribed in Sections 5, 6 and 7 of this Agreement. The Option shall become exercisable, or vest, on the date or dates communicated to you and set forth in the Company’s records, subject to the provisions of Sections 5, 6 and 7 of this Agreement. To the extent the Option is exercisable, you may exercise it in whole or in part, at any time, or from time to time, prior to the termination of the Option.

4. Definitions of Change in Control, Cause and Good Reason.

(a) Change in Control. For purposes of this Agreement, a “Change in Control” shall mean:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (x) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 4(a)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any company controlled by, controlling or under common control with the Company or (D) any acquisition pursuant to a transaction that complies with Sections 4(a)(ii)(x), (y) and (z);

(ii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, (x) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (y) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (z) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iii) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) Cause. Your employment may be terminated for Cause if the Committee administering the Plan, after you shall have been afforded a reasonable opportunity to appear in person together with counsel before the Committee and to present such evidence as you deemed appropriate, determines that Cause exists. For purposes of this Agreement, “Cause” means (i) an act or acts of fraud or misappropriation on your part which result in or are intended to result in your personal enrichment at the expense of the Company and which constitute a criminal offense under State or Federal laws, (ii) your continued failure to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Committee, which demand specifically identifies the manner in which the Committee believes that you have not substantially performed your duties; (iii) your willful engagement in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise; or (iv) your conviction of, or entering into a plea of either guilty or nolo contendere to, any felony, including, but not limited to, a felony involving moral turpitude, embezzlement, theft or similar act that occurred during or in the course of your employment with the Company. For purposes of this Agreement, an act, or failure to act, shall not be deemed to be “willful” unless it is done, or omitted to be done, by you in bad faith or without a reasonable belief that the action or omission was in the best interests of the Company.

(c) Good Reason. For purposes of this Agreement, “Good Reason” means:

(i) without your express written consent, (A) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (B) any other substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (A) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (B) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a

notice of termination for Good Reason shall not affect your estate's entitlement to accelerated vesting of the Option as provided hereunder upon a termination of employment for Good Reason.

5. Effect of Termination of Employment.

(a) If you cease to be employed by the Company or an Affiliate of the Company and the Option is not a Salary Replacement Option or a Bonus Replacement Option as indicated in the Company's records, any portion of the Option that was not vested on the date of your termination of employment shall be forfeited and any portion of the Option that was vested on the date of your termination of employment may be exercised until the earlier of (x) the Expiration Date and (y) the date that is three months after the date of your termination of employment, except that:

(i) Notwithstanding the vesting provisions contained in Section 3 above, but subject to the other terms and conditions contained in this Agreement, if, within two years after the date of a consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, the Option shall become immediately exercisable in full and the Option shall expire on the earlier of (i) the Expiration Date and (ii) the date that is five years after the date of your termination of employment.

(ii) If the Company or an Affiliate of the Company terminates your employment involuntarily and not for Cause, and your combined age and years of service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings plan) equal at least 70, then (A) any portion of the Option that has not vested as of the date of your termination of employment shall vest on a pro rata basis and become immediately exercisable, based on the number of full months of employment completed from the Grant Date to the date of your termination of employment divided by the number of full months in the vesting period for any unvested portion of the Option, (B) any portion of the Option that has not vested pursuant to the foregoing provisions shall be forfeited and (C) any portion of the Option that has vested (including any portion of the Option that has vested pursuant to the foregoing provisions) may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your termination of employment;

(iii) If you retire on or after age 65 with five years of service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings plan) ("Normal Retirement"), the Option shall become immediately exercisable in full and may be exercised until the Expiration Date;

(iv) If you retire on or after age 55 with ten years of service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings plan) but before Normal Retirement ("Early Retirement"), then (A) any portion of the Option that has not vested as of the date

of your Early Retirement shall vest on a pro rata basis and become immediately exercisable, based on the number of full months of employment completed from the Grant Date to the date of your Early Retirement divided by the number of full months in the vesting period for any unvested portion of the Option, (B) any portion of the Option that has not vested pursuant to the foregoing provisions shall be forfeited and (C) any portion of the Option that has vested (including any portion of the Option that has vested pursuant to the foregoing provisions) may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your Early Retirement;

(v) If you die while employed by the Company or an Affiliate of the Company, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your death. The Option may be exercised by your personal representative or the administrators of your estate or by any Person or Persons to whom the Option has been transferred by will or the applicable laws of descent and distribution; or

(vi) If you become Disabled (as defined below) while employed by the Company or an Affiliate of the Company, the Option shall become immediately exercisable in full as of the Disability Date (as defined below) and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date on which the Committee administering the Plan makes the determination that you are Disabled (the "Disability Date"). The Option may be exercised by your personal representative. For purposes of this Agreement, "Disabled" or "Disability" means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.

(b) If you cease to be employed by the Company or an Affiliate of the Company and the Option is a Salary Replacement Option or a Bonus Replacement Option as indicated in the Company's records, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is three months after the date of your termination of employment, except that:

(iii) Notwithstanding the vesting provisions contained in Section 3 above, but subject to the other terms and conditions contained in this Agreement, if, within two years after the date of a consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, the Option shall become immediately exercisable in full and the Option shall expire on the earlier of (i) the Expiration Date and (ii) the date that is five years after the date of your termination of employment.

(iv) If the Company or an Affiliate of the Company terminates your employment involuntarily and not for Cause, and your combined age and years of

service with the Company or an Affiliate of the Company (pursuant to the method for crediting service under the Darden Savings plan) equal at least 70, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your termination of employment;

(v) If you retire under Normal Retirement, the Option shall become immediately exercisable in full and may be exercised until the Expiration Date;

(vi) If you retire under Early Retirement, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your Early Retirement;

(vii) If you die while employed by the Company or an Affiliate of the Company, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your death. The Option may be exercised by your personal representative or the administrators of your estate or by any Person or Persons to whom the Option has been transferred by will or the applicable laws of descent and distribution; or

(viii) If you become Disabled while employed by the Company or an Affiliate of the Company, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the Disability Date. The Option may be exercised by your personal representative.

6. Restrictive Covenants.

(a) Non-Disclosure.

(ix) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under applicable law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities, (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by employee in furtherance of employee's duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the

Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and, (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential ("Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by employee concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(x) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of employment and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without Cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(xi) Upon request by the Company and, in any event, upon termination of the your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at

its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(xii) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the applicable law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor, directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the full service restaurant business.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in paragraph (b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (i) issued by any Direct Competitor, and (ii) publicly traded on a national securities exchange or over-the-counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact during the last two years of your employment, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company. "Person" means any individual, firm, partnership, association, corporation, limited liability entity, trust, venture or other business organization, entity or enterprise.

(d) Non-Recruitment. You agree that during the course of employment and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provision of this paragraph shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in paragraph (c) above and this paragraph (d) shall be limited to apply only where Employee uses or discloses Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of marketing, developing and establishing its restaurant brands and concepts on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its restaurant brands and concepts, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Award Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement,

the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to any award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

7. Financial Restatements.

This Section 7 only applies to you if at any time you were or are designated as an officer-level employee in the Company payroll system with the Peoplesoft identifier "OFC" or its equivalent. Notwithstanding the provisions of Sections 3, 5 and 8 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, return to the Company any shares of Common Stock received by you or your personal representative from the exercise of the Option and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends or other distributions of cash or property received by you or your personal representative with respect to, any shares of Common Stock received by you or your personal representative from the exercise of the Option, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, any portion of the Option that is not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited and any portion of the Option that is vested on such date shall immediately cease to be exercisable and shall be immediately and irrevocably forfeited. Notwithstanding anything to the contrary in this Section 7, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 7 with respect to you.

8. Method of Exercising Option.

(a) Subject to the terms and conditions of this Agreement, you may exercise your Option by following the procedures established by the Company from time to time. In addition, you may exercise your Option by written notice to the Company as provided in Section 11 of this Agreement that states (i) your election to exercise the Option, (ii) the Grant Date of the Option, (iii) the purchase price of the shares, (iv) the number of shares as to which the Option is being exercised, (v) the manner of payment and (vi) the manner of payment for any income tax withholding amount. The notice shall be signed by you or the Person or Persons exercising the Option. The notice shall be accompanied by payment in full of the exercise price for all shares designated in the notice. To the extent that the Option is exercised after your death or the Disability Date, the notice of exercise

shall also be accompanied by appropriate proof of the right of such Person or Persons to exercise the Option.

(b) Payment of the exercise price shall be made to the Company through one or a combination of the following methods:

(i) cash, in United States currency (including check, draft, money order or wire transfer made payable to the Company); or

(ii) delivery (either actual delivery or by attestation) of shares of Common Stock acquired by you more than six months prior to the date of exercise having a Fair Market Value on the date of exercise equal to the Option exercise price. You shall represent and warrant in writing that you are the owner of the shares so delivered, free and clear of all liens, encumbrances, security interests and restrictions, and you shall duly endorse in blank all certificates delivered to the Company.

9. Taxes.

(a) You acknowledge that you will consult with your personal tax adviser regarding the income tax consequences of exercising the Option or any other matters related to this Agreement. If you are employed by the Company or an Affiliate of the Company, in order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the exercise of the Option by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Common Stock otherwise to be delivered upon exercise of the Option having a Fair Market Value equal to the amount of such taxes, or (iii) delivering to the Company shares of Common Stock having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional share of Common Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share. Your election must be made on or before the date that the amount of tax to be withheld is determined.

10. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the shares covered by the Option such that an

adjustment is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee administering the Plan shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of the shares covered by the Option and the exercise price of the Option.

11. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest.

(b) No Rights as a Shareholder. Neither you nor your legal representatives shall have any of the rights and privileges of a shareholder of the Company with respect to the shares of Common Stock subject to the Option unless and until such shares are issued upon exercise of the Option.

(c) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate of the Company. In addition, the Company or an Affiliate of the Company may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(d) Option Not Transferable. Except as otherwise provided by the Plan or by the Committee administering the Plan, the Option shall not be transferable other than by will or by the laws of descent and distribution and the Option shall be exercisable during your lifetime only by you or, if permissible under applicable law, by your guardian or legal representative. The Option may not be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance of the Option shall be void and unenforceable against the Company or any Affiliate of the Company.

(e) Reservation of Shares. The Company shall at all times during the term of the Option reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the requirements of this Agreement.

(f) Securities Matters. The Company shall not be required to deliver any shares of Common Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(g) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be

deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(h) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida pursuant to the Darden dispute resolution program.

(i) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Employee agrees that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(j) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(k) Award Agreement and Related Documents. This Non-Qualified Stock Option Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a Non-Qualified Stock Option grant. **YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE MORGAN STANLEY SMITH BARNEY WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR STOCK OPTION GRANT.** In connection with your Non-Qualified Stock Option grant and this Award Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

**DARDEN RESTAURANTS, INC.
2015 OMNIBUS INCENTIVE PLAN**

FY [] NONQUALIFIED STOCK OPTION AWARD AGREEMENT

This Nonqualified Stock Option Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company” or “Corporation”), and you, a person notified by the Company and identified in the Company’s records, as the recipient of a Nonqualified Stock Option grant during the Company’s fiscal year []. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company’s records.

The Company desires to provide you with an opportunity to purchase shares of Stock, as provided in this Agreement in order to carry out the purpose of the Company’s 2015 Omnibus Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Grant of Option.

The Company hereby grants to you, effective as of the Grant Date, an Option to purchase all or any part of the aggregate number of shares of Stock communicated to you and set forth in the Company’s records, on the terms and conditions contained in such communication, this Agreement and the Plan. The Option is not intended to be an incentive stock option within the meaning of Section 422 of the Code.

2. Option Price.

The Option Price of the shares of Stock subject to the Option shall be the purchase price per share communicated to you and set forth in the Company’s records.

3. Term of Option and Exercisability.

The term of the Option shall be for a period of ten years from the Grant Date, terminating at the close of business on the expiration date communicated to you and set forth in the Company’s records (the “Expiration Date”) or such shorter period as is prescribed in Sections 4, 5 and 6 of this Agreement. The Option shall become exercisable, or vest, on [vesting schedule variable], subject to the provisions of Sections 4, 5 and 6 of this Agreement. To the extent the Option is exercisable, you may exercise it in whole or in part, at any time, or from time to time, prior to the termination of the Option.

4. Effect of Termination of Employment.

- (a) If you cease to be employed by the Company or an Affiliate, any portion of the Option that was not vested on the date of your termination of employment shall be forfeited and any portion of the Option that was vested on the date of your termination of employment may be exercised until the earlier of (x) the Expiration

Date and (y) the date that is three months after the date of your termination of employment, except that:

- (i) If, within two years after the date of a consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, the Option shall become immediately exercisable in full and the Option shall expire on the earlier of (i) the Expiration Date and (ii) the date that is five years after the date of your termination of employment.
- (ii) If the Company or an Affiliate terminates your employment involuntarily and not for Cause, and your combined age and years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings plan) equal at least 70, then (A) any portion of the Option that has not vested as of the date of your termination of employment shall vest on a pro rata basis and become immediately exercisable, based on the number of full months of employment completed from the Grant Date to the date of your termination of employment divided by the number of full months in the vesting period for any unvested portion of the Option, (B) any portion of the Option that has not vested pursuant to the foregoing provisions shall be forfeited and (C) any portion of the Option that has vested (including any portion of the Option that has vested pursuant to the foregoing provisions) may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your termination of employment;
- (iii) [If you retire on or after age 65 with five years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings plan) (“Normal Retirement”), the Option shall become immediately exercisable in full and may be exercised until the Expiration Date;]
- (iv) [If you retire on or after age 55 with ten years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings plan) but before Normal Retirement (“Early Retirement”), then (A) any portion of the Option that has not vested as of the date of your Early Retirement shall vest on a pro rata basis and become immediately exercisable, based on the number of full months of employment completed from the Grant Date to the date of your Early Retirement divided by the number of full months in the vesting period for any unvested portion of the Option, (B) any portion of the Option that has not vested pursuant to the foregoing provisions shall be forfeited and (C) any portion of the Option that has vested (including any portion of the Option that has vested pursuant to the foregoing provisions) may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your Early Retirement;]

- (v) If you die while employed by the Company or an Affiliate, the Option shall become immediately exercisable in full and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date of your death. The Option may be exercised by your personal representative or the administrators of your estate or by any Person or Persons to whom the Option has been transferred by will or the Applicable Laws of descent and distribution; or
 - (vi) If you become Disabled (as defined below) while employed by the Company or an Affiliate, the Option shall become immediately exercisable in full as of the Disability Date (as defined below) and may be exercised until the earlier of (x) the Expiration Date and (y) the date that is five years after the date on which the Committee administering the Plan makes the determination that you are Disabled (the “Disability Date”). The Option may be exercised by your personal representative. For purposes of this Agreement, “Disabled” or “Disability” means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.
- (b) For purposes of this Agreement, “Good Reason” means:
- (i) without your express written consent, (a) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (b) any other substantial adverse change in such position (including titles), authority or responsibilities; or
 - (ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (a) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (b) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate’s

entitlement to accelerated vesting of the Option as provided hereunder upon a termination of employment for Good Reason.

5. Restrictive Covenants.

(a) Non-Disclosure.

- (iii) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under Applicable Law) and confidential or proprietary information, which includes the following, whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities (as defined below), (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by you in furtherance of your duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential (collectively, "Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by you concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

- (iv) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of your employment with the Company and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without Cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.
 - (v) Upon request by the Company and, in any event, upon termination of your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.
 - (vi) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the Applicable Law relating to Trade Secrets.
- (b) Non-Competition . You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without Cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services that you provided to the Company, on behalf of any Direct Competitor (as defined below), directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor,

consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the full service restaurant business.

- (i) If you are a resident of California and subject to its laws, the restrictions set forth in Section 5(b) above shall not apply to you.
 - (ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (i) issued by any Direct Competitor, and (ii) publicly traded on a national securities exchange or over-the-counter market.
- (c) Non-Solicitation. You agree that you shall not at any time during your employment with the Company and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact (as defined below) during the last two years of your employment with the Company, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company.
- (d) Non-Recruitment. You agree that during the course of your employment with the Company and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 5(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 5(c) above and this Section 5(d) shall be limited to apply only where you use or disclose Confidential Information or Trade Secrets when engaging in the restricted activities.

- (e) Acknowledgements. You acknowledge that the Company is in the business of marketing, developing and establishing its restaurant brands and concepts on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its restaurant brands and concepts, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.
- (f) Survival of Covenants. The provisions and restrictive covenants in this Section 5 of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section 5. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section 5, prior to the commencement of any such affiliation or employment.
- (g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.
- (h) Forfeiture. In the event that you violate the terms of this Section 5, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to the Award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

6. Financial Restatements.

This Section 6 only applies to you if at any time you were or are designated as an executive officer of the Company. Notwithstanding the provisions of Sections 3, 5 and 7 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, return to the Company any shares of Stock received by you or your personal representative from the exercise of the Option and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends or other distributions of cash or property received by you or your personal representative with respect to, any shares of Stock received by you or your personal representative from the exercise of the Option, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, any portion of the Option that is not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited and any portion of the Option that is vested on such date shall immediately cease to be exercisable and shall be immediately and irrevocably forfeited. Notwithstanding anything to the contrary in this Section 6, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 6 with respect to you.

7. Method of Exercising Option.

- (a) Subject to the terms and conditions of this Agreement, you may exercise your Option by following the procedures established by the Company from time to time. In addition, you may exercise your Option by written notice to the Company as provided in Section 10 of this Agreement that states (i) your election to exercise the Option, (ii) the Grant Date of the Option, (iii) the Option Price of the shares of Stock subject to the Option, (iv) the number of shares of Stock as to which the Option is being exercised, (v) the manner of payment and (vi) the manner of payment for any income tax withholding amount. The notice shall be signed by you or the Person or Persons exercising the Option. The notice shall be accompanied by payment in full of the Option Price for all shares of Stock designated in the notice. To the extent that the Option is exercised after your death or the Disability Date, the notice of exercise shall also be accompanied by appropriate proof of the right of such Person or Persons to exercise the Option.
- (b) Payment of the Option Price shall be made to the Company through one or a combination of the following methods:
 - (i) cash, in United States currency (including check, draft, money order or wire transfer made payable to the Company);
 - (ii) delivery (either actual delivery or by attestation) of shares of Stock acquired by you more than six months prior to the date of exercise having a Fair Market Value on the date of exercise equal to the Option Price. You shall represent and warrant in writing that you are the owner of the shares

of Stock so delivered, free and clear of all liens, encumbrances, security interests and restrictions, and you shall duly endorse in blank all certificates delivered to the Company;

- (iii) to the extent permitted by Applicable Laws and the Company, delivery (on a form acceptable to the Committee) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the proceeds of such sale to the Company in payment of the Option Price; or
- (iv) with the consent of the Company, by having the Company withhold the number of shares of Stock that would otherwise be issuable in an amount equal in value to the Option Price.

8. Taxes.

- (a) You acknowledge that you will consult with your personal tax adviser regarding the income tax consequences of exercising the Option or any other matters related to this Agreement. If you are employed by the Company or an Affiliate, in order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.
- (b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the exercise of the Option by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Stock otherwise to be delivered upon exercise of the Option having a Fair Market Value equal to the amount of such taxes, or (iii) delivering to the Company shares of Stock having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share. Your election must be made on or before the date that the amount of tax to be withheld is determined. The maximum number of shares of Stock that may be withheld to satisfy any applicable tax withholding obligations arising from the exercise of the Option may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any federal, state, or local taxing authority with respect to such exercise, or such greater amount as may be permitted under applicable accounting standards.

9. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Stock, other securities or other property),

recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the shares of Stock covered by the Option such that an adjustment is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee administering the Plan shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of the shares covered by the Option and the Option Price of the Option.

10. General Provisions.

- (a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest.
- (b) No Rights as a Shareholder. Neither you nor your legal representatives shall have any of the rights and privileges of a shareholder of the Company with respect to the shares of Stock subject to the Option unless and until such shares are issued upon exercise of the Option.
- (c) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.
- (d) Option Not Transferable. Except as otherwise provided by the Plan or by the Committee administering the Plan, the Option shall not be transferable other than by will or by the laws of descent and distribution and the Option shall be exercisable during your lifetime only by you or, if permissible under Applicable Law, by your guardian or legal representative. The Option may not be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance of the Option shall be void and unenforceable against the Company or any Affiliate.
- (e) Reservation of Shares. The Company shall at all times during the term of the Option reserve and keep available such number of shares of Stock as will be sufficient to satisfy the requirements of this Agreement.
- (f) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules

or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

- (g) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.
- (h) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida pursuant to the Darden dispute resolution program.
- (i) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Subject to Section 10(h) hereof, you agree that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.
- (j) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

- (k) Award Agreement and Related Documents. This Nonqualified Stock Option Award Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a Nonqualified Stock Option grant. **YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE MORGAN STANLEY SMITH BARNEY WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR STOCK OPTION GRANT.** In connection with your Nonqualified Stock Option grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

DARDEN RESTAURANTS, INC.
2015 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS (QUARTERLY GRANT IN LIEU OF CASH RETAINER)

This Restricted Stock Unit Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company” or “Corporation”), and you, a person notified by the Company, and identified in the Company’s records, as the recipient of an Award of Restricted Stock Units during the Company’s fiscal year [____]. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company’s records.

The Company wishes to award to you a number of Restricted Stock Units, subject to certain restrictions as provided in this Agreement, in order to carry out the purpose of the Company’s 2015 Omnibus Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Restricted Stock Units.

The Company hereby grants to you, effective as of the Grant Date, an Award of Restricted Stock Units for that number of Restricted Stock Units communicated to you and set forth in the Company’s records (the “RSUs”), on the terms and conditions set forth in such communication, this Agreement and the Plan. Each RSU represents the right to receive one share of Stock.

2. Rights with Respect to the RSUs.

The RSUs granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Stock, other than the right to receive dividends and other distributions as provided in Sections 6(b) and 6(c) hereof.

3. Vesting.

The RSUs shall be fully vested on the Grant Date.

4. Restriction on Transfer.

No transfer by will or the Applicable Laws of descent and distribution of any RSUs shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer. Except as contemplated by the preceding sentence, none of the RSUs may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the RSUs, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the RSUs.

5. Settlement of RSUs.

The Company shall promptly, but no later than 30 days following the Grant Date, cause to be issued in your name one share of Stock for each RSU and pay to you any accumulated distributions pursuant to Sections 6(b) and (c) hereof. Notwithstanding the foregoing, you may elect to defer the settlement of the RSUs (and any accumulated distributions) beyond the Grant Date. Any deferral election must be made in compliance with such rules and procedures as may be established by the Committee administering the Plan.

6. Distributions and Adjustments.

(a) If any RSUs settle subsequent to any change in the number or character of the Stock of the Company (through any stock dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or otherwise) occurring after the Grant Date, you shall then receive upon such settlement the number and type of securities or other consideration which you would have received if such RSUs had settled prior to the event changing the number or character of the outstanding Stock.

(b) On the date on which shares of Stock under Section 5 are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of additional shares of Stock, the number of any other securities of the Company and the value or actual issuance of any other property (in each case as determined by the Committee) (except for cash dividends and other cash distributions), in each case that the Company would have distributed to you during the period commencing on the Grant Date and ending on the applicable settlement date of the RSUs in respect of the shares of Stock that are being delivered to you under Section 5 had such shares been issued to you on the Grant Date, without interest. Any such accumulated distributions shall be distributed to you in accordance with Section 5 hereof.

(c) On the date on which shares of Stock under Section 5 are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall make a cash payment to you (or your beneficiary or, if none, your estate in the event of your death) equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to you during the period commencing on the Grant Date and ending on the applicable settlement date of the RSUs in respect of the shares of Stock that are being delivered to you under Section 5 had such shares been issued to you on the Grant Date, without interest. Any such accumulated cash dividends or other cash distributions shall be distributed to you in accordance with Section 5 hereof.

7. General Provisions

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee

administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest.

(b) No Right to Board Service. Nothing in this Agreement or the Plan shall be construed as giving you the right to continue to serve on the Board.

(c) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(d) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(e) Arbitration. The parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida.

(f) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Subject to Section 7(e), you agree that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(g) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(h) Award Agreement and Related Documents. This Restricted Stock Unit Award Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a Restricted Stock Unit Award grant. You are not required to execute this Agreement, but you will have 60 days from the Grant Date to notify the Company of any issues regarding the terms and conditions of this Agreement; otherwise, you will be deemed to agree with them. In connection with your Restricted Stock Unit grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

**DARDEN RESTAURANTS, INC.
2015 OMNIBUS INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS**

This Restricted Stock Unit Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company” or “Corporation”), and you, a person notified by the Company, and identified in the Company’s records, as the recipient of an Award of Restricted Stock Units during the Company’s fiscal year [____]. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company’s records.

The Company wishes to award to you a number of Restricted Stock Units, subject to certain restrictions as provided in this Agreement, in order to carry out the purpose of the Company’s 2015 Omnibus Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Restricted Stock Units.

The Company hereby grants to you, effective as of the Grant Date, an Award of Restricted Stock Units for that number of Restricted Stock Units communicated to you and set forth in the Company’s records (the “RSUs”), on the terms and conditions set forth in such communication, this Agreement and the Plan. Each RSU represents the right to receive, subject to the vesting provisions set forth below, one share of Stock,.

2. Rights with Respect to the RSUs.

The RSUs granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Stock, other than the right to receive dividends and other distributions as provided in Sections 7(b) and 7(c) hereof. Your rights with respect to the RSUs shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the RSUs lapse, in accordance with Sections 3 or 4 hereof.

3. Vesting.

Subject to the terms and conditions of this Agreement, the RSUs shall vest, and the restrictions with respect to the RSUs shall lapse, on the earlier of (i) the first anniversary of the Grant Date or (ii) the date of the Company’s next annual meeting of shareholders, subject to Section 4 of this Agreement.

4. Early Vesting; Forfeiture.

(a) If your service on the Board terminates other than by reason of your death or Disability (as defined below) prior to the vesting of the RSUs pursuant to Section 3 hereof, your rights to all of the unvested RSUs shall be immediately and irrevocably forfeited.

(b) If you die prior to the vesting of the RSUs pursuant to Section 3 hereof, then you shall become immediately and unconditionally vested in all RSUs and the restrictions with respect to all RSUs shall lapse on the date of your death. No transfer by will or the Applicable Laws of descent and distribution of any RSUs which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

(c) If you become Disabled (as defined below) prior to the vesting of the RSUs pursuant to Section 3 hereof, then you shall become immediately and unconditionally vested in all RSUs and the restrictions with respect to all RSUs shall lapse on the date on which the Committee administering the Plan makes the determination that you are Disabled. For purposes of this Agreement, "Disabled" means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.

5. Restriction on Transfer.

Except as contemplated by Section 4(b) hereof, none of the RSUs may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the RSUs, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the RSUs.

6. Settlement of RSUs.

No shares of Stock shall be issued to you prior to the date on which the RSUs vest, in accordance with the terms and conditions communicated to you and set forth herein. After the RSUs vest pursuant to Sections 3 or 4 hereof, the Company shall promptly, but no later than 30 days following the applicable vesting date, cause to be issued in your name one share of Stock for each RSU and pay to you any accumulated distributions pursuant to Sections 7(b) and (c) hereof. Notwithstanding the foregoing, you may elect to defer the settlement of the RSUs (and any accumulated distributions) beyond the vesting date of the RSUs. Any deferral election must be made in compliance with such rules and procedures as may be established by the Committee administering the Plan.

7. Distributions and Adjustments.

(a) If any RSUs vest subsequent to any change in the number or character of the Stock of the Company (through any stock dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or otherwise) occurring after the Grant Date, you shall then receive upon such vesting the number and type of securities or other consideration which you would have received if such RSUs had vested prior to the event changing the number or character of the outstanding Stock.

(b) On the date on which shares of Stock under Section 6 are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall

also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of additional shares of Stock, the number of any other securities of the Company and the value or actual issuance of any other property (in each case as determined by the Committee) (except for cash dividends and other cash distributions), in each case that the Company would have distributed to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Stock that are being delivered to you under Section 6 had such shares been issued to you on the Grant Date, without interest. Any such accumulated distributions shall be distributed to you in accordance with Section 6 hereof. If the RSUs are forfeited prior to vesting, any accumulated distributions payable in respect of such RSUs shall also be forfeited.

(c) On the date on which shares of Stock under Section 6 are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall make a cash payment to you (or your beneficiary or, if none, your estate in the event of your death) equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Stock that are being delivered to you under Section 6 had such shares been issued to you on the Grant Date, without interest. If the RSUs are forfeited prior to vesting, any accumulated cash dividends or other cash distributions payable in respect of such RSUs shall also be forfeited.

8. General Provisions

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest.

(b) No Right to Board Service. Nothing in this Agreement or the Plan shall be construed as giving you the right to continue to serve on the Board.

(c) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(d) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(e) Arbitration. The parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida.

(f) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Subject to Section 8(e) hereof, you agree that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(g) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(h) Award Agreement and Related Documents. This Restricted Stock Unit Award Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a Restricted Stock Unit Award grant. You are not required to execute this Agreement, but you will have 60 days from the Grant Date to notify the Company of any issues regarding the terms and conditions of this Agreement; otherwise, you will be deemed to agree with them. In connection with your Restricted Stock Unit grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

**DARDEN RESTAURANTS, INC.
2015 OMNIBUS INCENTIVE PLAN**

**FY [____] PERFORMANCE STOCK UNIT AWARD AGREEMENT
(United States)**

This Performance Stock Unit Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company”), and you, a person notified by the Company, and identified in the Company’s records, as the recipient of an Award of performance-based Restricted Stock Units (“Performance Stock Units”) during the Company’s fiscal year [____]. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company’s records.

The Company wishes to award to you Performance Stock Units representing the opportunity to earn shares of Stock, subject to the terms and conditions set forth in this Agreement, in order to carry out the purpose of the Company’s 2015 Omnibus Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Performance Stock Units.

The Company hereby grants to you, effective as of the Grant Date, an Award of Performance Stock Units for that number of Performance Stock Units communicated to you and set forth in the Company’s records (the “PSUs”), on the terms and conditions set forth in such communication, this Agreement and the Plan. Each PSU represents the right to receive one share of Stock, subject to the terms and conditions set forth herein.

2. Rights with Respect to the PSUs.

The PSUs granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Stock. Your rights with respect to the PSUs shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the PSUs lapse, in accordance with Sections 3 or 4 hereof. Your right to receive cash payments and other distributions with respect to the PSUs is more particularly described in Sections 7(b) and (c) hereof.

3. Vesting.

(a) Subject to the terms and conditions of this Agreement, the Earned PSUs (as defined below), if any, shall vest, and the restrictions with respect to the PSUs shall lapse, on the dates and in the amounts set forth in this Agreement if you remain continuously employed by the Company or an Affiliate until the date you become vested in accordance with the terms and conditions of this Agreement.

(b) The number of PSUs that shall become earned, if any (the “Earned PSUs”), following the end of the period commencing on [_____] (the “Commencement Date”) and ending on [_____] (the “Performance Period”) shall be determined by multiplying

the PSUs by the Earned Percentage, calculated as set forth in Exhibit A to this Agreement, and may range from zero to one hundred fifty percent (150%) of the PSUs.

(c) The Earned PSUs, if any, shall vest as follows: (i) fifty percent (50%) shall vest on the third anniversary of the Grant Date, and (ii) fifty percent (50%) shall vest on the fourth anniversary of the Grant Date (the “End Date”).

(d) The calculations under this Section 3 shall be made by the Committee following the end of the Performance Period and any vesting resulting from such calculations shall be effective as of the applicable vesting date. Any PSUs that do not vest on a vesting date pursuant to the terms of Section 3 or 4 shall be immediately and irrevocably forfeited, including the right to receive cash payments and other distributions pursuant to Sections 7(b) and (c) hereof, as of such vesting date.

(e) The Committee administering the Plan shall have the authority to make any determinations regarding questions arising from the application of the provisions of this Section 3, which determination shall be final, conclusive and binding on you and the Company.

4. Forfeiture; Early Vesting.

If you cease to be employed by the Company or an Affiliate prior to the vesting or forfeiture of the PSUs pursuant to Section 3 hereof, your rights to all of the PSUs shall be immediately and irrevocably forfeited, including the right to receive cash payments and other distributions pursuant to Sections 7(b) and (c) hereof, except that:

(a) If, within two years after the date of the consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, the Earned Percentage shall be deemed to be one hundred percent (100%) and you shall become immediately and unconditionally vested in all of the Earned PSUs. If you are a person otherwise described in this Section 4(a) but you are also described in Sections 4(b), 4(c) or 4(f), then you shall be entitled to vested PSUs as described in this Section 4(a) in lieu of the amounts otherwise described in Sections 4(b), 4(c) or 4(f). If you are otherwise described in Sections 4(b), 4(c) or 4(f) and you voluntarily separate from service for a reason other than Good Reason within two years after the date of a Change in Control that occurs after the Grant Date, then you shall be entitled to vested PSUs as described in Sections 4(b), 4(c) or 4(f), as applicable, with the Earned Percentage described under this Section 4(a).

(b) [Except as otherwise provided in Section 4(a) above, if you retire on or after age 65 with five years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) (“Normal Retirement”) prior to the vesting or forfeiture of the PSUs pursuant to Section 3 hereof, then the number of PSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PSUs, if any, shall become fully vested (x) as of the last day of the Performance Period if you retire on or prior to the third anniversary of the Grant Date or (y) as of the date of your Normal Retirement if you retire after the third anniversary of the Grant Date.]

(c) [Except as otherwise provided in Section 4(a) above, if you retire on or after age 55 with ten years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) but before Normal Retirement (“Early Retirement”) prior to the vesting or forfeiture of the PSUs pursuant to Section 3 hereof, then the number of PSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PSUs, if any, shall become vested (x) as of the last day of the Performance Period if you retire on or prior to the third anniversary of the Grant Date, or (y) as of the date of your Early Retirement if you retire after the third anniversary of the Grant Date, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date of your Early Retirement divided by the number of full months during the period commencing on the Commencement Date and ending on the End Date.]

(d) Except as otherwise provided in Section 4(a) above, if your age and service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) is equal to or greater than 70 on the date your employment is involuntarily terminated without Cause (“Involuntary Termination”) prior to the vesting or forfeiture of the PSUs pursuant to Section 3 hereof, then the number of PSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PSUs, if any, shall become vested (x) as of the last day of the Performance Period if your Involuntary Termination occurs on or prior to the third anniversary of the Grant Date, or (y) as of the date of your Involuntary Termination if such termination occurs after the third anniversary of the Grant Date, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date of your Involuntary Termination divided by the number of full months during the period commencing on the Commencement Date and ending on the End Date.

(e) If you die prior to the vesting or forfeiture of the PSUs pursuant to Section 3, the Earned Percentage shall be deemed to be one hundred percent (100%) and you shall become immediately and unconditionally vested in all of the Earned PSUs as of the date of your death.

(f) Except as otherwise provided in Section 4(a) above, if you become Disabled (as defined below) prior to the vesting or forfeiture of the PSUs pursuant to Section 3 hereof, then the number of PSUs that become earned shall be determined at the end of the Performance Period in accordance with Section 3(b) hereof, and the Earned PSUs, if any, shall become vested (x) as of the last day of the Performance Period if you become Disabled on or prior to the third anniversary of the Grant Date, or (y) as of the date on which you become Disabled if such date occurs after the third anniversary of the Grant Date, in each case on a pro rata basis, determined based on the number of full months of employment completed from the Commencement Date to the date on which the Committee administering the Plan makes the determination that you are Disabled divided by the number of full months during the period commencing on the Commencement Date and ending on the End Date. For purposes of this Agreement, “Disabled” or “Disability” means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the

material duties required by your regular occupation, all as determined by the Committee administering the Plan.

(g) For purposes of this Agreement, “Good Reason” means:

(i) without your express written consent, (a) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (b) any other substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (a) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (b) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate’s entitlement to settlement of the PSUs as provided hereunder upon a termination of employment for Good Reason.

5. Restriction on Transfer.

Except as contemplated by Section 7(a), none of the PSUs may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the PSUs, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the PSUs.

6. Financial Restatements.

This Section 6 only applies to you if at any time you were or are designated as an executive officer of the Company. Notwithstanding the provisions of Sections 3, 5 and 7 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, repay to the Company any shares of Stock, cash payments or other property received by you or your personal representative pursuant to Sections 7(b) and (c) of this Agreement, return to the Company any shares of Stock received by you or your personal representative from the

payment of the PSUs pursuant to Section 7 of this Agreement and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends and other distributions of cash or property received by you or your personal representative with respect to, any shares of Stock received by you or your personal representative from the payment of the PSUs pursuant to Section 7 of this Agreement, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, all of your rights to PSUs that are not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited, including the right to receive cash payments and other distributions on such PSUs pursuant to Sections 7(b) and (c) of this Agreement. Notwithstanding anything to the contrary in this Section 6, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 6 with respect to you.

7. Settlement of PSUs; Issuance of Stock.

(a) No shares of Stock shall be issued to you (or your beneficiary or, if none, your estate in the event of your death) prior to the date on which the applicable PSUs vest, in accordance with the terms and conditions set forth in this Agreement.

(i) Except as otherwise provided in this Section 7(a), the Company shall promptly following the third anniversary of the Grant Date or the fourth anniversary of the Grant Date, as applicable, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the third anniversary of the Grant Date or the fourth anniversary of the Grant Date, as applicable, with respect to PSUs that vest pursuant to Section 3(c) hereof, subject to any applicable withholding taxes pursuant to Section 10 hereof, cause the shares of Stock underlying your vested PSUs (as adjusted by the applicable Earned Percentage) to be delivered in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or in the form of a stock certificate or certificates, registered in your name.

(ii) In the event that your employment terminates in accordance with the provisions of Sections 4(a) or 4(e) hereof, the Company shall promptly following the date on which your employment with the Company terminates, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the date on which your employment with the Company terminates, with respect to PSUs that vest pursuant to Sections 4(a) or 4(e) hereof, subject to any applicable withholding taxes pursuant to Section 10 hereof, cause the shares of Stock underlying your vested PSUs (as adjusted by the applicable Earned Percentage) to be delivered in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or in the form of a stock certificate or certificates, registered in your name or in the names of your legal representatives, beneficiaries or heirs, as the case may be.

(iii) In the event that your employment terminates in accordance with the provisions of Section 4(d) hereof, the Company shall (x) promptly following the last day of the Performance Period, but no later than the 15th day of the third

month following the end of the Company's taxable year that includes the last day of the Performance Period, with respect to PSUs that vest pursuant to Section 4(d) hereof on account of your termination of employment with the Company on or prior to the third anniversary of the Grant Date, or (y) promptly following the date on which your employment with the Company terminates, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the date on which your employment with the Company terminates, with respect to PSUs that vest pursuant to Section 4(d) hereof on account of your termination of employment with the Company after the third anniversary of the Grant Date, and, in each case, subject to any applicable withholding taxes pursuant to Section 10 hereof, cause the shares of Stock underlying your vested PSUs (as adjusted by the applicable Earned Percentage) to be delivered in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or in the form of a stock certificate or certificates, registered in your name or in the names of your legal representatives, beneficiaries or heirs, as the case may be.

(iv) In the event that your employment terminates in accordance with the provisions of Sections 4(b), 4(c) or 4(f) hereof, the Company shall (x) promptly following the last day of the Performance Period, but no later than the 15th day of the third month following the end of the Company's taxable year that includes the last day of the Performance Period, with respect to PSUs that vest pursuant to Sections 4(b), 4(c) or 4(f) hereof on account of your termination of employment with the Company on or prior to the third anniversary of the Grant Date, or (y) during the month of August of the calendar year in which the fourth anniversary of the Grant Date occurs, with respect to PSUs that vest pursuant to Sections 4(b), 4(c) or 4(f) hereof on account of your eligibility for retirement or termination of employment with the Company after the third anniversary of the Grant Date, and, in each case, subject to any applicable withholding taxes pursuant to Section 10 hereof, cause the shares of Stock underlying your vested PSUs (as adjusted by the applicable Earned Percentage) to be delivered in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or in the form of a stock certificate or certificates, registered in your name or in the names of your legal representatives, beneficiaries or heirs, as the case may be.

Notwithstanding the foregoing, any distribution (including any distribution of amounts otherwise described in Sections 7(b) and (c) below) to any "specified employee" as determined in accordance with procedures adopted by the Company that reflect the requirements of Code Section 409A(a)(2)(B)(i) (and any applicable guidance thereunder), that constitutes "deferred compensation" under Code Section 409A and is on account of such employee's "separation from service" (within the meaning of Code Section 409A) shall be made as soon as practicable after the first day of the seventh month following such separation from service (or, if earlier, the date of the specified employee's death). The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock relating to any vested PSU. In the event of your death after your retirement or termination of employment and before payment, the number of shares of Stock otherwise deliverable and the amount otherwise payable under

this Section 7(a) shall be delivered or paid, as applicable, to your beneficiary or, if none, your estate as soon as practicable after your death. No transfer by will or the Applicable Laws of descent and distribution of any PSUs which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer.

(b) On each date on which shares of Stock under Section 7(a) are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of additional shares of Stock, the number of any other securities of the Company and the value or actual issuance of any other property (in each case as determined by the Committee) (except for cash dividends and other cash distributions), in each case that the Company would have distributed to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Stock that are being delivered to you under Section 7(a) had such shares been issued to you on the Grant Date, without interest, and less any tax withholding amount applicable to such distribution. To the extent that the PSUs are forfeited prior to vesting, the right to receive such distributions shall also be forfeited.

(c) On each date on which shares of Stock under Section 7(a) are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of shares of Stock having an aggregate Fair Market Value (as determined by the Committee) equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Stock that are being delivered to you under Section 7(a) had such shares been issued to you on the Grant Date, without interest, and less any applicable withholding taxes. To the extent that the PSUs are forfeited prior to vesting, the right to receive such shares of Stock shall also be forfeited.

8. Lock-Up Period.

Notwithstanding anything to the contrary contained herein, you shall not sell or otherwise transfer any shares of Stock that are delivered to you under Section 7 hereof (less any applicable withholding taxes) in respect of any Earned PSUs that become vested on the third anniversary of the Grant Date in accordance with Section 3(c) hereof for a period of one year following the third anniversary of the Grant Date (the "Lock-Up Period"); provided, however, that if your employment with the Company terminates for any reason during the Lock-Up Period, then the Lock-Up Period with respect to such shares of Stock shall end on the date of your termination of employment.

9. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar

corporate transaction or event affects the Stock such that an adjustment of the PSUs is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the PSUs.

10. Taxes.

(a) You acknowledge that you will consult with your personal tax advisor regarding the income tax consequences of the grant of the PSUs, the receipt of cash payments or other distributions pursuant to Section 7 hereof, the vesting of the PSUs and the receipt of shares of Stock upon the settlement of the PSUs, and any other matters related to this Agreement. In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the vesting of the PSUs and the corresponding receipt of shares of Stock and cash payments by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Stock or cash otherwise to be delivered or paid having a Fair Market Value equal to the minimum statutory withholding amount or such greater amount as may be permitted under applicable accounting standards, or (iii) delivering to the Company shares of Stock having a Fair Market Value equal to the amount of such taxes. Your election must be made on or before the date that the amount of tax to be withheld is determined. The maximum number of shares of Stock that may be withheld to satisfy any applicable tax withholding obligations arising from the vesting and settlement of the PSUs may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any federal, state, or local taxing authority with respect to such vesting and settlement of the PSUs, or such greater amount as may be permitted under applicable accounting standards.

11. Restrictive Covenants.

(a) Non-Disclosure.

(i) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under Applicable Law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities (as defined below), (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by you in furtherance of your duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports,

sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential (collectively, "Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by you concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(ii) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of your employment with the Company and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(iii) Upon request by the Company and, in any event, upon termination of your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection

with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(iv) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the Applicable Law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor (as defined below), directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the full service restaurant business.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in this Section 11(b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (i) issued by any Direct Competitor, and (ii) publicly traded on a national securities exchange or over-the-counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment with the Company and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact (as defined below) during the last two years of your employment with the Company, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company.

(d) Non-Recruitment. You agree that during the course of your employment with the Company and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 11(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 11(c) above and this Section 11(d) shall be limited to apply only where you use or disclose Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of marketing, developing and establishing its restaurant brands and concepts on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its restaurant brands and concepts, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section 11 of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section 11. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section 11, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether

predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section 11, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to the Award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

12. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest. To the extent that any Award granted by the Company is subject to Code Section 409A, such Award shall be subject to terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

(b) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Reservation of Shares. The Company shall at all times prior to the vesting of the PSUs reserve and keep available such number of shares of Stock as will be sufficient to satisfy the requirements of this Agreement.

(d) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(e) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(f) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida pursuant to the Darden dispute resolution program.

(g) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Subject to Section 12(f) hereof, you agree that the state and federal

courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(h) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(i) Award Agreement and Related Documents. This PSU Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a PSU grant. **YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE MORGAN STANLEY SMITH BARNEY WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR PSU GRANT.** In connection with your PSU grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

**DARDEN RESTAURANTS, INC.
2015 OMNIBUS INCENTIVE PLAN**

FY [] RESTRICTED STOCK AWARD AGREEMENT

This Restricted Stock Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company” or “Corporation”), and you, a person notified by the Company, and identified in the Company’s records, as the recipient of an Award of Restricted Stock during the Company’s fiscal year []. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company’s records.

The Company wishes to award to you a number of shares of Stock, subject to certain restrictions as provided in this Agreement, in order to carry out the purpose of the Company’s 2015 Omnibus Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Restricted Stock.

The Company hereby grants to you, effective as of the Grant Date, an Award of Restricted Stock for that number of shares of Stock communicated to you and set forth in the Company’s records (the “Shares”), on the terms and conditions set forth in such communication, this Agreement and the Plan.

2. Rights with Respect to the Shares.

With respect to the Shares, you shall be entitled to exercise the rights of a shareholder of Stock of the Company, including the right to vote the Shares and the right to receive dividends and distributions thereon as provided in Sections 8(b) and (c) of this Agreement, unless and until the Shares are forfeited pursuant to Sections 4 or 6 hereof. Your rights with respect to the Shares shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the Shares lapse, in accordance with Sections 3 or 4 hereof.

3. Vesting.

Subject to the terms and conditions of this Agreement, the Shares shall vest, and the restrictions with respect to the Shares shall lapse, on [vesting schedule variable] if you remain continuously employed by the Company or an Affiliate until the respective vesting dates.

4. Early Vesting; Forfeiture.

If you cease to be employed by the Company or an Affiliate prior to the vesting of the Shares pursuant to Section 3 hereof, your rights to all of the unvested Shares shall be immediately and irrevocably forfeited, including the right to vote such Shares and the right to receive dividends and distributions on such Shares as provided in Sections 8(b) and (c) of this Agreement, except that:

(a) If, within two years after the date of the consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, you shall become immediately and unconditionally vested in all Shares and the restrictions with respect to all of the Shares shall lapse.

(b) if (A) the Company or an Affiliate terminates your employment involuntarily and not for Cause prior to the vesting of the Shares pursuant to Section 3 hereof, (B) your combined age and years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) equal at least 70, and (C) you were not designated as an officer-level employee in the Company payroll system with the Peoplesoft identifier "OFC" or its equivalent on the Grant Date, then the Shares will vest on a pro rata basis on the date of your termination of employment, based on the number of full months of employment completed from the Grant Date to the date of your termination of employment divided by the number of full months in the vesting period for any unvested Shares, and your rights to all of the unvested Shares shall be immediately and irrevocably forfeited;

(c) [if you retire on or after age 65 with five years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) ("Normal Retirement") prior to the vesting of the Shares pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all Shares and the restrictions with respect to all Shares shall lapse on the date of your Normal Retirement;]

(d) [if you retire on or after age 55 with ten years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) but before Normal Retirement ("Early Retirement") and you were not designated as an officer-level employee in the Company payroll system with the Peoplesoft identifier "OFC" or its equivalent on the Grant Date, the Shares will vest on a pro rata basis on the date of your Early Retirement, based on the number of full months of employment completed from the Grant Date to the date of your Early Retirement divided by the number of full months in the vesting period for any unvested Shares, and your rights to all of the unvested Shares shall be immediately and irrevocably forfeited;]

(e) if you die prior to the vesting of the Shares pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all Shares and the restrictions with respect to all Shares shall lapse on the date of your death. No transfer by will or the Applicable Laws of descent and distribution of any Shares which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer; or

(f) if you become Disabled (as defined below) prior to the vesting of the Shares pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all Shares and the restrictions with respect to all Shares shall lapse on the date on which the Committee administering the Plan makes the determination that you are Disabled. For purposes of this Agreement, "Disabled" or "Disability" means you have a disability due to illness or injury which is expected to be permanent in nature and which

prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan.

(g) For purposes of this Agreement, “Good Reason” means:

(i) without your express written consent, (a) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (b) any other substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (a) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (b) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate’s entitlement to vesting of the Shares as provided hereunder upon a termination of employment for Good Reason.

5. Restriction on Transfer.

Except as contemplated by Section 4(e) hereof, until the Shares vest pursuant to Sections 3 or 4 hereof, none of the Shares may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the Shares, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the Shares.

6. Financial Restatements.

This Section 6 only applies to you if at any time you were or are designated as an executive officer of the Company. Notwithstanding the provisions of Sections 3 and 4 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, return to the Company any Shares that vested under this Agreement and any distributions with respect to the vested Shares (including any cash dividends or other distributions)

received by you or your personal representative and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of any Shares, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, all of your rights to Shares that are not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited, including the right to vote such Shares and the right to receive dividends and distributions on such Shares as provided in Sections 8(b) and (c) of this Agreement. Notwithstanding anything to the contrary in this Section 6, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 6 with respect to you.

7. Issuance and Custody of Certificates.

(a) The Company shall cause the Shares to be issued in your name in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or the issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Secretary of the Company for your benefit until such time as such Shares are forfeited to the Company or the restrictions applicable to the Shares lapse and you deliver a stock power to the Company with respect to each certificate. The Shares shall be restricted from transfer and shall be subject to an appropriate stop-transfer order. If any certificate is issued, the certificate shall bear a legend that complies with Applicable Law and makes appropriate reference to the restrictions applicable to the Shares. To the extent that ownership of the Shares is evidenced by a book-entry registration or direct registration (including transaction advices), such registration shall be notated to evidence the restrictions imposed on such Shares.

(b) After any Shares vest pursuant to Sections 3 or 4 hereof, and following payment of the applicable withholding taxes pursuant to Section 9 hereof, the Company shall promptly cause such vested Shares (less any shares withheld to pay taxes), free of the restrictions and/or legend described in this Section 7, to be delivered, either by book-entry or direct registration (including transaction advices) or in the form of a certificate or certificates evidencing ownership of such Shares, registered in your name or in the names of your beneficiary or estate, as the case may be.

8. Distributions and Adjustments.

(a) If any Shares vest subsequent to any change in the number or character of the Stock (through any stock dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or otherwise) occurring after the Grant Date, you shall then receive upon such vesting the number and type of securities or other consideration which you would have received if such Shares had vested prior to the event changing the number or character of the outstanding Stock.

(b) Any additional shares of Stock, any other securities of the Company and any other property (except for cash dividends or other cash distributions) distributed with respect to the Shares prior to the date or dates the Shares vest shall be subject to the same restrictions, terms and conditions as the Shares to which they relate and shall be promptly deposited with the Secretary of the Company or a custodian designated by the Secretary.

To the extent that the Shares are forfeited prior to vesting, the right to receive such distributions shall also be forfeited.

(c) Any cash dividends or other cash distributions payable with respect to the Shares prior to the vesting of the Shares shall be distributed to you upon the vesting of the Shares in the amount originally declared, without interest. If the Shares are forfeited prior to vesting, any accumulated cash dividends or other cash distributions payable in respect of such Shares shall also be forfeited. After the Shares vest, any subsequent cash dividends or other cash distributions payable in respect of the Shares shall be distributed to you at the same time cash dividends or other cash distributions are distributed to shareholders of the Company generally.

9. Taxes.

(a) You acknowledge that you will consult with your personal tax advisor regarding the income tax consequences of the grant of the Shares, the payment of dividends on the Shares, the vesting of the Shares and any other matters related to this Agreement. In order to comply with all applicable federal, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state or local payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the receipt of, or the lapse of restrictions relating to, the Shares by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the Shares or cash otherwise to be delivered having a Fair Market Value equal to the amount of such taxes, or (iii) delivering to the Company shares of Stock having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional Share but will pay, in lieu thereof, the Fair Market Value of such fractional Share. Your election must be made on or before the date that the amount of tax to be withheld is determined. The maximum number of shares of Stock that may be withheld to satisfy any applicable tax withholding obligations arising from the vesting of the Shares may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any federal, state, or local taxing authority with respect to such vesting of the Shares, or such greater amount as may be permitted under applicable accounting standards.

10. Restrictive Covenants.

(a) Non-Disclosure.

(i) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under Applicable Law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business

Opportunities (as defined below), (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by you in furtherance of your duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and, (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential (collectively, "Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by employee concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(ii) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of employment and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(iii) Upon request by the Company and, in any event, upon termination of your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the

Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(iv) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the Applicable Law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor (as defined below), directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the full service restaurant business.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in Section 10(b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (i) issued by any Direct Competitor, and (ii) publicly traded on a national securities exchange or over-the-counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment with the Company and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact (as defined below) during the last two years of your employment with the Company, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business

as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company.

(d) Non-Recruitment. You agree that during the course of employment and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 10(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 10(c) above and this Section 10(d) shall be limited to apply only where Employee uses or discloses Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of marketing, developing and establishing its restaurant brands and concepts on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its restaurant brands and concepts, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Award Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section 10 of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section 10. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section 10, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage

to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section 10, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to the Award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

11. General Provisions

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest.

(b) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Securities Matters. The Company shall not be required to deliver any Shares until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(d) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(e) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida pursuant to the Darden dispute resolution program.

(f) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Subject to Section 11(e) hereof, you agree that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company

regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(g) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(h) Award Agreement and Related Documents. This Restricted Stock Award Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a Restricted Stock Award grant. **YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE MORGAN STANLEY SMITH BARNEY WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR RESTRICTED STOCK GRANT.** In connection with your Restricted Stock grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

DARDEN RESTAURANTS, INC.
2015 OMNIBUS INCENTIVE PLAN
FY [____] RESTRICTED STOCK UNIT AWARD AGREEMENT
(United States)

This Restricted Stock Unit Award Agreement (the “Agreement”) is between Darden Restaurants, Inc., a Florida corporation (the “Company” or “Corporation”), and you, a person notified by the Company, and identified in the Company’s records, as the recipient of an Award of Restricted Stock Units during the Company’s fiscal year [____]. This Agreement is effective as of the Grant Date communicated to you and set forth in the Company’s records.

The Company wishes to award to you a number of Restricted Stock Units, subject to certain restrictions as provided in this Agreement, in order to carry out the purpose of the Company’s 2015 Omnibus Incentive Plan (the “Plan”).

Accordingly, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and you hereby agree as follows:

1. Award of Restricted Stock Units.

The Company hereby grants to you, effective as of the Grant Date, an Award of Restricted Stock Units for that number of Restricted Stock Units communicated to you and set forth in the Company’s records (the “RSUs”), on the terms and conditions set forth in such communications, this Agreement and the Plan. Each RSU represents the right to receive, on the vesting date or dates set forth in Sections 3 and 4 hereof, one share of Stock.

2. Rights with Respect to the RSUs.

The RSUs granted hereunder do not and shall not give you any of the rights and privileges of a shareholder of Stock. Your rights with respect to the RSUs shall remain forfeitable at all times prior to the date or dates on which such rights become vested, and the restrictions with respect to the RSUs lapse, in accordance with Sections 3 or 4 hereof. [Your right to receive cash payments and other distributions with respect to the RSUs is more particularly described in Sections 7(b) and (c) hereof.]

3. Vesting.

Subject to the terms and conditions of this Agreement, the RSUs shall vest, and the restrictions with respect to the RSUs shall lapse, on [vesting schedule variable] if you remain continuously employed by the Company or an Affiliate until the respective vesting dates.

4. Early Vesting; Forfeiture.

If you cease to be employed by the Company or an Affiliate prior to the vesting of the RSUs pursuant to Section 3 hereof, your rights to all of the unvested RSUs shall be immediately and irrevocably forfeited[, including the right to receive cash payments and other distributions pursuant to Sections 7(b) and (c) hereof,] except that:

(a) If, within two years after the date of the consummation of a Change in Control that occurs after the Grant Date, the Company terminates your employment for any reason other than for Cause, death or Disability, or you terminate employment for Good Reason, you shall become immediately and unconditionally vested in all RSUs and the restrictions with respect to all of the RSUs shall lapse.

(b) If (i) the Company or an Affiliate terminates your employment involuntarily and not for Cause prior to the vesting of the RSUs pursuant to Section 3 hereof, (ii) your combined age and years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) equal at least 70 and (iii) you were not designated as an officer-level employee in the Company payroll system with the Peoplesoft identifier "OFC" or its equivalent on the Grant Date, then the RSUs will vest on a pro rata basis on the date of your termination of employment, based on the number of full months of employment completed from the Grant Date to the date of your termination of employment divided by the number of full months in the vesting period for any unvested RSUs, and your rights to all of the unvested RSUs shall be immediately and irrevocably forfeited;

(c) [If you retire on or after age 65 with five years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) ("Normal Retirement") prior to the vesting of the RSUs pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all RSUs and the restrictions with respect to all RSUs shall lapse on the date of your Normal Retirement;]

(d) [If you retire on or after age 55 with ten years of service with the Company or an Affiliate (pursuant to the method for crediting service under the Darden Savings Plan) but before Normal Retirement ("Early Retirement") and you were not designated as an officer-level employee in the Company payroll system with the Peoplesoft identifier "OFC" or its equivalent on the Grant Date, the RSUs will vest on a pro rata basis on the date of your Early Retirement, based on the number of full months of employment completed from the Grant Date to the date of your Early Retirement divided by the number of full months in the vesting period for any unvested RSUs, and your rights to all of the unvested RSUs shall be immediately and irrevocably forfeited;]

(e) If you die prior to the vesting of the RSUs pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all RSUs and the restrictions with respect to all RSUs shall lapse on the date of your death. No transfer by will or the Applicable Laws of descent and distribution of any RSUs which vest by reason of your death shall be effective to bind the Company unless the Committee administering the Plan shall have been furnished with written notice of such transfer and a copy of the will or such other evidence as the Committee may deem necessary to establish the validity of the transfer; or

(f) If you become Disabled (as defined below) prior to the vesting of the RSUs pursuant to Section 3 hereof, you shall become immediately and unconditionally vested in all RSUs and the restrictions with respect to all RSUs shall lapse on the date on which the Committee administering the Plan makes the determination that you are Disabled. For purposes of this Agreement, “Disabled” or “Disability” means you have a disability due to illness or injury which is expected to be permanent in nature and which prevents you from performing the material duties required by your regular occupation, all as determined by the Committee administering the Plan. If you have met the age and service conditions set forth in Sections 4(c) or 5(d) at the time of becoming Disabled, then such disability shall only accelerate the payment of (and the lapse of restrictions with respect to) RSUs which are no longer subject to a substantial risk of forfeiture if the disability constitutes a “disability” within the meaning of Code Section 409A (and the guidance issued thereunder) (a “Section 409A Disability”). If the disability does not qualify as a Section 409A Disability, and you have met the foregoing age and service conditions, this Section 4(f) shall not apply to you and the RSUs shall be paid (and the restrictions with respect thereto shall lapse) at the time otherwise provided for under this Agreement.

(g) For purposes of this Agreement, “Good Reason” means:

(i) without your express written consent, (a) the assignment to you of any duties inconsistent in any substantial respect with your position, authority or responsibilities as in effect during the 90-day period immediately preceding the date of the consummation of a Change in Control or (b) any other substantial adverse change in such position (including titles), authority or responsibilities; or

(ii) a material reduction in your base salary, target annual bonus opportunity, long-term incentive opportunity or aggregate employee benefits as in effect immediately prior to the date of the consummation of a Change in Control, other than (a) an inadvertent failure remedied by the Company promptly after receipt of notice thereof given by you or (b) with respect to aggregate employee benefits only, any such failure resulting from an across-the-board reduction in employee benefits applicable to all similarly situated employees of the Company generally.

You shall only have Good Reason if (A) you have provided notice of termination to the Company of any of the foregoing conditions within ninety (90) days of the initial existence of the condition, (B) the Company has been given at least thirty (30) days following receipt of such notice to cure such condition, and (C) if such condition is not cured within such thirty (30) day period, you actually terminate employment within sixty (60) days after the notice of termination. Your mental or physical incapacity following the occurrence of an event described above in clauses (i) or (ii) shall not affect your ability to terminate employment for Good Reason and your death following delivery of a notice of termination for Good Reason shall not affect your estate’s entitlement to settlement of the RSUs as provided hereunder upon a termination of employment for Good Reason.

5. Restriction on Transfer.

Except as contemplated by Section 4(e) hereof, none of the RSUs may be sold, assigned, transferred, pledged, attached or otherwise encumbered, and no attempt to transfer the RSUs, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to the RSUs.

6. Financial Restatements.

This Section 6 only applies to you if at any time you were or are designated as an executive officer of the Company. Notwithstanding the provisions of Sections 3, 4 and 7 of this Agreement, if (a) the Company is required to restate its financial statements due to fraud and (b) the Committee administering the Plan determines that you have knowingly participated in such fraud, then the Committee may, in its sole and absolute discretion, at any time within two years following such restatement, require you to, and you shall immediately upon notice of such Committee determination, [repay to the Company any shares of Stock, cash payments or other property received by you or your personal representative pursuant to Sections 7(b) and (c) of this Agreement,] return to the Company any shares of Stock received by you or your personal representative from the payment of the RSUs pursuant to Section 7 of this Agreement and pay to the Company in cash the amount of any proceeds received by you or your personal representative from the disposition or transfer of, and any dividends and other distributions of cash or property received by you or your personal representative with respect to, any shares of Stock received by you or your personal representative from the payment of the RSUs pursuant to Section 7 of this Agreement, in each case during the period commencing two years before the beginning of the restated financial period and ending on the date of such Committee determination. In addition, all of your rights to RSUs that are not vested on the date that the Committee makes such determination shall be immediately and irrevocably forfeited[, including the right to receive cash payments and other distributions on such RSUs pursuant to Sections 7(b) and (c) of this Agreement]. Notwithstanding anything to the contrary in this Section 6, the Committee shall have the authority and discretion to make any determination regarding the specific implementation of this Section 6 with respect to you.

7. Payment of RSUs; Issuance of Stock.

(a) No shares of Stock shall be issued to you (or your beneficiary or, if none, your estate in the event of your death) prior to the date on which the applicable RSUs vest, in accordance with the terms and conditions communicated to you and set forth in the Company's records. After any RSUs vest pursuant to Sections 3 or 4 hereof, the Company shall promptly, but no later than 30 days following the applicable vesting date, cause to be issued in your name one share of Stock for each RSU [and pay to you any accumulated distributions pursuant to Sections 7(b) and (c) hereof], in each case less any applicable withholding taxes; provided, however, that any distribution [(including any distribution of amounts otherwise described in Sections 7(b) and (c) below)] to any "specified employee" as determined in accordance with procedures adopted by the Company that reflect the requirements of Code Section 409A(a)(2)(B)(i) (and any applicable guidance thereunder) on account of a separation from service shall be made as soon as practicable after the first day of the seventh month following such separation from service (or, if earlier, the date of

the specified employee's death). The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock.

(b) [On each date on which shares of Stock under Section 7(a) are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall also deliver to you (or your beneficiary or, if none, your estate in the event of your death) the number of additional shares of Stock, the number of any other securities of the Company and the value or actual issuance of any other property (in each case as determined by the Committee) (except for cash dividends and other cash distributions), in each case that the Company would have distributed to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Stock that are being delivered to you under Section 7(a) had such shares been issued to you on the Grant Date, without interest, and less any tax withholding amount applicable to such distribution. To the extent that the RSUs are forfeited prior to vesting, the right to receive such distributions shall also be forfeited.]

(c) [On each date on which shares of Stock under Section 7(a) are delivered to you (or your beneficiary or, if none, your estate in the event of your death), the Company shall make a cash payment to you (or your beneficiary or, if none, your estate in the event of your death) equal to the aggregate amount of cash dividends and other cash distributions that the Company would have paid to you during the period commencing on the Grant Date and ending on the applicable vesting date in respect of the shares of Stock that are being delivered to you under Section 7(a) had such shares been issued to you on the Grant Date, without interest, and less any applicable withholding taxes. To the extent that the RSUs are forfeited prior to vesting, the right to receive such cash payment shall also be forfeited.]

8. Adjustments.

In the event that the Committee administering the Plan shall determine that any dividend or other distribution (whether in the form of cash, shares of Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, issuance of warrants or other rights to purchase shares or other securities of the Company or other similar corporate transaction or event affects the Stock such that an adjustment of the RSUs is determined by the Committee administering the Plan to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, then the Committee shall, in such manner as it may deem equitable, in its sole discretion, adjust any or all of the number and type of shares subject to the RSUs.

9. Taxes.

(a) You acknowledge that you will consult with your personal tax advisor regarding the income tax consequences of the grant of the RSUs, [the receipt of cash payments and other distributions pursuant to Sections 7(b) and (c) hereof,] the vesting of the RSUs and the receipt of shares of Stock upon the vesting of the RSUs, and any other matters related to this Agreement. In order to comply with all applicable federal, state, local

or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are your sole and absolute responsibility, are withheld or collected from you.

(b) In accordance with the terms of the Plan, and such rules as may be adopted by the Committee administering the Plan, you may elect to satisfy any applicable tax withholding obligations arising from the vesting of the RSUs and the corresponding receipt of shares of Stock and cash payments by (i) delivering cash (including check, draft, money order or wire transfer made payable to the order of the Company), (ii) having the Company withhold a portion of the shares of Stock or cash otherwise to be delivered having a Fair Market Value equal to the amount of such taxes, or (iii) delivering to the Company shares of Stock having a Fair Market Value equal to the amount of such taxes. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, the Fair Market Value of such fractional share of Stock. Your election must be made on or before the date that the amount of tax to be withheld is determined. The maximum number of shares of Stock that may be withheld to satisfy any applicable tax withholding obligations arising from the vesting and settlement of the RSUs may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company to be withheld and paid to any federal, state, or local taxing authority with respect to such vesting and settlement of the RSUs, or such greater amount as may be permitted under applicable accounting standards.

10. Restrictive Covenants.

(a) Non-Disclosure.

(i) During the course of your employment, before and after the execution of this Agreement, and as consideration for the restrictive covenants entered into by you herein, you have received and will continue to receive some or all of the Company's various Trade Secrets (as defined under Applicable Law) and confidential or proprietary information, which includes the following whether in physical or electronic form: (1) data and compilations of data related to Business Opportunities (as defined below), (2) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by you in furtherance of your duties with the Company; (3) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (4) compilations of information about the Company's employees and independent contracting consultants; (5) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (6) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (7) the Company's marketing strategies and compilations of marketing data; (8)

compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's business; (9) the Company's research and development records and data; and (10) any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential (collectively, "Confidential Information"). "Business Opportunities" means all ideas, concepts or information received or developed (in whatever form) by you concerning any business, transaction or potential transaction that constitutes or may constitute an opportunity for the Company to earn a fee or income, specifically including those relationships that were initiated, nourished or developed at the Company's expense. Confidential Information does not include data or information: (1) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made by you without authorization from the Company; (2) which has been independently developed and disclosed by others; or (3) which has otherwise entered the public domain through lawful means.

(ii) All Confidential Information, Trade Secrets, and all physical and electronic embodiments thereof are confidential and are and will remain the sole and exclusive property of the Company. During the term of your employment with the Company and for a period of five (5) years following the termination of your employment with the Company for any reason, with or without cause, and upon the initiative of either you or the Company, you agree that you shall protect any such Confidential Information and Trade Secrets and shall not, except in connection with the performance of your remaining duties for the Company, use, disclose or otherwise copy, reproduce, distribute or otherwise disseminate any such Confidential Information or Trade Secrets, or any physical or electronic embodiments thereof, to any third party; provided, however, that you may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event you will promptly notify the Company of such order or subpoena to provide the Company an opportunity to protect its interests.

(iii) Upon request by the Company and, in any event, upon termination of your employment with the Company for any reason, you will promptly deliver to the Company (within twenty-four (24) hours) all property belonging to the Company, including but without limitation, all Confidential Information, Trade Secrets and all electronic and physical embodiments thereof, all Company files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including but not limited to all such data and documents in electronic form) supplied to or created by you in connection with your employment with the Company (including all copies of the foregoing) in your possession or control, and all of the Company's equipment and other materials in your possession or control. You agree to allow the Company, at its request, to verify return of Company property and documents and information and/or permanent

deletion of the same, through inspection of personal computers, personal storage media, third party websites, third party e-mail systems, personal digital assistant devices, cell phones and/or social networking sites on which Company information was stored during your employment with the Company.

(iv) Nothing contained herein shall be in derogation or a limitation of the rights of the Company to enforce its rights or your duties under the Applicable Law relating to Trade Secrets.

(b) Non-Competition. You agree that, while employed by the Company and for a period of twenty-four (24) months following the termination of your employment with the Company for any reason, with or without cause, whether upon the initiative of either you or the Company (the "Restricted Period"), you will not provide or perform the same or substantially similar services, that you provided to the Company, on behalf of any Direct Competitor (as defined below), directly (i.e., as an officer or employee) or indirectly (i.e., as an independent contractor, consultant, advisor, board member, agent, shareholder, investor, joint venturer, or partner), anywhere within the United States of America (the "Territory"). "Direct Competitor" means any individual, partnership, corporation, limited liability company, association, or other group, however organized, who competes with the Company in the full service restaurant business.

(i) If you are a resident of California and subject to its laws, the restrictions set forth in this Section 10(b) above shall not apply to you.

(ii) Nothing in this provision shall divest you from the right to acquire as a passive investor (with no involvement in the operations or management of the business) up to 1% of any class of securities which is: (i) issued by any Direct Competitor, and (ii) publicly traded on a national securities exchange or over-the-counter market.

(c) Non-Solicitation. You agree that you shall not at any time during your employment with the Company and during the Restricted Period, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, encourage or cause any of the Company's vendors, suppliers, licensees, or other Persons with whom the Company has a contractual relationship and with whom you have had Material Contact (as defined below) during the last two years of your employment with the Company, to cease doing business with the Company or to do business with a Direct Competitor. "Material Contact" means contact between you and a Person: (1) with whom or which you dealt on behalf of the Company; (2) whose dealings with the Company were coordinated or supervised by you; (3) about whom you obtained Confidential Information in the ordinary course of business as a result of your association with the Company; or (4) who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commission, or earnings for you within two years prior to the date of the termination of your employment with the Company.

(d) Non-Recruitment. You agree that during the course of your employment with the Company and during the Restricted Period, you will not, on behalf of yourself or any other Person, directly or by assisting others, solicit, induce, persuade, or encourage, or attempt to solicit, induce, persuade, or encourage, any individual employed by the Company, with whom you have worked, to terminate such employee's position with the Company, whether or not such employee is a full-time or temporary employee of the Company and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 10(d) shall only apply to those individuals employed by the Company at the time of solicitation or attempted solicitation. If you are a resident of California and subject to its laws, the restrictions set forth in Section 10(c) above and this Section 10(d) shall be limited to apply only where you use or disclose Confidential Information or Trade Secrets when engaging in the restricted activities.

(e) Acknowledgements. You acknowledge that the Company is in the business of marketing, developing and establishing its restaurant brands and concepts on a nationwide basis and that the Company makes substantial investments and has established substantial goodwill associated with its restaurant brands and concepts, supplier relationships and marketing programs throughout the United States. You therefore acknowledge that the Territory in which the Company's Business is conducted is, at the very least, throughout the United States. You further acknowledge and agree that it is fair and reasonable for the Company to take steps to protect its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests from the risk of misappropriation of or harm to its Confidential Information, Trade Secrets, goodwill, business relationships, employees, economic advantages, and/or other legitimate business interests. You acknowledge that the consideration, including this Agreement, continued employment, specialized training, and the Confidential Information and Trade Secrets provided to you, gives rise to the Company's interest in restraining you from competing with the Company and that any limitations as to time, geographic scope and scope of activity to be restrained are reasonable and do not impose a greater restraint than is necessary to protect Company's Confidential Information, Trade Secrets, good will, business relationships, employees, economic advantages, and/or other legitimate business interests, and will not prevent you from earning a livelihood.

(f) Survival of Covenants. The provisions and restrictive covenants in this Section 10 of this Agreement shall survive the expiration or termination of this Agreement for any reason. You agree not to challenge the enforceability or scope of the provisions and restrictive covenants in this Section 10. You further agree to notify all future persons, or businesses, with which you become affiliated or employed by, of the provisions and restrictions set forth in this Section 10, prior to the commencement of any such affiliation or employment.

(g) Injunctive Relief. You acknowledge that if you breach or threaten to breach any of the provisions of this Agreement, your actions will cause irreparable harm and damage to the Company which cannot be compensated by damages alone. Accordingly, if you breach or threaten to breach any of the provisions of this Agreement, the Company shall be entitled

to injunctive relief, in addition to any other rights or remedies the Company may have. You hereby waive the requirement for a bond by the Company as a condition to seeking injunctive relief. The existence of any claim or cause of action by you against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of your agreements under this Agreement.

(h) Forfeiture. In the event that you violate the terms of this Section 10, you understand and agree that in addition to the Company's rights to obtain injunctive relief and damages for such violation, any and all rights to the Award under this Agreement, whether vested or unvested, shall be forfeited and extinguished.

1. General Provisions.

(a) Interpretations. This Agreement is subject in all respects to the terms of the Plan. A copy of the Plan is available upon your request. Terms used herein which are defined in the Plan shall have the respective meanings given to such terms in the Plan, unless otherwise defined herein. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee administering the Plan, and such determination shall be final, conclusive and binding upon all parties in interest. To the extent that any Award granted by the Company is subject to Code Section 409A, such Award shall be subject to terms and conditions that comply with the requirements of Code Section 409A to avoid adverse tax consequences under Code Section 409A.

(b) No Right to Employment. Nothing in this Agreement or the Plan shall be construed as giving you the right to be retained as an employee of the Company or any Affiliate. In addition, the Company or an Affiliate may at any time dismiss you from employment, free from any liability or any claim under this Agreement, unless otherwise expressly provided in this Agreement.

(c) Reservation of Shares. The Company shall at all times prior to the vesting of the RSUs reserve and keep available such number of shares of Stock as will be sufficient to satisfy the requirements of this Agreement.

(d) Securities Matters. The Company shall not be required to deliver any shares of Stock until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(e) Headings. Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision hereof.

(f) Arbitration. Except for injunctive relief as set forth herein, the parties agree that any dispute between the parties regarding this Agreement shall be submitted to binding arbitration in Orlando, Florida pursuant to the Darden dispute resolution program.

(g) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Florida (without giving effect to the conflict of law principles thereof). Subject to Section 11(f) hereof, you agree that the state and federal courts of Florida shall have jurisdiction over any litigation between you and the Company regarding this Agreement, and you expressly submit to the exclusive jurisdiction and venue of the federal and state courts sitting in Orange County, Florida.

(h) Notices. You should send all written notices regarding this Agreement or the Plan to the Company at the following address:

Darden Restaurants, Inc.
Supervisor, Stock Compensation Plans
1000 Darden Center Drive
Orlando, FL 32837

(i) Award Agreement and Related Documents. This RSU Award Agreement shall have no force or effect unless you have been notified by the Company, and identified in the Company's records, as the recipient of a RSU Grant. **YOU MUST REVIEW AND ACKNOWLEDGE ACCEPTANCE OF THE TERMS OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE RESTRICTIVE COVENANTS, BY EXECUTING THIS AGREEMENT ELECTRONICALLY VIA YOUR ESTABLISHED ACCOUNT ON THE MORGAN STANLEY SMITH BARNEY WEBSITE WITHIN 60 DAYS OF THE DATE OF GRANT; PROVIDED, HOWEVER, THAT THE COMMITTEE MAY, AT ITS DISCRETION, EXTEND THIS DATE. FAILURE TO ACCEPT THE REFERENCED TERMS AND TO EXECUTE THIS AGREEMENT ELECTRONICALLY WILL PRECLUDE YOU FROM RECEIVING YOUR RSU GRANT.** In connection with your RSU grant and this Agreement, the following additional documents were made available to you electronically, and paper copies are available on request directed to the Company's Compensation Department: (i) the Plan; and (ii) a Prospectus relating to the Plan.

DARDEN RESTAURANTS, INC.
COMPUTATION OF RATIO OF CONSOLIDATED EARNINGS TO FIXED CHARGES
(Dollar amounts in millions)
(Unaudited)

	Three Months Ended	
	August 30, 2015	August 24, 2014
Consolidated earnings from continuing operations before income taxes	\$ 111.8	\$ (43.7)
Plus fixed charges:		
Gross interest expense (1)	23.0	111.5
40% of restaurant and equipment minimum rent expense	17.4	15.7
Total fixed charges	40.4	127.2
Less capitalized interest	(0.2)	(0.1)
Consolidated earnings from continuing operations before income taxes available to cover fixed charges	\$ 152.0	\$ 83.4
Ratio of consolidated earnings from continuing operations to fixed charges	3.8	0.7

(1) Gross interest expense includes interest recognized in connection with our unrecognized income tax benefits

**CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Eugene I. Lee, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Darden Restaurants, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 2, 2015

/s/ Eugene I. Lee, Jr.

Eugene I. Lee, Jr.

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Jeffrey A. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Darden Restaurants, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 2, 2015

/s/ Jeffrey A. Davis

Jeffrey A. Davis

Senior Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Darden Restaurants, Inc. ("Company") on Form 10-Q for the quarter ended August 30, 2015 , as filed with the Securities and Exchange Commission ("Report"), I, Eugene I. Lee, Jr., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 2, 2015

/s/ Eugene I. Lee, Jr.

Eugene I. Lee, Jr.

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Darden Restaurants, Inc. ("Company") on Form 10-Q for the quarter ended August 30, 2015 , as filed with the Securities and Exchange Commission ("Report"), I, Jeffrey A. Davis, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 2, 2015

/s/ Jeffrey A. Davis

Jeffrey A. Davis

Senior Vice President and Chief Financial Officer