

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE TO  
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)  
OF THE SECURITIES EXCHANGE ACT OF 1934

**O'CHARLEY'S INC.**

(Name of Subject Company (Issuer))

**FIDELITY NATIONAL FINANCIAL, INC.  
FIDELITY NATIONAL SPECIAL OPPORTUNITIES, INC.  
FRED MERGER SUB INC.**

(Offerors)

(Names of Filing Persons (identifying status as offeror, issuer or other person))

COMMON STOCK, NO PAR VALUE  
(Title of Class of Securities)

670823103  
(CUSIP Number of Class of Securities)

Michael L. Gravelle  
Executive Vice President, General Counsel and Corporate Secretary  
Fidelity National Financial, Inc.  
601 Riverside Avenue Jacksonville, Florida 32204  
(904) 854-8100

(Name, address, and telephone numbers of person authorized to receive notices and communications on behalf of filing persons)

*Copies to:*

Michael J. Aiello, Esq.  
Weil, Gotshal & Manges LLP 767 Fifth Avenue  
New York, New York 10153  
(212) 310-8000

CALCULATION OF FILING FEE

Transaction Valuation(1)	Amount of Filing Fee(2)
\$211,261,765.75	\$24,211

- (1) Estimated for purposes of calculating the filing fee only. The transaction valuation was calculated by adding the sum of (i) (A) 21,947,206 shares of common stock, no par value per share ("Shares"), of O'Charley's Inc. ("O'Charley's") outstanding, minus 2,079,542 Shares owned by Parent on the date hereof, multiplied by (B) the offer price of \$9.85 per share and (ii) (A) 1,580,231 Shares issuable pursuant to the outstanding options to acquire Shares, multiplied by (B) the offer price of \$9.85 per Share. The number of Shares outstanding and the number of Shares issuable pursuant to outstanding options reflected herein have been provided to Parent by O'Charley's as of February 20, 2012.
- (2) The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934 by multiplying the transaction value by .00011460.
- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:None  
Form of Registration No.:N/A  
Filing Party:N/A  
Date Filed:N/A

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- Third-party tender offer subject to Rule 14d-1.  
 Issuer tender offer subject to Rule 13e-4.  
 Going-private transaction subject to Rule 13e-3.  
 Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

This Tender Offer Statement on Schedule TO (which, together with any amendments and supplements thereto, collectively constitute this “Schedule TO”) is filed by (i) Fred Merger Sub Inc., a Tennessee corporation (the “Purchaser”), and an indirect, wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation (“Parent”), (ii) Fidelity National Special Opportunities, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent, and (iii) Parent. This Schedule TO relates to the offer (the “Offer”) by the Purchaser to purchase all of the issued and outstanding shares of common stock, no par value per share (the “Shares”), of O’Charley’s Inc., a Tennessee corporation (“O’Charley’s”), at a purchase price of \$9.85 per Share (the “Offer Price”) net to the sellers in cash, without interest thereon and less any required withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated February 27, 2012 (which, together with any amendments and supplements thereto, collectively constitute the “Offer to Purchase”) and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1)(A) and (a)(1)(B).

**Item 1. Summary Term Sheet.**

The information set forth in the section of the Offer to Purchase entitled “Summary Term Sheet” is incorporated herein by reference.

**Item 2. Subject Company Information.**

(a) The name of the subject company and the issuer of the securities to which this Schedule TO relates is O’Charley’s Inc., a Tennessee corporation. O’Charley’s principal executive offices are located at 3038 Sidco Drive, Nashville, Tennessee 37204. O’Charley’s telephone number at such address is (615) 256-8500.

(b) This Schedule TO relates to the outstanding shares of common stock, no par value per share, of O’Charley’s. O’Charley’s has advised Parent and Purchaser that, as of February 20, 2012, there were 21,947,206 Shares issued and outstanding (which includes restricted stock awards issued pursuant to any O’Charley’s equity incentive plan) and 1,580,231 Shares issuable upon the exercise of outstanding options.

(c) The information set forth in the section in the Offer to Purchase entitled “Price Range of Shares; Dividends” is incorporated herein by reference.

**Item 3. Identity and Background of Filing Person.**

This Schedule TO is filed by Parent and the Purchaser. The information set forth in the section of the Offer to Purchase entitled “Certain Information Concerning Parent, the Purchaser and Certain Related Persons” and in Schedule I attached thereto is incorporated herein by reference.

**Item 4. Terms of the Transaction.**

The information set forth in the Offer to Purchase is incorporated herein by reference.

**Item 5. Past Contacts, Transactions, Negotiations and Agreements.**

(a) The information set forth in the sections of the Offer to Purchase entitled “Certain Information Concerning Parent, the Purchaser and Certain Related Persons,” “Background of the Offer, Past Contacts or Negotiations with O’Charley’s,” and “The Merger Agreement; Other Agreements,” respectively, is incorporated herein by reference.

(b) The information set forth in the sections of the Offer to Purchase entitled “Summary Term Sheet,” “Introduction,” “Certain Information Concerning Parent, the Purchaser and Certain Related Persons,” “Background of the Offer; Past Contacts or Negotiations with O’Charley’s,” “Purpose of the Offer; Plans for

O'Charley's," and "The Merger Agreement; Other Agreements," respectively, is incorporated herein by reference.

**Item 6. Purposes of the Transaction and Plans or Proposals.**

The information set forth in the sections of the Offer to Purchase entitled "Summary Term Sheet," "Introduction," "Certain Effects of the Offer," "Purpose of the Offer; Plans for O'Charley's," and "The Merger Agreement; Other Agreements," respectively, is incorporated herein by reference.

**Item 7. Source and Amount of Funds or Other Consideration.**

The information set forth in the section of the Offer to Purchase entitled "Source and Amount of Funds" is incorporated herein by reference.

**Item 8. Interest in Securities of the Subject Company.**

(a) The information set forth in the section of the Offer to Purchase entitled "Certain Information Concerning Parent, the Purchaser and Certain Related Persons" is incorporated herein by reference.

(b) The information set forth in the sections of the Offer to Purchase entitled "Certain Information Concerning Parent, the Purchaser and Certain Related Persons" and "The Merger Agreement; Other Agreements" and Schedule I attached thereto, respectively, is incorporated herein by reference.

**Item 9. Persons/Assets Retained, Employed, Compensated or Used.**

The information set forth in the section of the Offer to Purchase entitled "Fees and Expenses" is incorporated herein by reference.

**Item 10. Financial Statements.**

Not applicable.

**Item 11. Additional Information.**

(a)(1) The information set forth in the sections of the Offer to Purchase entitled "Certain Information Concerning Parent, the Purchaser and Certain Related Persons," "Background of the Offer; Past Contacts or Negotiations with O'Charley's," "Purpose of the Offer; Plans for O'Charley's" and "The Merger Agreement; Other Agreements," respectively, is incorporated herein by reference.

(a)(2) The information set forth in the sections of the Offer to Purchase entitled "Certain Conditions of the Offer" and "Certain Legal Matters; Regulatory Approvals," respectively, is incorporated herein by reference.

(a)(3) The information set forth in the sections of the Offer to Purchase entitled "Certain Conditions of the Offer" and "Certain Legal Matters; Regulatory Approvals," respectively, is incorporated herein by reference.

(a)(4) The information set forth in the section of the Offer to Purchase entitled "Certain Effects of the Offer" is incorporated herein by reference.

(a)(5) The information set forth in the section of the Offer to Purchase entitled "Certain Legal Matters; Regulatory Approvals," is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase is incorporated herein by reference.

**Item 12. Exhibits.**

<u>Exhibit</u>	<u>Exhibit Name</u>
(a)(1)(A)	Offer to Purchase dated February 27, 2012*
(a)(1)(B)	Letter of Transmittal (including Form W-9 and General Instructions to Form W-9).*
(a)(1)(C)	Notice of Guaranteed Delivery.*
(a)(1)(D)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a)(1)(E)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a)(5)(A)	Press Release issued by Fidelity National Financial, Inc. on February 6, 2012 (incorporated herein by reference to Exhibit 99.1 to the Schedule TO-C filed by Fidelity National Financial, Inc. on February 6, 2012).
(a)(5)(B)	Form of Summary Advertisement as published on February 27, 2012 in The Wall Street Journal.
(a)(5)(C)	Press Release issued by Fidelity National Financial Inc. on February 27, 2012.
(b)(1)	Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among Fidelity National Financial, Inc., Bank of America, N.A., and certain agents and other lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Fidelity National Financial, Inc. on March 10, 2010).
(b)(2)	Commitment Increase Agreement, dated as of March 5, 2010, among Fidelity National Financial, Inc., Bank of America, N.A. as Administrative Agent, and the other financial institutions party thereto (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Fidelity National Financial, Inc. on March 10, 2010).
(d)(1)	Agreement and Plan of Merger, dated as of February 5, 2012, by and among Fidelity National Financial, Inc., Fred Merger Sub Inc., and O'Charley's Inc.
(d)(2)	Tender and Support Agreement, dated as of February 5, 2012, by and among Fidelity National Financial, Inc., Fred Merger Sub Inc., and each of the shareholders of O'Charley's Inc. listed on Schedule A thereto (incorporated herein by reference to Exhibit 2.2 to the Current Report on Form 8-K filed by O'Charley's Inc. on February 6, 2012).
(d)(3)	Confidentiality Agreement, dated as of November 23, 2011, by and among Fidelity National Financial, Inc., American Blue Ribbon Holdings, LLC, and O'Charley's Inc.
(g)	Not applicable.
(h)	Not applicable.

\* Included in mailing to shareholders.

**Item 13. Information required by Schedule 13E-3.**

Not applicable.

**SIGNATURE**

After due inquiry and to the best of the knowledge and belief of each of the undersigned, each of the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

FIDELITY NATIONAL FINANCIAL, INC.

By: /s/ Michael L. Gravelle  
Name: Michael L. Gravelle  
Title: Executive Vice President, General Counsel and  
Corporate Secretary

FIDELITY NATIONAL SPECIAL OPPORTUNITIES, INC.

By: /s/ Michael L. Gravelle  
Name: Michael L. Gravelle  
Title: Executive Vice President, General Counsel and  
Corporate Secretary

FRED MERGER SUB INC.

By: /s/ Goodloe M. Partee  
Name: Goodloe M. Partee  
Title: Secretary

Dated: February 27, 2012

<u>Exhibit</u>	<u>Exhibit Name</u>
(a)(1)(A)	Offer to Purchase dated February 27, 2012*
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(b)(1)	Amendment and Restatement Agreement dated as of March 5, 2010 to the Credit Agreement among Fidelity National Financial, Inc., Bank of America, N.A., and certain agents and other lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Fidelity National Financial, Inc. on March 10, 2010).
(b)(2)	Commitment Increase Agreement, dated as of March 5, 2010, among Fidelity National Financial, Inc., Bank of America, N.A. as Administrative Agent, and the other financial institutions party thereto (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Fidelity National Financial, Inc. on March 10, 2010).
(d)(1)	Agreement and Plan of Merger, dated as of February 5, 2012, by and among Fidelity National Financial, Inc., Fred Merger Sub Inc., and O'Charley's Inc.
(d)(2)	Tender and Support Agreement, dated as of February 5, 2012, by and among Fidelity National Financial, Inc., Fred Merger Sub Inc., and each of the shareholders of O'Charley's Inc. listed on Schedule A thereto (incorporated herein by reference to Exhibit 2.2 to the Current Report on Form 8-K filed by O'Charley's Inc. on February 6, 2012).
(d)(3)	Confidentiality Agreement, dated as of November 23, 2011, by and among Fidelity National Financial, Inc., American Blue Ribbon Holdings, LLC, and O'Charley's Inc.
(g)	Not applicable.
(h)	Not applicable.

\* Included in mailing to shareholders.

**Offer To Purchase For Cash  
All Outstanding Shares Of Common Stock  
of  
O'CHARLEY'S INC.  
at  
\$9.85 NET PER SHARE  
by  
FRED MERGER SUB INC.  
an indirect, wholly-owned subsidiary of  
FIDELITY NATIONAL FINANCIAL, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,  
AT THE END OF MONDAY, APRIL 2, 2012, UNLESS THE OFFER IS EXTENDED.**

Fred Merger Sub Inc., a Tennessee corporation (the "Purchaser") and an indirect, wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation ("Parent"), is offering to purchase all of the outstanding shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation ("O'Charley's" or the "Company"), at a purchase price of \$9.85 per Share (the "Offer Price"), net to the sellers in cash, without interest thereon and subject to any required withholding taxes, upon the terms and subject to the conditions described in this Offer to Purchase and in the related Letter of Transmittal (which, together with the Offer to Purchase, each as may be amended or supplemented from time to time, collectively constitute the "Offer").

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of February 5, 2012 (as it may be amended from time to time, the "Merger Agreement"), among Parent, the Purchaser and O'Charley's. The Merger Agreement provides, among other things, that following consummation of the Offer and subject to certain conditions, the Purchaser will be merged with and into O'Charley's (the "Merger"), with O'Charley's continuing as the surviving corporation and an indirect, wholly-owned subsidiary of Parent. In the Merger, each Share outstanding immediately prior to the effective time of the Merger (other than Shares held by O'Charley's, Parent, the Purchaser or any wholly-owned subsidiary of O'Charley's or Parent, including the Purchaser, which Shares will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be cancelled and converted into the right to receive \$9.85 or any greater per Share price paid in the Offer, in cash, without interest thereon and subject to any required withholding taxes. **Under no circumstances will interest be paid on the purchase price for the Shares, regardless of any extension of the Offer or any delay in making payment for the Shares.**

The Offer is conditioned upon, among other things, (i) satisfaction of the Minimum Condition (as described below), (ii) the expiration or termination of all statutory waiting periods (and any extensions thereof) applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") (the "Regulatory Condition") and (iii) the absence of a legal restraint preventing, or a law, regulation or order prohibiting, the consummation of the transactions contemplated by the Merger Agreement (the "Legal Restraint Condition"). The Minimum Condition requires the number of Shares that have been validly tendered and not validly withdrawn prior to the expiration of the Offer (when added to the Shares already owned by Parent and its subsidiaries) to represent at least the number of Shares required to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement pursuant to the charter and by-laws of O'Charley's and the Tennessee Business Corporation Act (the "TBCA") on the date the tendered Shares are accepted for payment, determined on a fully-diluted basis (as defined in the Merger Agreement). The Offer also is subject to other conditions described in this Offer to Purchase. See Section 15 – "Certain Conditions of the Offer." The Regulatory Condition has been satisfied. See Section 16 – "Certain Legal Matters; Regulatory Approvals."

**After careful consideration, the Board of Directors of O'Charley's, among other things, has unanimously (i) declared that the Merger Agreement and the transactions contemplated by the Merger Agreement are advisable, fair to and in the best interests of O'Charley's and the shareholders of O'Charley's unaffiliated with Parent, (ii) adopted and approved the Merger Agreement and the transactions contemplated by the Merger Agreement, (iii) directed the adoption of the Merger Agreement be submitted to the shareholders of O'Charley's and (iv) recommended that the shareholders of O'Charley's accept the Offer, tender their Shares in the Offer and, to the extent required by applicable law, approve the Merger and adopt the Merger Agreement.**

A summary of the principal terms of the Offer appears on pages S-i through S-viii. You should read this entire document carefully before deciding whether to tender your Shares in the Offer.

*The Information Agent for the Offer is:*

**Georgeson**

*The Dealer Manager for the Offer is:*

**Jefferies**

IMPORTANT

If you wish to tender all or a portion of your Shares in the Offer, you should either (i) complete and sign the letter of transmittal that accompanies this Offer to Purchase (the “Letter of Transmittal”) in accordance with the instructions in the Letter of Transmittal and mail or deliver the Letter of Transmittal and all other required documents to the Depository (as defined in this Offer to Purchase), together with certificates representing the Shares tendered or follow the procedure for book-entry transfer set forth in Section 3 – “Procedures for Accepting the Offer and Tendering Shares,” or (ii) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If you hold Shares in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact that institution in order to tender your Shares.

If you wish to tender Shares and cannot deliver certificates representing those Shares and all other required documents to the Depository on or prior to the Expiration Date (as defined in this Offer to Purchase) or you cannot comply with the procedures for book-entry transfer on a timely basis, you may tender your Shares by following the guaranteed delivery procedures described in Section 3 – “Procedures for Accepting the Offer and Tendering Shares.”

Questions and requests for assistance should be directed to the Information Agent (as defined in this Offer to Purchase) or the Dealer Manager (as defined in this Offer to Purchase) at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the related Letter of Transmittal, the related Notice of Guaranteed Delivery and other materials related to the Offer may also be obtained at our expense from the Information Agent or the Dealer Manager. Additionally, copies of this Offer to Purchase, the related Letter of Transmittal, the related Notice of Guaranteed Delivery and any other material related to the Offer may be found at [www.sec.gov](http://www.sec.gov).



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## SUMMARY TERM SHEET

*The information contained in this summary term sheet is a summary only and is not meant to be a substitute for the more detailed description and information contained in the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery. You are urged to read carefully the Offer of Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Parent and the Purchaser have included cross-references in this summary term sheet to other sections of the Offer to Purchase where you will find more complete descriptions of the topics mentioned below. The information concerning O'Charley's contained in this summary term sheet and elsewhere in the Offer to Purchase has been provided to Parent and the Purchaser by O'Charley's or has been taken from or is based upon publicly available documents or records of O'Charley's on file with the United States Securities and Exchange Commission (the "SEC") or other public sources at the time of the Offer. Parent and the Purchaser have not independently verified the accuracy and completeness of that information. Parent and the Purchaser have no knowledge that would indicate that any statements contained in this Offer to Purchase relating to O'Charley's provided to Parent and the Purchaser or taken from or based upon those documents and records filed with the SEC are untrue or incomplete in any material respect.*

<b>Securities Sought:</b>	All of the issued and outstanding shares of common stock, without par value, of O'Charley's Inc.
<b>Price Offered Per Share:</b>	\$9.85 in cash, without interest thereon and subject to any required withholding taxes.
<b>Scheduled Expiration of Offer:</b>	12:00 midnight, New York City time, at the end of Monday, April 2, 2012, unless the Offer is otherwise extended. See Section 1 – "Terms of the Offer."
<b>Purchaser:</b>	Fred Merger Sub Inc., a Tennessee corporation and an indirect, wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation.

### Who is offering to buy my securities?

We are Fred Merger Sub Inc., a Tennessee corporation, formed for the purpose of making this Offer. We are an indirect, wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation ("Parent"). Parent is a leading provider of title insurance, mortgage services and diversified services.

Unless the context indicates otherwise, in this Offer to Purchase, we use the terms "us," "we" and "our" to refer to Fred Merger Sub Inc. and, where appropriate, Parent. We use the term "Parent" to refer to Fidelity National Financial, Inc. alone, the term the "Purchaser" to refer to Fred Merger Sub Inc. alone and the terms "O'Charley's" or the "Company" to refer to O'Charley's Inc.

See the "Introduction" to this Offer to Purchase and Section 8 – "Certain Information Concerning Parent, the Purchaser and Certain Related Persons."

### What are the classes and amounts of securities sought in the Offer?

We are offering to purchase all of the outstanding shares of common stock, without par value, of O'Charley's on the terms and subject to the conditions described in this Offer to Purchase. Unless the context otherwise requires, in this Offer to Purchase we use the term "Offer" to refer to this offer and the term "Shares" to refer to shares of O'Charley's common stock that are the subject of the Offer.

See the "Introduction" to this Offer to Purchase and Section 1 – "Terms of the Offer."

### How much are you offering to pay? What is the form of payment? Will I have to pay any fees or commissions?

We are offering to pay \$9.85 per Share, net to you, in cash, without interest and subject to any required withholding taxes. We refer to this amount as the "Offer Price." If you are the record owner of your Shares and

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you directly tender your Shares to us in the Offer, you will not have to pay brokerage fees or similar expenses. If you own your Shares through a broker, banker or other nominee, and your broker, banker or other nominee tenders your Shares on your behalf, your broker, banker or other nominee may charge you a fee for doing so. You should consult your broker, banker or other nominee to determine whether any charges will apply.

See the “Introduction” to this Offer to Purchase.

### **Is there an agreement governing the Offer?**

Yes. Parent, the Purchaser and O’Charley’s have entered into an Agreement and Plan of Merger, dated as of February 5, 2012 (as it may be amended from time to time, the “Merger Agreement”). The Merger Agreement provides, among other things, for the terms and conditions of the Offer and the subsequent merger of the Purchaser with and into O’Charley’s (the “Merger”).

See Section 11 – “The Merger Agreement; Other Agreements” and Section 15 – “Certain Conditions of the Offer.”

### **Do you have the financial resources to make payment?**

Yes. We estimate that we will need approximately \$225 million to purchase all of the Shares that Parent and its subsidiaries do not already own pursuant to the Offer, to make payments in respect of outstanding in-the-money options, to repay O’Charley’s existing indebtedness and to consummate the Merger, plus related fees and expenses. Parent and its subsidiaries will provide us with sufficient funds (by means of a capital contribution and/or other advancement) to purchase all Shares properly tendered in the Offer and to provide funding for the Merger and the other transactions contemplated by the Merger Agreement, which are expected to follow the successful completion of the Offer in accordance with the terms and conditions of the Merger Agreement. The Offer is not conditioned upon our ability to finance the purchase of Shares pursuant to the Offer or the Merger. Parent expects to obtain the necessary funds from its and its subsidiaries’ available cash and cash equivalents and its existing credit facility.

See Section 9 – “Source and Amount of Funds.”

### **Is your financial condition relevant to my decision to tender my Shares in the Offer?**

No. We do not think our financial condition is relevant to your decision whether to tender Shares and accept the Offer because:

- the Offer is being made for all outstanding Shares solely for cash;
- we, through Parent and its subsidiaries, will have sufficient funds available to purchase all Shares successfully tendered in the Offer in light of our financial capacity in relation to the amount of consideration payable;
- the Offer is not subject to any financing condition; and
- if we consummate the Offer, we expect to acquire any remaining Shares for the same cash price in the Merger.

See Section 9 – “Source and Amount of Funds.”

### **How long do I have to decide whether to tender my Shares in the Offer?**

You will have until 12:00 midnight, New York City time, at the end of Monday, April 2, 2012 (which is the end of the day on April 2, 2012), to tender your Shares in the Offer, unless we extend the Offer. In addition, if we decide to provide a subsequent offering period for the Offer as described below, you will have an additional opportunity to tender your Shares. We do not currently intend to provide a subsequent offering period, although we reserve the right to do so.

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If you cannot deliver everything required to make a valid tender by that time, you may still participate in the Offer by using the guaranteed delivery procedure that is described later in this Offer to Purchase prior to that time.

See Section 1 – “Terms of the Offer” and Section 3 – “Procedures for Accepting the Offer and Tendering Shares.”

### **Can the Offer be extended and under what circumstances?**

Yes. We have agreed in the Merger Agreement that, subject to our rights to terminate the Merger Agreement in accordance with its terms:

- If, on the Expiration Date (as defined in this Offer to Purchase), any condition of the Offer (as described in Section 15 – “Certain Conditions of the Offer”) is not satisfied or waived, then, (i) we may (without O’Charley’s consent), and (ii) we must (if requested in writing by O’Charley’s no less than one business day prior to the scheduled expiration date), extend the Offer for one or more successive periods of time up to five business days per extension until that condition has been satisfied or waived; provided that:
  - we will not be required to extend the Offer beyond June 4, 2012 (the “Outside Date”); and
  - if the only condition which has not been satisfied as of the scheduled Expiration Date is the Minimum Condition (as described below), then we must extend the Offer for one or more successive periods of up to five business days each, with the total of those extensions not to exceed the earlier to occur of (x) ten business days and (y) the Outside Date.
- The Offer will be extended for any period required by any rule, regulation, interpretation or position of the SEC or its staff that is applicable to the Offer or necessary to resolve any comments of the SEC or its staff applicable to the Offer or any documents pursuant to which the Offer is made.

If necessary to obtain sufficient Shares so that Parent and its subsidiaries hold at least 90% of the Shares outstanding (on a fully-diluted basis, as defined in the Merger Agreement), we may, at our sole discretion, choose to provide for a subsequent offering period in accordance with Rule 14d-11 promulgated under the Securities Exchange Act of 1934, as amended, following the acceptance for payment of the Shares by Parent or the Purchaser or any of their affiliates pursuant to and in accordance with the terms of the Offer (the “Acceptance Time”). A subsequent offering period is different from an extension of the Offer. During a subsequent offering period, you would not be able to withdraw any of the Shares that you had already tendered; you also would not be able to withdraw any of the Shares that you tender during the subsequent offering period.

See Section 1 – “Terms of the Offer” of this Offer to Purchase for more details on our obligation and ability to extend the Offer.

### **How will I be notified if the Offer is extended?**

If we extend the Offer, we will inform American Stock Transfer & Trust Company, LLC, which is the depository for the Offer (the “Depository”), of any extension and will issue a press release announcing the extension not later than 9:00 a.m., New York City time, on the next business day after the day on which the Offer was scheduled to expire.

If we elect to provide a subsequent offering period, a public announcement of that determination will be made no later than 9:00 a.m., New York City time, on the next business day following the Expiration Date.

See Section 1 – “Terms of the Offer.”

### **What are the most significant conditions to the Offer?**

The Offer is conditioned upon, among other things:

- The satisfaction of the Minimum Condition. The Minimum Condition requires the number of Shares that have been validly tendered and not validly withdrawn prior to the Expiration Date (when added to the Shares already owned by Parent and its subsidiaries), to represent at least the number of Shares required to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement pursuant to the charter and by-laws of O'Charley's and the Tennessee Business Corporation Act (the "TBCA") on the date the tendered Shares are accepted for payment, determined on a fully-diluted basis (as defined in the Merger Agreement); and
- The satisfaction of the Regulatory Condition. The Regulatory Condition requires the expiration or termination of all statutory waiting periods (and any extensions thereof) applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). The Regulatory Condition has been satisfied. See Section 16 – "Certain Legal Matters; Regulatory Approvals."
- The satisfaction of the Legal Restraint Condition. The Legal Restraint Condition requires there not to be a legal restraint preventing, or a law, regulation or order prohibiting, the consummation of the transactions contemplated by the Merger Agreement.

The Offer also is subject to a number of other conditions described in this Offer to Purchase. We expressly reserve the right to waive any of those conditions, but we cannot, without O'Charley's prior written consent, (i) decrease the Offer Price or change the form of consideration payable in the Offer, (ii) decrease the number of Shares subject to or sought to be purchased in the Offer, (iii) impose conditions on the Offer in addition to the conditions described in this Offer to Purchase, (iv) waive or amend the Minimum Condition, (v) amend or supplement any of the other conditions described in this Offer to Purchase or any other term of the Offer in a manner adverse to the holders of the Shares, other than Parent, the Purchaser and any of their respective affiliates or (vi) extend or otherwise change the Expiration Date except as required or permitted by the Merger Agreement. There is no financing condition to the Offer.

See Section 15 – "Certain Conditions of the Offer."

### **How do I tender my Shares?**

If you hold your Shares directly as the registered owner, you can tender your Shares in the Offer by delivering the certificates representing your Shares, together with a completed and signed Letter of Transmittal and any other documents required by the Letter of Transmittal, to the Depository, not later than the date and time the Offer expires. The Letter of Transmittal is enclosed with this Offer to Purchase.

If you hold your Shares in street name through a broker, dealer, commercial bank, trust company or other nominee, the institution that holds your Shares can tender your Shares on your behalf, and may be able to tender your Shares through the Depository. You should contact the institution that holds your Shares for more details.

If you are unable to deliver everything that is required to tender your Shares to the Depository by the expiration of the Offer, you may obtain a limited amount of additional time by having a broker, a bank or another fiduciary that is an eligible institution guarantee that the missing items will be received by the Depository by using the enclosed Notice of Guaranteed Delivery. To validly tender Shares in this manner, however, the Depository must receive the missing items within the time period specified in the enclosed Notice of Guaranteed Delivery.

See Section 3 – "Procedures for Accepting the Offer and Tendering Shares."

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### **Until what time may I withdraw previously tendered Shares?**

You may withdraw your previously tendered Shares at any time until the Offer has expired. In addition, if we have not accepted your Shares for payment by April 27, 2012, you may withdraw them at any time after that date until we accept Shares for payment. This right to withdraw will not, however, apply to Shares tendered in any subsequent offering period, if one is provided.

See Section 4 – “Withdrawal Rights.”

### **How do I withdraw previously tendered Shares?**

To withdraw previously tendered Shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to the Depository while you still have the right to withdraw Shares. If you tendered Shares by giving instructions to a broker, banker or other nominee, you must instruct the broker, banker or other nominee to arrange for the withdrawal of your Shares.

See Section 4 – “Withdrawal Rights.”

### **What does the Company’s Board of Directors think of the Offer?**

After careful consideration, the Board of Directors of O’Charley’s, among other things, has unanimously (i) declared that the Merger Agreement and the transactions contemplated by the Merger Agreement are advisable, fair to and in the best interests of O’Charley’s and the shareholders of O’Charley’s unaffiliated with Parent, (ii) adopted and approved the Merger Agreement and the transactions contemplated by the Merger Agreement, (iii) directed the adoption of the Merger Agreement be submitted to the shareholders of O’Charley’s and (iv) recommended that the shareholders of O’Charley’s accept the Offer, tender their Shares in the Offer and, to the extent required by applicable law, approve the Merger and adopt the Merger Agreement.

A more complete description of the reasons for the adoption and the approval of Merger Agreement and the transactions contemplated by the Merger Agreement by the Company’s Board of Directors is set forth in O’Charley’s Solicitation/Recommendation Statement on Schedule 14D-9 that is being mailed to you together with this Offer to Purchase.

### **If a majority of the Shares are tendered and accepted for payment, will O’Charley’s continue as a public company?**

No. Following the purchase of Shares in the Offer, we expect to consummate the Merger. If the Merger takes place, O’Charley’s no longer will be publicly owned. Even if for some reason the Merger does not take place, if we purchase all of the tendered Shares, there may be so few remaining shareholders and publicly held Shares that O’Charley’s common stock will no longer be eligible to be traded through the NASDAQ Global Select Market (“Nasdaq”) or other securities exchanges, there may not be an active public trading market for O’Charley’s common stock, and O’Charley’s may no longer be required to make filings with the SEC or otherwise comply with the SEC’s rules relating to publicly held companies.

See Section 13 – “Certain Effects of the Offer.”

### **If I decide not to tender, how will the Offer affect my Shares?**

If the Offer is consummated and certain other conditions are satisfied, the Purchaser will merge with and into O’Charley’s and each Share outstanding immediately prior to the effective time of the Merger (other than Shares held by O’Charley’s, Parent, the Purchaser or any wholly-owned subsidiary of O’Charley’s or Parent, which Shares will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be cancelled and converted into the right to receive the Offer Price, in cash,

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without interest thereon and subject to any required withholding taxes. If we purchase Shares in the Offer, we will have sufficient voting power to approve the Merger without the affirmative vote of any other shareholder of O'Charley's. Furthermore, if pursuant to the Offer or otherwise we own at least 90% of the outstanding Shares, we may effect the Merger without any further action by the shareholders of O'Charley's no earlier than one month after the date that a copy of the Merger Agreement is mailed to all shareholders of O'Charley's, which we would mail at the time we acquire 90% ownership.

See Section 11 – “The Merger Agreement; Other Agreements.”

If the Merger is consummated, O'Charley's shareholders who do not tender their Shares in the Offer will receive the same amount of cash per Share that they would have received had they tendered their Shares in the Offer. Therefore, if the Offer and the Merger are consummated, the only difference to you between tendering your Shares and not tendering your Shares in the Offer is that you will be paid earlier if you tender your Shares in the Offer. However, if the Offer is consummated but the Merger is not consummated, the number of O'Charley's shareholders and the number of Shares that are still in the hands of the public may be so small that O'Charley's common stock will no longer be eligible to be traded through Nasdaq or other securities exchanges, there may no longer be an active public trading market for the Shares or O'Charley's may no longer be required to make filings with the SEC or otherwise comply with the SEC's rules relating to publicly held companies.

See the “Introduction” to this Offer to Purchase and Section 13 – “Certain Effects of the Offer.”

### **What is the market value of my Shares as of a recent date?**

On February 3, 2012, the last full day of trading before the public announcement of the terms of the Offer and the Merger, the reported closing sales price of the Shares on Nasdaq was \$6.92 per Share. On February 24, 2012, the last full day of trading before the commencement of the Offer, the reported closing sales price of the Shares on Nasdaq was \$9.88 per Share. The Offer Price represents a premium of 57% over O'Charley's volume weighted average share price for the 20 trading days immediately preceding the public announcement of the Offer and the Merger and a premium of 42% over the closing price on the last full day of trading before the public announcement of the Offer and the Merger.

We encourage you to obtain a recent quotation for Shares of O'Charley's in deciding whether to tender your Shares.

See Section 6 – “Price Range of Shares; Dividends.”

### **Have any stockholders already agreed to tender their Shares in the Offer or to otherwise support the Offer?**

Yes. Concurrently with the execution of the Merger Agreement, Crescendo Investments II, LLC, in its capacity as general partner of Crescendo Partners II, L.P., Series Z, Crescendo Investments III, LLC, in its capacity as general partner of Crescendo Partners III, L.P., Arnaud Ajdler, and Gregory Monahan (each, a “Supporting Shareholder”), entered into a Tender and Support Agreement with Parent and the Purchaser (the “Support Agreement”) pursuant to which each Supporting Shareholder has agreed, among other things, (i) to tender in the Offer all of such Supporting Shareholder's Shares; and (ii) that, in the event a vote of O'Charley's shareholders is required in furtherance of the Merger Agreement or the transactions contemplated by the Merger Agreement, including the Merger, such Supporting Shareholder will vote all of such Supporting Shareholder's Shares (to the extent any such Shares are not purchased in the Offer) in favor of the approval of the Merger and the adoption of the Merger Agreement and against any proposal inconsistent therewith. The Support Agreement will terminate upon certain circumstances, including upon termination of the Merger Agreement.

See Section 11 – “The Merger Agreement; Other Agreements.”

**What is the “Top-Up Option” and when will it be exercised?**

Under the Merger Agreement, if we do not hold at least 90% of the outstanding Shares (on a fully-diluted basis, as defined in the Merger Agreement) after consummation of the Offer, Parent has the option, subject to certain limitations, to purchase (in cash or by promissory note) from O’Charley’s up to that number of newly issued Shares sufficient to cause Parent (together with any of its subsidiaries, including us) to own one Share more than 90% of the Shares then outstanding (on a fully-diluted basis, as defined in the Merger Agreement), at a price per Share equal to the Offer Price, to enable us to effect a “short-form merger” pursuant to Section 48-21-105 of the TBCA. We refer to this option as the “Top-Up Option.”

See Section 11 – “The Merger Agreement; Other Agreements – Top-Up Option.”

**Will I have dissenters’ rights in connection with the Offer?**

No dissenters’ rights will be available to you in connection with the Offer or the Merger. See Section 17 – “Dissenters’ Rights.”

**What will happen to my employee stock options in the Offer?**

The Offer is made only for Shares and is not made for any employee stock options to purchase Shares that were granted under any O’Charley’s stock plan (“Options”). Pursuant to the Merger Agreement, each Option (whether or not vested or unexercisable) will become fully vested and exercisable at the Acceptance Time. Pursuant to the Merger Agreement, each Option (whether or not vested or exercisable) that is outstanding as of the effective time of the Merger will be cancelled and converted into the right to receive an amount in cash, without interest and subject to any required withholding taxes, equal to the product of (i) the excess of the Offer Price over the per Share exercise price under such Option and (ii) the number of Shares subject to such Option.

See Section 11 – “The Merger Agreement; Other Agreements – O’Charley’s Stock Options and Restricted Stock.”

**What will happen to my employee restricted stock in the Offer?**

Pursuant to the Merger Agreement, the restrictions on each Share of restricted stock that is subject to forfeiture, vesting or other restrictions as of immediately prior to the acceptance of the Shares for payment in the Offer will lapse upon acceptance of Shares for payment in the Offer. Pursuant to the Merger Agreement, each Share that is outstanding as of the effective time of the Merger will be cancelled and converted into the right to receive an amount in cash, without interest and subject to any required withholding taxes, equal to the Offer Price.

See Section 11 – “The Merger Agreement; Other Agreements – O’Charley’s Stock Options and Restricted Stock.”

**What are the material United States federal income tax consequences of tendering Shares?**

The receipt of cash in exchange for your Shares in the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. In general, you will recognize gain or loss in an amount equal to the difference between the amount of cash you receive and your adjusted tax basis in the Shares sold pursuant to the Offer or exchanged for cash pursuant to the Merger. This gain or loss will be a capital gain or loss if you hold your Shares as capital assets at the time of the sale or exchange.

See Section 5 – “Certain United States Federal Income Tax Consequences” for a more detailed discussion of the tax treatment of the Offer. Certain limitations apply to the use of any capital losses.



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**We urge you to consult with your own tax advisor as to the particular tax consequences to you of the Offer and the Merger.**

**Who should I call if I have questions about the Offer?**

You may call Georgeson Inc. at (866) 785-7395 (Toll Free) or Jefferies & Company, Inc. (“Jefferies”) at (646) 805-5470. Georgeson Inc. is acting as the information agent (the “Information Agent”) and Jefferies is acting as the dealer manager (the “Dealer Manager”) in connection with the Offer. See the back cover of this Offer to Purchase for additional contact information.

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To the Holders of Shares of  
Common Stock of O'Charley's Inc.:

### INTRODUCTION

We, Fred Merger Sub Inc., a Tennessee corporation (the "Purchaser") and an indirect, wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation ("Parent"), are offering to purchase for cash all outstanding shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation ("O'Charley's" or the "Company"), at a price of \$9.85 per Share (the "Offer Price"), net to the sellers in cash, without interest thereon and subject to any required withholding taxes, upon the terms and subject to the conditions described in this Offer to Purchase and in the related Letter of Transmittal (which collectively, as each may be amended or supplemented from time to time, constitute the "Offer").

We are making the Offer pursuant to an Agreement and Plan of Merger, dated as of February 5, 2012 (as it may be amended from time to time, the "Merger Agreement"), among Parent, the Purchaser and O'Charley's. The Merger Agreement provides, among other things, for the making of the Offer and also provides that, following consummation of the Offer and subject to certain conditions, the Purchaser will be merged with and into O'Charley's (the "Merger") with O'Charley's continuing as the surviving corporation and an indirect, wholly-owned subsidiary of Parent. In the Merger, each Share outstanding immediately prior to the effective time of the Merger (the "Effective Time") (other than Shares held by O'Charley's, Parent, Purchaser or any wholly-owned subsidiary of O'Charley's or Parent, which Shares will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be cancelled and converted into the right to receive \$9.85 or any greater per Share price paid in the Offer, in cash, without interest thereon and subject to any required withholding taxes. The Merger Agreement is more fully described in Section 11 – "The Merger Agreement; Other Agreements," which also contains a discussion of the treatment of employee stock options and employee restricted stock.

Tendering shareholders who are record owners of their Shares and who tender directly to the Depository (as defined below) will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by the Purchaser pursuant to the Offer. Shareholders who hold their Shares through a broker, banker or other nominee should consult that institution as to whether it charges any service fees or commissions.

**After careful consideration, the Board of Directors of O'Charley's, among other things, has unanimously (i) declared that the Merger Agreement and the transactions contemplated by the Merger Agreement are advisable, fair to and in the best interests of O'Charley's and the shareholders of O'Charley's unaffiliated with Parent, (ii) adopted and approved the Merger Agreement and the transactions contemplated by the Merger Agreement, (iii) directed the adoption of the Merger Agreement be submitted to the shareholders of O'Charley's and (iv) recommended that the shareholders of O'Charley's accept the Offer, tender their Shares in the Offer and, to the extent required by applicable law, approve the Merger and adopt the Merger Agreement (the "Company Board Recommendation").**

A more complete description of the O'Charley's Board of Directors' reasons for authorizing and approving the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Offer and the Merger, is set forth in O'Charley's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), that is being furnished to shareholders in connection with the Offer. Shareholders should carefully read the information set forth in the Schedule 14D-9, including the information set forth under the sub-heading "Background of the Offer and the Merger; Reasons for Recommendation."

The Offer is conditioned upon, among other things, (i) satisfaction of the Minimum Condition (as described below), (ii) the expiration or termination of all statutory waiting periods (and any extensions thereof) applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") (the

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“Regulatory Condition”) and (iii) the absence of a legal restraint preventing, or a law, regulation or order prohibiting, the consummation of the transactions contemplated by the Merger Agreement (the “Legal Restraint Condition”). The Minimum Condition requires the number of Shares that have been validly tendered and not validly withdrawn prior to the expiration of the Offer (when added to the Shares already owned by Parent and its subsidiaries) to represent at least the number of Shares required to approve the Merger Agreement and the other transactions contemplated by the Merger Agreement pursuant to the charter and by-laws of O’Charley’s and the Tennessee Business Corporation Act (the “TBCA”) on the date the tendered Shares are accepted for payment, determined on a fully-diluted basis (as defined in the Merger Agreement). The Regulatory Condition has been satisfied. See Section 16 – “Certain Legal Matters; Regulatory Approvals.”

The Offer also is subject to other conditions described in this Offer to Purchase. See Section 15 – “Certain Conditions of the Offer.”

O’Charley’s has advised Parent that, on February 5, 2012, Evercore Group L.L.C. (“Evercore”), which was retained by the Company’s Board of Directors to act as O’Charley’s financial advisor in connection with the potential sale of O’Charley’s, rendered its oral opinion to the Company’s Board of Directors, subsequently confirmed in writing, that, as of that date and based upon and subject to assumptions made, matters considered and limitations on the scope of review undertaken by Evercore as set forth in that opinion, the \$9.85 per Share to be received by holders of Shares other than Parent, Purchaser and any of their respective affiliates in the Offer and the Merger, pursuant to the Merger Agreement, was fair from a financial point of view to those holders. **The full text of the written opinion of Evercore, dated as of February 5, 2012, which sets forth, among other things, assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Evercore in rendering that opinion, is attached as an annex to O’Charley’s Solicitation/Recommendation Statement on Schedule 14D-9 to be filed with the United States Securities and Exchange Commission (the “SEC”), which will be mailed to O’Charley’s shareholders with this Offer to Purchase. Evercore’s opinion was directed to the Company’s Board of Directors and addresses only the fairness, from a financial point of view, of the \$9.85 per Share to be received by the holders of Shares other than Parent, Purchaser and any of their respective affiliates in the Offer and the Merger, pursuant to the Merger Agreement, as of the date of the opinion. Evercore’s opinion does not address any other aspect of the transactions contemplated by the Merger Agreement and does not constitute a recommendation to O’Charley’s Board of Directors or to any other person in respect of the transactions contemplated by the Merger Agreement, including to you or any other O’Charley’s shareholder as to whether you or such shareholder should tender any Shares pursuant to the Offer. Evercore’s opinion does not address the relative merits of the transactions contemplated by the Merger as compared to other business or financial strategies that might be available to O’Charley’s, nor does it address the underlying business decision of O’Charley’s to engage in the transactions contemplated by the Merger Agreement. All statements included in this Offer to Purchase summarizing the contents of the Evercore opinion are qualified in their entirety by reference to the full text of the opinion attached as an annex to the Schedule 14D-9.**

Consummation of the Merger is conditioned upon, among other things, the adoption of the Merger Agreement by the requisite vote of the shareholders of O’Charley’s at a shareholders meeting convened for that purpose in accordance with the TBCA, if required by the TBCA. Under Tennessee law, the affirmative vote of a majority of all the votes entitled to be cast at such meeting of O’Charley’s shareholders is required to approve the Merger Agreement. If we purchase Shares in the Offer, we will have sufficient voting power to approve the Merger without the affirmative vote of any other shareholder of O’Charley’s. In addition, Tennessee law provides that if a corporation owns at least 90% of the outstanding voting shares of each class and series of a subsidiary corporation, the corporation holding such stock may merge such subsidiary into itself, itself into such subsidiary or two or more such subsidiaries with and into each other, without any action or vote on the part of the shareholders of such other corporation. Under the Merger Agreement, if, after the expiration of the Offer or the expiration of the subsequent offering period, if any, the Purchaser directly or indirectly owns at least 90% of the outstanding Shares (including Shares issued pursuant to the Top-Up Option and Shares tendered in any

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subsequent offering period), Parent, the Purchaser and O'Charley's are required to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after the acceptance for payment of the Shares by us pursuant to and in accordance with the terms of the Offer (the "Acceptance Time"), without a meeting of the holders of Shares in accordance with the applicable provisions of the TBCA.

This Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer.

### **THE TENDER OFFER**

#### 1. Terms of the Offer.

The Purchaser is offering to purchase all of the outstanding Shares of O'Charley's. According to O'Charley's, as of February 20, 2012, there were 21,947,206 Shares issued and outstanding (inclusive of restricted stock awards issued pursuant to any O'Charley's equity incentive plan), and 1,580,231 Shares issuable upon the exercise of outstanding options.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), we will accept for payment and promptly pay for all Shares validly tendered prior to the Expiration Date and not properly withdrawn as permitted under Section 4 – "Withdrawal Rights." The term "Expiration Date" means 12:00 midnight, New York City time, at the end of Monday, April 2, 2012, unless we, in accordance with the Merger Agreement, extend the period during which the Offer is open, in which event the term "Expiration Date" means the latest time and date at which the Offer, as so extended, expires.

The Offer is conditioned upon, among other things, the satisfaction of the Minimum Condition, the Regulatory Condition, the Legal Restraint Condition and the other conditions described in Section 15 – "Certain Conditions of the Offer." The Regulatory Condition has been satisfied. See Section 16 – "Certain Legal Matters; Regulatory Approvals."

The Merger Agreement provides that on the scheduled Expiration Date, if any condition to the Offer (as described in Section 15 – "Certain Conditions of the Offer") is not satisfied or waived, then, (i) we may (without O'Charley's consent), and (ii) we must (if requested in writing by O'Charley's no less than one business day prior to the scheduled Expiration Date), extend the Offer for one or more successive periods of time up to five business days per extension until that condition has been satisfied or waived; provided that:

- we will not be required to extend the Offer beyond June 4, 2012 (the "Outside Date"); and
- if the only condition which has not been satisfied as of the scheduled Expiration Date is the Minimum Condition (as described below), then we must extend the Offer for one or more successive periods of up to five business days each, with the total of such extensions not to exceed the earlier to occur of (x) ten business days and (y) the Outside Date.

Under the Merger Agreement, we also will extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or its staff applicable to the Offer or necessary to resolve any comments of the SEC or its staff applicable to the Offer or the documents pursuant to which the Offer is made. The Merger Agreement also provides that we may, at our sole discretion, choose to provide for a subsequent offering period for at least three business days in accordance with Rule 14d-11 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), if, following the expiration of the Offer, all the conditions to the Offer described in Section 15 – "Certain Conditions of the Offer" are satisfied but the number of Shares validly tendered and not validly withdrawn in the Offer and accepted for payment (when added to the Shares already owned by Parent and its subsidiaries, including the Purchaser) is less than 90% of the outstanding Shares (on a fully-diluted basis, as defined in the Merger Agreement).

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We have agreed in the Merger Agreement that, without the prior written consent of O'Charley's, we will not (i) decrease the Offer Price or change the form of consideration payable in the Offer, (ii) decrease the number of Shares subject to or sought to be purchased in the Offer, (iii) impose conditions on the Offer in addition to the conditions described in this Offer to Purchase (see Section 15 – "Certain Conditions of the Offer"), (iv) waive or amend the Minimum Condition, (v) amend or supplement any of the other conditions described in this Offer to Purchase or any other term of the Offer in a manner adverse to the holders of the Shares, other than Parent, the Purchaser and any of their respective affiliates, or (vi) extend or otherwise change the Expiration Date except as required or permitted by the Merger Agreement.

If we extend the Offer, are delayed in our acceptance for payment of or payment (whether before or after our acceptance for payment) for Shares or are unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the depository for the Offer (the "Depository") may retain tendered Shares on our behalf, and those Shares may not be withdrawn except to the extent that tendering shareholders are entitled to withdrawal rights as described herein under Section 4 – "Withdrawal Rights." However, our ability to delay the payment for Shares that we have accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires us to pay the consideration offered or return the securities deposited by or on behalf of shareholders promptly after the termination or withdrawal of the Offer.

Except as described above, and subject to the applicable rules and regulations of the SEC, we expressly reserve the right to waive any condition to the Offer (other than the Minimum Condition, which may not be waived without O'Charley's prior written consent), increase the Offer Price and/or modify the other terms and conditions of the Offer. Any extension, delay, termination or amendment of the Offer will be followed promptly by public announcement of any extension, delay, termination or amendment, and that announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make any public announcement, we currently intend to make announcements regarding the Offer by issuing a press release and making any appropriate filing with the SEC.

If we make a material change in the terms of the Offer or the information concerning the Offer or if we waive a material condition of the Offer, we will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-4(d)(1), 14d-6(c) and 14e-1 under the Exchange Act. The minimum period during which an offer must remain open following material changes in the terms of the Offer or information concerning the Offer, other than a change in price or a change in percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the terms or information changes. In the SEC's view, an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to shareholders, and with respect to a change in price or a change in percentage of securities sought, a minimum ten business day period generally is required to allow for adequate dissemination to shareholders and investor response.

If, on or before the Expiration Date, we increase the consideration being paid for Shares accepted for payment in the Offer, that increased consideration will be paid to all shareholders whose Shares are purchased in the Offer, whether or not those Shares were tendered before the announcement of the increase in consideration.

We expressly reserve the right, subject to the terms and conditions of the Merger Agreement and the applicable rules and regulations of the SEC, not to accept for payment any Shares if, at the expiration of the Offer, any of the conditions to the Offer have not been satisfied or waived or upon the occurrence of any of the events described in Section 15 – "Certain Conditions of the Offer." Under certain circumstances, we may terminate the Merger Agreement and the Offer.

After the expiration of the Offer and acceptance for payment of the Shares validly tendered in, and not validly withdrawn from, the Offer, we may decide pursuant to the Merger Agreement to commence a subsequent offering period. A subsequent offering period, if included, will be an additional period beginning on the next

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business day following the Expiration Date, during which any remaining shareholders may tender, but not withdraw, their Shares and receive the Offer Price. If we provide a subsequent offering period, we will accept for payment and promptly pay for all Shares that were validly tendered during the initial offering period. During a subsequent offering period, tendering shareholders will not have withdrawal rights, and we will accept and pay for any Shares validly tendered during the subsequent offering period.

Other than as may be required by the terms of the Merger Agreement, we do not currently intend to provide a subsequent offering period for the Offer, although we reserve the right to do so. If we elect to provide or extend any subsequent offering period, a public announcement of that provision or extension will be made no later than 9:00 a.m., New York City time, on the next business day following the Expiration Date or date of termination of any prior subsequent offering period.

Under the Merger Agreement, if we do not own at least 90% of the outstanding Shares (on a fully-diluted basis, as defined in the Merger Agreement) after our acceptance for payment of Shares pursuant to the Offer, Parent has the option (the “Top-Up Option”), subject to certain limitations, to purchase from O’Charley’s up to that number of newly-issued Shares sufficient to cause Parent (together with any of its subsidiaries, including us) to own one Share more than 90% of the Shares then outstanding (on a fully-diluted basis, as defined in the Merger Agreement) at a price per Share equal to the Offer Price.

O’Charley’s has provided us with O’Charley’s shareholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal, together with the Solicitation/Recommendation Statement on Schedule 14D-9, will be mailed to record holders of Shares whose names appear on O’Charley’s shareholder list and will be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder list or, if applicable, who are listed as participants in a clearing agency’s security position listing.

## 2. Acceptance for Payment and Payment for Shares.

Subject to the satisfaction or waiver of all the conditions to the Offer described in Section 15 – “Certain Conditions of the Offer,” we will accept for payment and promptly pay for Shares validly tendered and not validly withdrawn pursuant to the Offer on or after the Expiration Date. If we commence a subsequent offering period in connection with the Offer, we will immediately accept for payment and promptly pay for all additional Shares validly tendered during that subsequent offering period, subject to and in compliance with the requirements of Rule 14d-11(e) under the Exchange Act. Subject to compliance with Rule 14e-1(c) under the Exchange Act, we expressly reserve the right to delay payment for Shares in order to comply in whole or in part with any applicable law, including, without limitation, the HSR Act. See Section 16 – “Certain Legal Matters; Regulatory Approvals.”

In all cases, we will pay for Shares accepted for payment pursuant to the Offer only after timely receipt by the Depository of (i) the Share certificates evidencing tendered Shares (the “Share Certificates”) or confirmation of a book-entry transfer of those Shares (a “Book-Entry Confirmation”) into the Depository’s account at The Depository Trust Company (“DTC”) pursuant to the procedures set forth in Section 3 – “Procedures for Accepting the Offer and Tendering Shares,” (ii) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent’s Message (as defined below) in lieu of the Letter of Transmittal and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering shareholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depository.

The term “Agent’s Message” means a message, transmitted by DTC to and received by the Depository and forming a part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares that are the subject of that Book-Entry Confirmation, that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce that agreement against that participant.

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For purposes of the Offer, we will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not withdrawn as, if and when we give oral or written notice to the Depository of our acceptance for payment of those Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the Offer Price for those Shares with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payments from us and transmitting those payments to tendering shareholders whose Shares have been accepted for payment. If we extend the Offer, are delayed in our acceptance for payment of or payment (whether before or after our acceptance for payment for Shares) for Shares or are unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the Depository may retain tendered Shares on our behalf, and those Shares may not be withdrawn except to the extent that tendering shareholders are entitled to withdrawal rights as described herein under Section 4 – “Withdrawal Rights” and as otherwise required by Rule 14e-1(c) under the Exchange Act. **Under no circumstances will we pay interest on the purchase price for Shares by reason of any extension of the Offer or any delay in making that payment.**

If any tendered Shares are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, or if Share Certificates are submitted evidencing more Shares than are tendered, Share Certificates evidencing unpurchased Shares will be returned, without expense to the tendering shareholder (or, in the case of Shares tendered by book-entry transfer into the Depository’s account at DTC pursuant to the procedure set forth in Section 3 – “Procedures for Accepting the Offer and Tendering Shares,” those Shares will be credited to an account maintained at DTC), promptly following the expiration or termination of the Offer.

### 3. Procedures for Accepting the Offer and Tendering Shares.

*Valid Tenders.* In order for a shareholder to tender Shares validly pursuant to the Offer, either (i) the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase and either (A) the Share Certificates evidencing tendered Shares must be received by the Depository at that address or (B) those Shares must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depository, in each case prior to the Expiration Date, or (ii) the tendering shareholder must comply with the guaranteed delivery procedures described below under “Guaranteed Delivery.”

*Book-Entry Transfer.* The Depository will establish an account with respect to the Shares at DTC for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of DTC may make a book-entry delivery of Shares by causing DTC to transfer those Shares into the Depository’s account at DTC in accordance with DTC’s procedures for that transfer. However, although delivery of Shares may be effected through book-entry transfer at DTC, either the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees, or an Agent’s Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering shareholder must comply with the guaranteed delivery procedure described below under “Guaranteed Delivery.” **Delivery of documents to DTC does not constitute delivery to the Depository.**

*Signature Guarantees.* No signature guarantee is required on the Letter of Transmittal (i) if the Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section 3, includes any participant in DTC’s systems whose name appears on a security position listing as the owner of the Shares) of the Shares tendered therewith, unless that holder has completed either the box entitled “Special Delivery Instructions” or the box entitled “Special Payment Instructions” on the Letter of Transmittal or (ii) if the Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan

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associations and brokerage houses) that is a participant in the Security Transfer Agents Medallion Program or any other “eligible guarantor institution,” as that term is defined in Rule 17Ad-15 of the Exchange Act (each, an “Eligible Institution” and, collectively, “Eligible Institutions”). In all other cases, all signatures on a Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If a Share Certificate is registered in the name of a person or persons other than the signer of the Letter of Transmittal, or if payment is to be made or delivered to, or a Share Certificate not accepted for payment or not tendered is to be issued in, the name(s) of a person other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate duly executed stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear on the Share Certificate, with the signature(s) on that Share Certificate or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 of the Letter of Transmittal.

*Guaranteed Delivery.* If a shareholder desires to tender Shares pursuant to the Offer and the Share Certificates evidencing that shareholder’s Shares are not immediately available or that shareholder cannot deliver the Share Certificates and all other required documents to the Depository prior to the Expiration Date, or that shareholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, then those Shares may nevertheless be tendered, provided that all of the following conditions are satisfied:

- that tender is made by or through an Eligible Institution;
- a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by us, is received prior to the Expiration Date by the Depository as provided below; and
- the Share Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case, together with the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message), and any other documents required by the Letter of Transmittal are received by the Depository within three trading days after the date of execution of that Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by overnight courier, transmitted by manually signed facsimile transmission or mailed to the Depository and must include a guarantee by an Eligible Institution in the form set forth in the form of Notice of Guaranteed Delivery made available by us.

Notwithstanding any other provision of this Offer, payment for Shares accepted pursuant to the Offer will in all cases only be made after timely receipt by the Depository of (i) Share Certificates evidencing those Shares or a Book-Entry Confirmation of a book-entry transfer of those Shares into the Depository’s account at DTC pursuant to the procedures set forth in this Section 3, (ii) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent’s Message in lieu of the Letter of Transmittal and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering shareholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depository.

**The method of delivery of Share Certificates, the Letter of Transmittal and all other required documents, including delivery through DTC, is at the option and risk of the tendering shareholder, and the delivery will be deemed made only when actually received by the Depository (including, in the case of a book-entry transfer, receipt of a Book-Entry Confirmation). If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

The tender of Shares pursuant to any one of the procedures described above will constitute the tendering shareholder’s acceptance of the Offer, as well as the tendering shareholder’s representation and warranty that, among other things, the shareholder has the full power and authority to tender and assign the Shares tendered and that, upon acceptance for payment, the Purchaser will acquire good, marketable and unencumbered title to those Shares, free and clear of all liens, restrictions, charges and encumbrances, in each case, as specified in the Letter



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of Transmittal. Our acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering shareholder and us upon the terms and subject to the conditions of the Offer.

*Determination of Validity.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by us. We reserve the right to reject any and all tenders determined by us not to be in proper form or the acceptance for payment of which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any defect or irregularity in the tender of any Shares of any particular shareholder, whether or not similar defects or irregularities are waived in the case of other shareholders. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived to our satisfaction. None of Parent, the Purchaser, the Depositary, the Dealer Manager, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Subject to any applicable legal requirements, any determination by us concerning any condition or event relating to this Offer, including the interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto), may be challenged by O'Charley's shareholders in a court of competent jurisdiction. A nonappealable determination with respect to such matter by a court of competent jurisdiction will be final and binding upon all persons.

*Appointment.* By executing the Letter of Transmittal as set forth above, the tendering shareholder will irrevocably appoint designees of the Purchaser as that shareholder's attorneys-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of that shareholder's rights with respect to the Shares tendered by that shareholder and accepted for payment by the Purchaser and with respect to any and all other Shares or other securities or rights issued or issuable in respect of those Shares. All those powers of attorney and proxies will be considered irrevocable and coupled with an interest in the tendered Shares. That appointment will be effective when, and only to the extent that, we accept for payment Shares tendered by that shareholder as provided herein. Upon that appointment, all prior powers of attorney, proxies and consents given by that shareholder with respect to those Shares or other securities or rights will, without further action, be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given by that shareholder (and, if given, will not be deemed effective). The designees of the Purchaser will thereby be empowered to exercise all voting and other rights with respect to those Shares and other securities or rights, including, without limitation, in respect of any annual, special or adjourned meeting of O'Charley's shareholders, actions by written consent in lieu of any such meeting or otherwise, as they in their sole discretion deem proper. We reserve the right to require that, in order for Shares to be deemed validly tendered, immediately upon our acceptance for payment of those Shares, the Purchaser must be able to exercise full voting, consent and other rights with respect to those Shares and other related securities or rights, including voting at any meeting of shareholders.

*Backup Withholding.* Under the "backup withholding" provisions of United States federal income tax law, the Depositary may be required to withhold and pay over to the Internal Revenue Service a portion of the amount of any payments pursuant to the Offer. In order to prevent backup federal income tax withholding with respect to payments to certain shareholders of the Offer Price for Shares purchased pursuant to the Offer, each of those shareholders must provide the Depositary with that shareholder's correct taxpayer identification number ("TIN") and certify that the shareholder is not subject to backup withholding by completing the Form W-9 in the Letter of Transmittal. Certain shareholders may not be subject to backup withholding. If a shareholder does not provide its correct TIN or fails to provide the certifications described above, the Internal Revenue Service may impose a penalty on the shareholder and payment to the shareholder pursuant to the Offer may be subject to backup withholding. All shareholders surrendering Shares pursuant to the Offer who are U.S. persons (as defined for U.S. federal income tax purposes) should complete and sign the Form W-9 included in the Letter of Transmittal to provide the information necessary to avoid backup withholding. Foreign shareholders should complete and sign the appropriate Form W-8 (a copy of which may be obtained from the Depositary) in order to avoid backup withholding. Those shareholders should consult a tax advisor to determine which Form W-8 is appropriate. See Instruction 9 of the Letter of Transmittal.

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### 4. Withdrawal Rights.

Except as otherwise provided in this Section 4, tenders of Shares made pursuant to the Offer are irrevocable.

Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after April 27, 2012.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of those Shares, if different from that of the person who tendered those Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of those Share Certificates, the serial numbers shown on those Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless those Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3 – “Procedures for Accepting the Offer and Tendering Shares,” any notice of withdrawal must also specify the name and number of the account at DTC to be credited with the withdrawn Shares.

Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered by again following one of the procedures described in Section 3 – “Procedures for Accepting the Offer and Tendering Shares” at any time prior to the Expiration Date.

No withdrawal rights will apply to Shares tendered during a subsequent offering period and no withdrawal rights apply during the subsequent offering period with respect to Shares tendered in the Offer and accepted for payment. See Section 1 – “Terms of the Offer.”

**We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal. Subject to any applicable legal requirements, any such determination by us may be challenged by O’Charley’s shareholders in a court of competent jurisdiction. A nonappealable determination with respect to such matter by a court of competent jurisdiction will be final and binding upon all persons. None of Parent, the Purchaser, the Depositary, the Dealer Manager, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.**

### 5. Certain United States Federal Income Tax Consequences.

The following is a summary of certain United States federal income tax consequences of the Offer and the Merger to shareholders of O’Charley’s whose Shares are tendered and accepted for payment pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger. The discussion is for general information only and does not purport to consider all aspects of United States federal income taxation that might be relevant to shareholders of O’Charley’s. The discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), existing, proposed and temporary regulations thereunder and administrative and judicial interpretations thereof, all of which are subject to change, possibly with a retroactive effect. The discussion applies only to shareholders of O’Charley’s in whose hands Shares are capital assets within the meaning of Section 1221 of the Code. This discussion does not apply to Shares held as part of a hedge, straddle or conversion transaction, Shares acquired under O’Charley’s stock incentive plans or Shares received pursuant to the exercise of employee stock options or otherwise as compensation, or to certain types of shareholders (such as insurance companies, tax-exempt organizations, financial institutions and broker-dealers, partnerships and other entities treated as partnerships for U.S. federal income tax purposes and partners in such partnerships) who may be subject to special

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rules. This discussion applies only to a beneficial holder of Shares which is one of the following: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. This discussion does not consider the effect of any foreign, state or local tax laws.

**Because individual circumstances may differ, each shareholder should consult its, his or her own tax advisor to determine the applicability of the rules discussed below and the particular tax effects of the Offer and the Merger on a beneficial holder of Shares, including the application and effect of the alternative minimum tax and any state, local and foreign tax laws and of changes in those laws.**

The exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction for United States federal income tax purposes. In general, a shareholder who sells Shares pursuant to the Offer or receives cash in exchange for Shares pursuant to the Merger will recognize gain or loss for United States federal income tax purposes in an amount equal to the difference, if any, between the amount of cash received (determined before the deduction of any withholding tax) and the shareholder's adjusted tax basis in the Shares sold pursuant to the Offer or exchanged for cash pursuant to the Merger. Gain or loss will be determined separately for each block of Shares (that is, Shares acquired at the same cost in a single transaction) tendered pursuant to the Offer or exchanged for cash pursuant to the Merger. That gain or loss will be long-term capital gain or loss provided that a shareholder's holding period for those Shares is more than one year at the time of consummation of the Offer or the Merger, as the case may be. Capital gains recognized by an individual upon a disposition of a Share that has been held for more than one year generally will be subject to a maximum United States federal income tax rate of 15%. In the case of a Share that has been held for one year or less, that capital gain generally will be subject to tax at ordinary income tax rates. Certain limitations apply to the use of a shareholder's capital losses.

A shareholder whose Shares are purchased in the Offer or exchanged for cash pursuant to the Merger is subject to information reporting and may be subject to backup withholding unless certain information is provided to the Depository or an exemption applies. See Section 3 – "Procedures for Accepting the Offer and Tendering Shares."

## 6. Price Range of Shares; Dividends.

The Shares currently trade on the NASDAQ Global Select Market ("Nasdaq") under the symbol "CHUX." According to O'Charley's, as of February 20, 2012, there were 21,947,206 Shares issued and outstanding (inclusive of restricted stock awards issued pursuant to any O'Charley's equity incentive plan), and 1,580,231 Shares issuable upon the exercise of outstanding options.

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The following table sets forth, for the periods indicated, the high and low sale prices per Share for each quarterly period within the three preceding fiscal years, as reported by Nasdaq based on published financial sources.

	<u>High</u>	<u>Low</u>
<b>Year Ended December 27, 2009</b>		
First Quarter	\$ 4.95	\$1.83
Second Quarter	10.20	4.18
Third Quarter	11.41	7.45
Fourth Quarter	10.10	5.32
<b>Year Ended December 26, 2010</b>		
First Quarter	\$ 9.95	\$6.35
Second Quarter	10.00	4.38
Third Quarter	7.49	5.28
Fourth Quarter	7.98	6.65
<b>Year Ended December 25, 2011</b>		
First Quarter	\$ 8.26	\$5.66
Second Quarter	7.99	5.98
Third Quarter	7.82	4.51
Fourth Quarter	6.84	4.85
<b>Year Ended December 30, 2012</b>		
First Quarter (through February 24, 2012)	10.30	5.34

On February 3, 2012, the last full day of trading before the public announcement of the terms of the Offer and the Merger, the reported closing sales price of the Shares on Nasdaq was \$6.92 per Share. On February 24, 2012, the last full day of trading before the commencement of the Offer, the reported closing sales price of the Shares on Nasdaq was \$9.88 per Share. The Offer Price represents a premium of 57% over O'Charley's volume weighted average share price for the 20 trading days immediately preceding the public announcement of the Offer and the Merger and a premium of 42% over the closing price on the last full day of trading before the public announcement of the Offer and the Merger. During fiscal years 2011, 2010 and 2009, the Company did not pay any dividends.

**Shareholders are urged to obtain a current market quotation for the Shares.**

### 7. Certain Information Concerning O'Charley's.

Except as specifically described herein, the information concerning O'Charley's contained in this Offer to Purchase has been taken from or is based upon information furnished by O'Charley's or its representatives or upon publicly available documents and records on file with the SEC and other public sources. The summary information set forth below is qualified in its entirety by reference to O'Charley's public filings with the SEC (which may be obtained and inspected as described below) and should be considered in conjunction with the more comprehensive financial and other information in those reports and other publicly available information. We have no knowledge that would indicate that any statements contained herein based on those documents and records are untrue. However, we do not assume any responsibility for the accuracy or completeness of the information concerning O'Charley's, whether furnished by O'Charley's or contained in those documents and records, or for any failure by O'Charley's to disclose events which may have occurred or which may affect the significance or accuracy of any of that information but which are unknown to us.

*General.* O'Charley's is a multi-concept restaurant company with its principal offices located at 3038 Sidco Drive, Nashville, Tennessee 37204 USA. The telephone number for O'Charley's is (615) 256-8500. O'Charley's owns and operates three restaurant concepts under the "O'Charley's," "Ninety Nine" and "Stoney River Legendary Steaks" trade names. According to O'Charley's Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 2011, as of October 2, 2011, O'Charley's operated 221 full-service restaurant facilities in 17 states in the East, Southeast and Midwest under the trade name "O'Charley's," 106 full-service restaurant

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facilities in seven states throughout New England and upstate New York under the trade name “Ninety Nine Restaurants” and 10 full-service restaurant facilities in six states in the Southeast and Midwest under the trade name “Stoney River Legendary Steaks.” As of October 2, 2011, O’Charley’s had six franchised O’Charley’s restaurants in four states.

*Available Information.* The Shares are registered under the Exchange Act. Accordingly, O’Charley’s is subject to the information reporting requirements of the Exchange Act, which require O’Charley’s to file periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Information as of particular dates concerning O’Charley’s directors and officers, their remuneration, stock options granted to them, the principal holders of O’Charley’s securities, any material interests of those persons in transactions with O’Charley’s and other matters is required to be disclosed in proxy statements, the last one having been filed with the SEC on April 8, 2011 and distributed to O’Charley’s shareholders. That information also will be available in O’Charley’s Solicitation/ Recommendation Statement on Schedule 14D-9 and the Information Statement annexed thereto. Those reports, proxy statements and other information are available for inspection at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Copies of that information may be obtainable by mail, upon payment of the SEC’s customary charges, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549-0213. The SEC also maintains a web site on the Internet at <http://www.sec.gov> that contains reports, proxy statements and other information regarding registrants, including O’Charley’s, that file electronically with the SEC.

*Summary Financial Information.* Set forth below is certain summary financial information for O’Charley’s and its consolidated subsidiaries excerpted from O’Charley’s Annual Report on Form 10-K for the fiscal year ended December 26, 2010, its Quarterly Report on Form 10-Q for the quarterly period ended October 2, 2011 and its Quarterly Report on Form 10-Q for the quarterly period ended October 3, 2010. More comprehensive financial information is included in those reports and other documents filed by O’Charley’s with the SEC, and the following summary is qualified in its entirety by reference to those reports and other documents and all of the financial information and notes contained therein. Copies of those reports and other documents may be examined at or obtained from the SEC in the manner described above.

	Quarter Ended		Year Ended	
	October 2, 2011	October 3, 2010	December 26, 2010	December 27, 2009

(In thousands, except per share amounts)

### Operating Data

Total revenues	\$ 186,588	\$ 188,642	\$ 830,109	\$ 866,273
Income (loss) from continuing operations	\$ (3,953)	\$ (7,030)	\$ (27,285)	\$ (3,167)
Net income (loss)	\$ (4,012)	\$ (7,438)	\$ (34,915)	\$ (7,325)
Basic and diluted net income (loss) per share	\$ (0.19)	\$ (0.35)	\$ (1.65)	\$ (0.35)

	Quarter Ended		Year Ended	
	October 2, 2011	October 3, 2010	December 26, 2010	December 27, 2009

(In thousands)

### Balance Sheet Data

Total assets	\$402,916	\$ 432,395	\$ 422,741	\$ 462,255
Total liabilities	\$226,919	234,024	\$ 244,507	\$ 253,136
Shareholders’ equity	\$175,997	\$ 198,371	\$ 178,234	\$ 209,119

*Financial Projections.* In connection with our due diligence review of O’Charley’s, O’Charley’s made available to us certain non-public financial information about O’Charley’s, including unaudited financial projections prepared in December 2011 based solely on information available at that time by O’Charley’s management with respect to the fiscal year ending December 30, 2012.

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O'Charley's has advised us that its financial projections reflect numerous judgments, estimates and assumptions with respect to industry performance, general business, economic, regulatory, legal, market and financial conditions and other future events, as well as matters specific to O'Charley's business, all of which are difficult to predict and many of which are beyond O'Charley's control and that the continuing turmoil in general economic conditions also creates significant uncertainty around the projections. These financial projections are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As a result, these financial projections constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in those projections, including the various risks set forth in O'Charley's periodic reports filed with the SEC. There can be no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than projected. The financial projections cover multiple years and that information by its nature becomes less reliable with each successive year.

O'Charley's has advised us that the financial projections were not prepared with a view toward public disclosure and some of the financial projections were not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Additionally, O'Charley's has informed us that the financial projections were not prepared with a view to compliance with the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The financial projections included below were prepared by O'Charley's management. Neither O'Charley's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial projections included below, nor have they expressed any opinion or any other form of assurance on that information or its achievability, and they assume no responsibility for, and disclaim any association with, the financial projections.

The inclusion of the financial projections herein will not be deemed an admission or representation by O'Charley's or us that they are viewed by O'Charley's or us as material information of O'Charley's, nor that O'Charley's or we considered or consider these financial projections to be necessarily predictive of actual future results.

The financial projections do not take into account any circumstances or events occurring after the date they were prepared, including the announcement of the acquisition of O'Charley's by us pursuant to the Offer and the Merger. Further, the financial projections do not take into account the effect of any failure to occur of the Offer or the Merger and should not be viewed as accurate or continuing in that context. O'Charley's has not updated or revised nor does O'Charley's intend to update or otherwise revise the financial projections to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events even in the event that any or all of the underlying assumptions are shown to be in error.

### **O'Charley's Financial Projections**

	<b>Fiscal Year 2012E (In millions)</b>
Total Revenues	\$ 838.7
Income from Operations	\$ 3.0
EBITDA	\$ 35.1
Adjusted EBITDA	\$ 37.9

#### 8. Certain Information Concerning Parent, the Purchaser and Certain Related Persons

Parent is a Delaware corporation. Parent's principal office is located at 601 Riverside Avenue, Jacksonville, Florida 32204 and its telephone number at that address is (904) 854-8100. Parent is a leading provider of title insurance, mortgage services and diversified services. Parent currently owns 2,079,542 Shares, or approximately 9.5% of all of the issued and outstanding Shares of O'Charley's.

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The Purchaser is a Tennessee corporation and an indirect, wholly-owned subsidiary of Parent. The Purchaser was organized by Parent to acquire O'Charley's and has not conducted any unrelated activities since its organization. The Purchaser's principal office is located at 601 Riverside Avenue, Jacksonville, Florida 32204 and its telephone number at that address is (904) 854-8100.

The Purchaser is a wholly-owned subsidiary of Fidelity National Special Opportunities, Inc. ("FNSO"), a Delaware corporation. FNSO is a wholly-owned subsidiary of Parent. FNSO is a holding company that also currently holds a minority interest in American Blue Ribbon Holdings, LLC, the owner and operator of the Village Inn, Bakers Square and Max & Erma's restaurants. FNSO's principal office is located at 601 Riverside Avenue, Jacksonville, Florida 32204 and its telephone number at that address is (904) 854-8100.

The name, citizenship, business address, present principal occupation or employment and five-year employment history of each of the directors and executive officers of Parent, the Purchaser and FNSO are listed in Schedule I to this Offer to Purchase.

During the last five years, neither Parent, the Purchaser, FNSO nor, to the best knowledge of the Purchaser, Parent and FNSO, any of the persons listed in Schedule I to this Offer to Purchase (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of those laws.

Except as otherwise described in this Offer to Purchase or Schedule I hereto, (i) neither Parent, the Purchaser, FNSO nor, to the best knowledge of Parent, the Purchaser and FNSO, any of the persons listed in Schedule I to this Offer to Purchase or any associate or majority-owned subsidiary of Parent, the Purchaser, FNSO or any of the persons so listed beneficially owns or has any right to acquire, directly or indirectly, any Shares, other than the 2,079,542 Shares currently owned by Parent and (ii) neither Parent, the Purchaser, FNSO nor, to the best knowledge of Parent, the Purchaser and FNSO, any of the persons or entities referred to Schedule I hereto nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days.

Except as provided in the Merger Agreement or as otherwise described in this Offer to Purchase, neither Parent, the Purchaser, FNSO nor, to the best knowledge of Parent, the Purchaser and FNSO, any of the persons listed in Schedule I to this Offer to Purchase, has any contract, arrangement, understanding or relationship with any other person with respect to any securities of O'Charley's, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of those securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, guarantees of profits, division of profits or loss or the giving or withholding of proxies.

Except as otherwise described in this Offer to Purchase, neither Parent, the Purchaser nor FNSO or, to the best knowledge of Parent, the Purchaser and FNSO, any of the persons listed on Schedule I hereto, has had any business relationship or transaction with O'Charley's or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the SEC applicable to the Offer. Except as otherwise described in this Offer to Purchase, there have been no contacts, negotiations or transactions between Parent, the Purchaser, FNSO or any of its subsidiaries or, to the best knowledge of Parent, the Purchaser, FNSO or any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and O'Charley's or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets during the past two years.

*Available Information.* Pursuant to Rule 14d-3 under the Exchange Act, we have filed with the SEC a Tender Offer Statement on Schedule TO (the "Schedule TO"), of which this Offer to Purchase forms a part, and exhibits to the Schedule TO. The Schedule TO and the exhibits thereto, as well as other information filed by the

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Purchaser with the SEC, are available for inspection at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Copies of that information may be obtainable by mail, upon payment of the SEC's customary charges, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549-0213. The SEC also maintains a web site on the Internet at <http://www.sec.gov> that contains the Schedule TO and the exhibits thereto and other information that the Purchaser has filed electronically with the SEC.

### 9. Source and Amount of Funds.

The Offer is not conditioned on the procurement of any financing. We estimate that we will need approximately \$225 million to purchase all of the Shares that Parent and its subsidiaries do not already own pursuant to the Offer, to make payments in respect of outstanding in-the-money options, to repay O'Charley's existing indebtedness and to consummate the Merger, plus related fees and expenses. Parent and its subsidiaries will provide us with sufficient funds (by means of a capital contribution and/or other advancement) to purchase all Shares properly tendered in the Offer and to provide funding for the Merger and the other transactions contemplated by the Merger Agreement, which are expected to follow the successful completion of the Offer in accordance with the terms and conditions of the Merger Agreement.

Parent expects to obtain the necessary funds from its and its subsidiaries' available cash and cash equivalents and through borrowings under its unsecured revolving bank credit facility under the Amendment and Restatement Agreement, dated as of March 5, 2010, to the Credit Agreement among Parent, Bank of America, N.A., and certain agents and other lenders party thereto (the "Credit Agreement"), and the Commitment Increase Agreement, dated as of March 5, 2010, among Parent, Bank of America, N.A. as Administrative Agent, and the other financial institutions party thereto (together with the Credit Agreement, the "Credit Facility"). At December 31, 2011, Parent had \$825.0 million of unused capacity, and outstanding debt with a principal amount of \$100.0 million (due March 2013) with interest payable monthly at LIBOR plus 2.00% (2.28% at December 31, 2011), under the Credit Agreement. As of the date of this Offer to Purchase, Parent and the Purchaser do not have any alternative committed financing arrangements or financing plans with respect to the Offer and the Merger in the event that borrowings under the Credit Facility are not available.

Effective March 5, 2010, we amended and extended our then existing credit agreement and agreed to change the aggregate size of the Credit Facility. These agreements reduced the total size of the existing credit facility from \$1.1 billion to \$951.2 million, with an option to increase the size of the Credit Facility to \$1.1 billion, and created a new tranche, representing \$925.0 million of the total Credit Facility, with an extended maturity date of March 5, 2013. Pricing for the new tranche is based on an applicable margin between 160 basis points to 240 basis points over LIBOR, depending on the senior debt ratings of Parent. The Credit Agreement remains subject to affirmative, negative and financial covenants customary for financings of this type, including, among other things, limits on the creation of liens, sales of assets, the incurrence of indebtedness, restricted payments, transactions with affiliates, and certain amendments. The Credit Agreement prohibits Parent from paying dividends to our stockholders if an event of default has occurred and is continuing or would result therefrom. The Credit Agreement requires Parent to maintain certain financial ratios and levels of capitalization. The Credit Agreement includes customary events of default for facilities of this type (with customary grace periods, as applicable). These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Credit Agreement in default if: (i) (A) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3% of our net worth, as defined in the Credit Agreement, or (B) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. The Credit Agreement provides that, upon the occurrence of an event of default, the interest rate on all outstanding obligations will be increased and payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Credit Agreement shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate.



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Copies of the agreements that comprise the Credit Facility have been filed as exhibits to the Tender Offer Statement on Schedule TO to which this Offer to Purchase is attached as an exhibit, and the foregoing summary is qualified in its entirety by reference to the terms and conditions of the Credit Facility, and those exhibits are incorporated herein by reference.

The Purchaser does not think its financial condition is relevant to a decision by the holders of Shares whether to tender Shares and accept the Offer because:

- the Offer is being made for all outstanding Shares solely for cash;
- the Purchaser, through Parent and its subsidiaries, will have sufficient funds available to purchase all Shares successfully tendered in the Offer in light of its financial capacity in relation to the amount of consideration payable;
- the Offer is not subject to any financing condition; and
- if the Purchaser consummates the Offer, it expects to acquire any remaining Shares for the same cash price in the Merger.

### 10. Background of the Offer; Past Contacts or Negotiations with O'Charley's.

The following is a description of Parent's participation in a process with O'Charley's that culminated in the execution of the Merger Agreement. For a review of the activities of O'Charley's relating to that process, you are referred to the Schedule 14D-9 of O'Charley's being mailed to shareholders with this Offer to Purchase. The information set forth below regarding O'Charley's was provided by O'Charley's, and none of Parent, Purchaser nor any of their affiliates takes any responsibility for the accuracy or completeness of any information regarding meetings or discussions in which Parent or its affiliates or representatives did not participate.

Parent is a leading provider of title insurance, mortgage services and diversified services and uses its cash flow and other resources for, among other things, making and managing equity investments across a number of industries. Parent, through its wholly-owned subsidiary FNSO, owns a 45% interest in American Blue Ribbon Holdings, LLC ("ABRH"), an owner and operator of the Village Inn, Bakers Square and Max & Erma's restaurants. From time to time, Parent engages in discussions relating to potential transactions of public and private restaurant companies, both by approaching potential targets directly and by participating in target-initiated sale processes.

In March and April 2011, Parent's financial advisor Jefferies introduced several restaurant combination ideas for ABRH.

In early April 2011, Brent B. Bickett, Parent's Executive Vice President of Corporate Finance, sent an email to O'Charley's Chairman Phil Hickey, requesting a telephone call between Mr. Hickey and Mr. Bickett. Mr. Hickey agreed, and the call took place on April 6, 2011. In that call, Mr. Bickett introduced himself, gave some background on Parent's operations and sought to schedule a meeting among Mr. Hickey, Mr. Bickett and Hazem Ouf, the Chief Executive Officer of ABRH, an affiliate of Parent that operates multiple restaurant concepts, relating to a possible strategic transaction between O'Charley's and Parent or ABRH. Noting that O'Charley's was not for sale and was focused on pursuing its strategic plan as a standalone entity, Mr. Hickey declined the offer of an in-person meeting, but agreed to a telephone conversation with Messrs. Bickett and Ouf.

On May 23, 2011, Messrs. Hickey, Bickett and Ouf spoke by telephone, with Messrs. Bickett and Ouf offering background information regarding the operations of ABRH and its restaurant concepts and claiming their complementary nature with the restaurant concepts operated by O'Charley's. Messrs. Bickett and Ouf did not make any specific proposal regarding an acquisition or other strategic combination transaction between Parent, ABRH and O'Charley's. Mr. Hickey reiterated that O'Charley's was not for sale and was focused on pursuing its strategic plan as a standalone entity. Following that conversation, no further contact between Mr. Hickey and any representatives of Parent or ABRH was had for several months.

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Over the course of several months and as reported on a Schedule 13D filed with the SEC on September 9, 2011, Parent (acting on its own as well as through one of its subsidiaries) accumulated 1,849,354 Shares (or 8.4% of the then outstanding Shares) through open market purchases. That Schedule 13D announced that Parent may, among other things, engage in discussions with O'Charley's management, and propose a business combination.

Subsequently, on September 10, 2011, Mr. Bickett sent Mr. Hickey an email noting that Parent had filed a Schedule 13D and requesting a meeting between Mr. Hickey and William P. Foley, II, the Chairman of the Board of Directors of Parent, in Nashville, Tennessee in late October 2011. Mr. Hickey agreed to meet with Mr. Foley, and a meeting was set for October 21, 2011.

On September 22, 2011, Parent reported additional open market purchases for an aggregate stake of 2,079,542 Shares (or 9.5% of the then outstanding Shares).

On October 6, 2011, Parent's Chairman and Executive Vice President of Corporate Finance participated in a call arranged by Jefferies with Crescendo Partners, a shareholder of O'Charley's with two designees serving as directors on the O'Charley's Board of Directors, to introduce Crescendo Partners to Parent and to explain Parent's interest in the restaurant industry in general and its investment in O'Charley's, in particular. Crescendo Partners stated that O'Charley's was not for sale. Crescendo Partners neither encouraged nor discouraged Parent from making an offer to purchase O'Charley's.

On October 19, 2011, Mr. Bickett emailed Mr. Hickey to cancel the meeting between Messrs. Hickey and Foley due to scheduling conflicts.

After a preliminary review of publicly available information for O'Charley's, on October 24, 2011 Jefferies submitted to the Board of Directors of O'Charley's a preliminary, non-binding expression of interest on behalf of Parent to acquire 100% of O'Charley's, for a purchase price between \$9.17 to \$9.80 per Share, based on publicly available information and other assumptions, with the consideration to be in the form of half cash and half shares of Parent's common stock, subject to completion of due diligence, among other things. The expression of interest included a request for exclusivity and discussed in general terms an intention to combine O'Charley's with Parent's investment in ABRH.

On October 27, 2011, Mr. Hickey telephoned George Scanlon, the Chief Executive Officer of Parent, to relay that the Board had conducted a preliminary review of the letter and the terms of Parent's offer and that O'Charley's was not for sale, but that the Board of Directors would engage in a further review of Parent's indication of interest and respond in due course. Mr. Hickey also stated that he would call Mr. Scanlon again during the week beginning November 6, 2011, to provide any update on the Board of Directors' further consideration of Parent's indication of interest.

On November 7, 2011, Mr. Hickey spoke with Mr. Scanlon via telephone and expressed the Board of Directors' view that O'Charley's was not for sale but that, subject to the parties' execution of an appropriate confidentiality and standstill agreement, the Board of Directors would be willing to provide limited due diligence information to Parent in order to allow Parent to consider improving its proposal.

On November 8, 2011, Evercore provided a draft confidentiality and standstill agreement to Parent and Jefferies. Over the succeeding two weeks, representatives of Bass, Berry & Sims PLC ("BBS"), outside legal counsel to O'Charley's, and Parent exchanged drafts and negotiated various terms of the confidentiality and standstill agreement, including the extent to which employees and representatives of Parent and ABRH would be allowed access to confidential information of O'Charley's. On November 23, 2011, Parent, ABRH and O'Charley's executed a definitive confidentiality and standstill agreement. That confidentiality and standstill agreement is described in more detail below.

On December 4, 2011, representatives of ABRH, Parent and Jefferies met with Mr. Hickey, Douglas Benham, one of O'Charley's independent directors, members of O'Charley's management team and

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representatives of Evercore at the offices of BBS in Nashville, Tennessee to discuss management's overview and strategic plan for the business. At the meeting, Messrs. Hickey, Head and Williams presented certain details of O'Charley's financial condition, operational performance and strategic plan, and the representatives of O'Charley's at the meeting responded to questions from the representatives of Parent and ABRH. Following the general meeting, Messrs. Hickey and Benham and a representative of Evercore met with Messrs. Scanlon and Bickett and representatives of Jefferies. Messrs. Hickey and Benham and the Evercore representative answered various additional questions from the Parent representatives and informed them that the Board of Directors' position remained that O'Charley's was not for sale, that the Board of Directors would not be interested in a transaction in which Parent's common stock would comprise a portion of the consideration, and that the valuation range set forth in the October 24, 2011 letter from Parent was insufficient for the Board of Directors to pursue further discussions regarding a possible transaction. In response, the Parent representatives indicated they intended to submit a revised proposal based on the additional information they had received.

On December 15, 2011, Parent submitted to the O'Charley's Board of Directors an updated, non-binding expression of interest for an acquisition of 100% of the Shares for a purchase price between \$9.65 to \$10.00 per Share, in cash, based on a refined view of the Company's projected adjusted EBITDA for 2011 and other assumptions, and targeting completion of outstanding due diligence and negotiating and signing a definitive merger agreement on or before January 31, 2012.

On December 21, 2011, representatives of Evercore conveyed to Jefferies the O'Charley's Board of Directors' desire for additional information relating to the structure of the transaction proposed by Parent, including confirmation that any transaction would not include any financing contingency, and a single-point price proposal in lieu of the range previously provided. Evercore and BBS also shared with Parent a statement of the terms—including a "go-shop" period—that O'Charley's would propose to include in any definitive acquisition agreement in the event the Board of Directors determined to grant Parent exclusivity or the Board of Directors determined to enter into a definitive acquisition agreement with Parent without having contacted other potentially interested parties.

Over the next several days, Parent's team discussed the statement of terms internally with Jefferies and Parent's legal counsel from Weil, Gotshal & Manges LLP ("Weil").

On December 23, 2011, Jefferies responded to Evercore that Parent was not prepared to revise its proposed offer price or propose a single-point value until it had the opportunity to review certain additional due diligence information.

On December 28, 2011, Parent sent its non-binding response to the statement of terms to O'Charley's and Evercore.

On December 29, 2011, Evercore and O'Charley's legal counsel from BBS requested a conference call with Parent, Weil and Jefferies to clarify two matters in Parent's revised statement of terms. BBS and Evercore reiterated that deal certainty was a priority of the Board of Directors of O'Charley's and requested, and received, confirmation that financing was neither a condition nor necessary to complete the transaction. The parties discussed using a first-step tender offer, back-end merger deal structure. Parent also confirmed its willingness to agree to a 30-day "go-shop period" following execution of a definitive transaction agreement, that Parent itself would be the counterparty to the proposed transaction, and that Parent was willing to commit the resources necessary to close an all-cash transaction approximately 45 days following the execution of a definitive acquisition agreement. The revised statement of terms was not revised further or signed by any of the parties.

On December 31, 2011, Evercore conveyed to Jefferies that the Board of Directors had made no definitive decision as to whether to pursue Parent's proposal but that O'Charley's would be willing to provide certain additional due diligence information to Parent and its representatives through a virtual data room to be established the following week for the purpose of allowing Parent to refine its proposal on price. Evercore asked Jefferies to provide Parent's list of individuals for whom access to the data room would be sought.

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On January 3, 2012, Jefferies provided an initial list, and, following a review by O'Charley's management and advisors of the individuals for whom access was requested, on January 4, 2012, the data room was opened to the requested individuals. On that date, O'Charley's provided to Parent, ABRH and Jefferies store-level data and continued to respond to the follow-up due diligence questions. During the month, O'Charley's management team addressed several diligence questions through conference calls and additional information posted to an electronic data room. As requested, O'Charley's management and advisors provided data room access to additional individuals representing Parent and ABRH.

On January 6, 2012, Parent and Weil received an initial draft of the Merger Agreement from BBS. Internal revised drafts were circulated to Parent and Jefferies.

For the next two weeks, Parent and its representatives conducted a review of the due diligence materials provided through the virtual data room, made additional requests for information and asked various follow-up questions regarding materials provided.

On January 18, 2012, Parent and Weil provided to BBS comments to the initial draft of the Merger Agreement. Although the revised draft Merger Agreement presented points of divergence from O'Charley's draft, it did reflect Parent's agreement to engage in a two-step tender offer and merger transaction structure as well as to O'Charley's proposal of a 30-day "go-shop" period following execution of a definitive agreement.

On January 20, 2012, O'Charley's provided Parent's team with fourth quarter and full year 2011 financial statements.

On January 24, 2012, Jefferies submitted to O'Charley's a revised offer of \$9.75 per share in cash, on behalf of Parent, that noted key areas in which due diligence remained to be completed.

On January 27, 2012, Weil provided to BBS a draft tender and support agreement that Parent proposed to enter into with certain shareholders of O'Charley's affiliated with Crescendo Partners, including two of O'Charley's directors, Arnaud Ajdler and Gregory Monahan (the "Crescendo Shareholders"). Under the proposed draft tender and support agreement, the Crescendo Shareholders would, among other things, agree, unless the tender and support agreement is earlier terminated, including upon the termination of the related Merger Agreement, to tender their shares in the tender offer and, if shareholder approval of the Merger were required by applicable law, to vote for the Merger.

On January 31, 2012, Weil and BBS discussed open issues in the revised draft of the Merger Agreement.

On February 1, 2012, BBS and outside legal counsel to the Crescendo Shareholders delivered a revised draft of the tender and support agreement to Weil.

On the evening of February 1, 2012, Weil sent a revised draft of the Merger Agreement to BBS and O'Charley's. A representative of Evercore also contacted Jefferies to request that Jefferies provide Parent's response on price.

On the morning of February 2, 2012, Jefferies contacted Evercore with Parent's response to O'Charley's position on price. Jefferies indicated that Parent's offer of \$9.75 per share remained unchanged, and was, in fact, Parent's "best and final" offer on price. Later on February 2, 2012, Mr. Hickey and a representative of Evercore had a telephone conversation with Mr. Bickett and a representative of Jefferies in which Mr. Hickey and the Evercore representative conveyed the Board of Directors' belief that the analysis by Evercore and O'Charley's using Parent's own valuation methodology as outlined in Parent's initial indication of interest, O'Charley's fiscal 2011 financial results and certain other financial and tax aspects of O'Charley's supported a higher price than the \$9.75 offer made by Parent. Mr. Bickett reiterated that \$9.75 was Parent's "best and final" offer on price. Soon after the conclusion of that telephone conversation, Mr. Hickey and Mr. Bickett had a further telephone conversation along similar lines, with Mr. Hickey reiterating the Board's view on price. In that conversation, Mr. Bickett agreed to consult with Mr. Foley, Parent's Chairman, and respond to Mr. Hickey in due course.

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On the afternoon of February 2, 2012, Weil and BBS discussed, among other things, the length of the “go shop” period, the size of the “go shop” termination fee, limitations on the Company’s fiduciary out, Company remedies and certain “bring down” closing conditions, in the revised draft of the Merger Agreement.

On the morning of February 3, 2012, Mr. Hickey had multiple discussions with Mr. Bickett regarding Parent’s price proposal. Mr. Bickett indicated that he had consulted with Mr. Foley and that Parent continued to believe that \$9.75 per share was a full and fair price, but that, in order to bring discussions to a close and as its “best and final” offer, Parent was willing to increase its offer price to \$9.85 per share, subject to approval by its Board of Directors.

On February 4, 2012, BBS sent a revised draft of the Merger Agreement to Parent and Weil, which was finalized over the course of the next two days.

On February 4, 2012, representatives of O’Charley’s, BBS, Evercore, Parent, ABRH, Weil and Jefferies conducted final due diligence conference calls to resolve open issues.

On February 5, 2012, after careful consideration, at a meeting of Parent’s Board of Directors, Parent’s Board of Directors (and in a written consent in lieu of a meeting of the Purchaser’s Board of Directors, the Purchaser’s Board of Directors) unanimously adopted and declared advisable the Merger Agreement and unanimously determined that the Merger is in the best interests of Parent (and the Purchaser) and its shareholders. The Purchaser’s Board of Directors recommended that its sole shareholder, FNSO, vote for adoption of the Merger and approval of the Merger Agreement and the transactions contemplated by the Merger Agreement, which FNSO did by written consent in lieu of a meeting of the sole shareholder.

On February 5, 2012, the applicable representatives of Parent and the Purchaser and representatives of O’Charley’s signed the definitive Merger Agreement, and Parent, Merger Sub and the Crescendo Shareholders executed the tender and support agreement, described further below under Section 11 – The Merger Agreement; Other Agreements – Other Agreements.”

On February 6, 2012, before the opening of trading on Nasdaq, Parent and O’Charley’s each issued separate press releases announcing the execution of the Merger Agreement and the transactions contemplated thereby.

On February 27, 2012, Purchaser commenced the Offer.

For information on the Merger Agreement and the other agreements between O’Charley’s and Purchaser and their respective related parties, see Section 8 — “Certain Information Concerning Parent, the Purchaser and Certain Related Persons,” Section 9 — “Source and Amount of Funds,” and Section 11 — “The Merger Agreement, Other Agreements.”

### 11. The Merger Agreement; Other Agreements

#### ***Merger Agreement***

The following is a summary of the material provisions of the Merger Agreement. The following description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached hereto as Annex A and incorporated herein by reference. For a complete understanding of the Merger Agreement, you are strongly encouraged to read and understand the full text of the Merger Agreement. The Merger Agreement has been provided solely to inform investors of its terms. The representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of that agreement and as of specific dates, were made solely for the benefit of the parties to the Merger Agreement and may be intended not as statements of fact, but rather as a way of allocating risk to one of the parties if those statements prove to be inaccurate. In addition, the representations, warranties and covenants may have been qualified by certain disclosures not reflected in the text of the Merger Agreement and may apply standards of materiality in a way that is different from what may be viewed as material by shareholders of, or

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other investors in, O'Charley's. O'Charley's shareholders and other investors are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or conditions of O'Charley's, Parent, the Purchaser or any of their respective subsidiaries or affiliates.

*The Offer.* The Merger Agreement provides for the commencement of the Offer as promptly as practicable, but in no event later than February 27, 2012. The Offer was commenced on February 27, 2012. The obligations of the Purchaser to (and the obligations of Parent to cause the Purchaser to) commence the Offer and to accept for payment, and pay for, Shares tendered pursuant to the Offer are subject to the satisfaction or waiver of certain conditions that are described in Section 15 – “Certain Conditions of the Offer.” The Merger Agreement provides that each O'Charley's shareholder who validly tenders Shares in the Offer will receive \$9.85 for each Share tendered, net to the shareholder in cash, without interest and less any required withholding tax. Parent and the Purchaser expressly reserve the right to waive any condition to the Offer (as described in Section 15 – “Certain Conditions of the Offer”), increase the Offer Price or to make any other changes to the terms and conditions of the Offer, except that without the prior written consent of O'Charley's, the Purchaser shall not:

- decrease the Offer Price or change the form of consideration payable in the Offer;
- decrease the number of Shares subject to or sought to be purchased in the Offer;
- impose conditions on the Offer in addition to the conditions described in this Offer to Purchase (see Section 15 – “Certain Conditions of the Offer”);
- waive or amend the Minimum Condition;
- amend or supplement any of the other conditions described in this Offer to Purchase or any other term of the Offer in a manner adverse to the holders of the Shares, other than Parent, the Purchaser and any of their respective affiliates; or
- extend or otherwise change the Expiration Date except as required or permitted by the Merger Agreement.

*Extensions of the Offer/Subsequent Offering Period.* The Merger Agreement provides that on the initial expiration date or any subsequent date on which the Offer is scheduled to expire, if any of the conditions to the Offer (as described in Section 15 – “Certain Conditions of the Offer”) are not satisfied or waived, then, (i) we may (without O'Charley's consent), and (ii) we must (if requested in writing by O'Charley's no less than one business day prior to the scheduled expiration date), extend the Offer for one or more successive periods of time up to five business days per extension until such condition(s) have been satisfied or waived; provided that:

- we will not be required to extend the Offer beyond June 4, 2012 (the “Outside Date”); and
- if the only condition that has not been satisfied as of the scheduled expiration date of the Offer is the Minimum Condition (as described below), then we must extend the Offer for one or more successive periods of up to five business days each, with the total of such extensions not to exceed the earlier to occur of (x) ten business days and (y) the Outside Date.

The Minimum Condition requires the number of Shares that have been validly tendered and not validly withdrawn prior to the expiration of the Offer (when added to the Shares already owned by Parent and its subsidiaries) to represent at least the number of Shares required to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement pursuant to the charter and by-laws of O'Charley's and the Tennessee Business Corporation Act on the date the tendered Shares are accepted for payment, determined on a fully-diluted basis (as defined in the Merger Agreement). Under the Merger Agreement, we also will extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or its staff applicable to the Offer or necessary to resolve any comments of the SEC or its staff applicable to the Offer or the documents pursuant to which the Offer is made. The Merger Agreement also provides that we may, at our sole discretion, choose to provide for a subsequent offering period in accordance with Rule 14d-11 promulgated under the Exchange Act, if, following the expiration of the Offer, all of the

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conditions to the Offer described in Section 15 – “Certain Conditions of the Offer” are satisfied but the number of Shares validly tendered and not validly withdrawn in the Offer and accepted for payment (when added to the Shares already owned by Parent and its subsidiaries, including the Purchaser) is less than 90% of the outstanding Shares (on a fully-diluted basis, as defined in the Merger Agreement).

*Top-Up Option.* O’Charley’s has also granted to Parent and the Purchaser an irrevocable right (the “Top-Up Option”), which Parent or the Purchaser may exercise following consummation of the Offer, if necessary, to purchase from O’Charley’s, at a price per share equal to the Offer Price, payable in cash or by the issuance of a promissory note in the form attached as an exhibit to the Merger Agreement, up to that number of newly-issued Shares (the “Top-Up Shares”) that, when added to the number of Shares owned by Parent (or any of its subsidiaries, including the Purchaser) at the time of exercise of the Top-Up Option, would constitute one Share more than 90% of the Shares then outstanding on a fully-diluted basis (as defined in the Merger Agreement) after giving effect to the issuance of the Top-Up Shares (excluding from Parent’s (and its subsidiaries’, including the Purchaser’s) ownership, but not from the Shares outstanding, those Shares tendered pursuant to guaranteed delivery procedures that have not yet been delivered in settlement or satisfaction of that guarantee). The Merger Agreement provides that the Top-Up Option may not be exercised if:

- the number of Shares subject to the Top-Up Option exceeds the number of authorized and unissued Shares available for issuance;
- any temporary restraining order or preliminary or permanent injunction or other order by any federal or state court or other tribunal of competent jurisdiction (collectively, “Restraints”) or applicable law prohibits the exercise of the Top-Up Option or the delivery of the Top-Up Shares;
- immediately after the exercise of the Top-Up Option and the issuance of the Top-Up Shares, Parent (and its subsidiaries, including the Purchaser) would not own more than 90% of the Shares then outstanding on a fully-diluted basis (as defined in the Merger Agreement); or
- the Purchaser has not accepted for payment the Shares validly tendered in the Offer (or during any subsequent offering period) and not validly withdrawn.

*The Merger.* The Merger Agreement provides that, at the Effective Time, the Purchaser will be merged with and into O’Charley’s, with O’Charley’s being the surviving corporation (the “Surviving Corporation”). Following the Merger, the separate existence of the Purchaser will cease, and O’Charley’s will continue as the Surviving Corporation and as an indirect, wholly-owned subsidiary of Parent. The directors of the Purchaser immediately prior to the Effective Time will be the directors of the Surviving Corporation.

Pursuant to the Merger Agreement, at the Effective Time, each Share that is owned by O’Charley’s or Parent or any wholly-owned subsidiary of O’Charley’s or Parent, including the Purchaser, shall be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares.

Each Share issued and outstanding immediately prior to the Effective Time, other than Shares to be cancelled in accordance with the preceding paragraph, shall be converted into the right to receive an amount of cash, without interest, equal to the Offer Price (the “Merger Consideration”), subject to any required withholding of taxes, payable to the holder thereof in accordance with the terms of the Merger Agreement described herein. At the Effective Time, all of those Shares shall no longer be outstanding and shall automatically be cancelled and cease to exist, and each holder of a certificate or evidence of Shares in book-entry form that immediately prior to the Effective Time represented any of those Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration, without interest.

As promptly as reasonably practicable after the Effective Time, Parent shall cause the Exchange Agent (as defined in the Merger Agreement) to mail to each holder of record of Share certificates a letter of transmittal and instructions for use in effecting the surrender of Share certificates in exchange for the Merger Consideration. The Exchange Agent will pay the Merger Consideration to the shareholders upon receipt of (1) surrendered

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certificates representing the Shares and (2) a signed letter of transmittal and any other items specified by the Exchange Agent. Interest will not be paid or accrue in respect of the Merger Consideration. The Surviving Corporation will reduce the amount of any Merger Consideration paid to the shareholders by any applicable withholding taxes.

*O'Charley's Stock Options and Restricted Stock.* The Merger Agreement provides that each then outstanding unexercised stock option (whether or not then vested or exercisable) that represents the right to acquire Shares (each, an "Option") will become fully vested and exercisable, and the forfeiture, vesting and other restrictions applicable to Shares that constitute restricted stock shall lapse, on the date the tendered Shares are accepted for payment. Pursuant to the Merger Agreement, each Option (whether or not vested or exercisable) that is outstanding as of the Effective Time will be cancelled and converted into the right to receive an amount in cash, without interest and subject to any required withholding taxes, equal to the product of (i) the excess of the Offer Price over the exercise price per Share under that Option and (ii) the number of Shares subject to that Option, which amount shall be paid at the Effective Time by O'Charley's.

*Representations and Warranties.* In the Merger Agreement, O'Charley's has made customary representations and warranties to Parent and the Purchaser, including representations relating to:

- organization and good standing;
- the capitalization of O'Charley's;
- corporate power and authorization;
- no conflicts with or consents required in connection with the Merger Agreement;
- required government approvals, filings and consents;
- O'Charley's SEC filings, financial statements and controls;
- undisclosed liabilities;
- the information supplied to Parent and the Purchaser by O'Charley's;
- labor matters;
- the absence of certain changes or events;
- compliance with laws;
- permits;
- litigation;
- taxes;
- employee benefit plans and related matters;
- material contracts;
- intellectual property;
- real and personal property;
- environmental matters;
- the applicability of takeover statutes to the transactions contemplated by the Merger Agreement;
- brokers' and finders' fees;
- the opinion of the Company's financial advisor;
- the Company's suppliers;
- insurance;
- franchise matters; and
- the quality and safety of food and beverage products.



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In the Merger Agreement, Parent and the Purchaser have made customary representations and warranties to O'Charley's, including representations relating to:

- organization and good standing;
- corporate power and authorization;
- no conflicts with or consents required in connection with the Merger Agreement;
- required government approvals, filings and consents;
- information supplied to O'Charley's by Parent and the Purchaser;
- litigation;
- that no Parent shareholder vote is required;
- available funds; and
- ownership of Shares.

*Operating Covenants.* The Merger Agreement provides that, from the date of the Merger Agreement to the Effective Time or the earlier termination of the Merger Agreement, except as contemplated by the Merger Agreement (including in the Company's disclosure schedules to the Merger Agreement) or as required by law, and unless Parent otherwise consents in writing (which consent shall not be unreasonably withheld, conditioned or delayed), O'Charley's shall, and shall cause each of its subsidiaries to, conduct its operations in the ordinary course in all material respects and, to the extent consistent therewith, use its commercially reasonable efforts to:

- preserve intact in all material respects its business organization;
- preserve its assets, rights and properties in good repair and condition;
- retain the services of its current officers, employees and consultants; and
- preserve the goodwill and relationship of O'Charley's and each of its subsidiaries with franchisees, customers, suppliers, licensors, licensees, lessors and other persons with which it has material business dealings.

From the date of the Merger Agreement to the Effective Time, O'Charley's (and each of its subsidiaries) is subject to customary operating covenants and restrictions, including restrictions relating to:

- amendments to its charter or bylaws;
- setting aside for payment of dividends or other distributions;
- the adjustment, split, combination, subdivision or reclassification of its capital stock;
- the repurchase, redemption or other acquisition of its capital stock or other equity interests;
- the issuance, sale, grant, disposition, pledge or other encumbrance of its stock or other securities, or changes to its capital structure;
- any merger or consolidation with a third party;
- the acquisition of any equity interests in or material assets of any third party, and certain investments in any third party;
- the sale, transfer, assignment, abandonment, lease, sublease, license, guarantee, or other disposition or encumbrance of material properties, rights, assets, product lines or businesses;
- loans or capital contributions;
- the incurrence, prepayment or other acquisition or modification of indebtedness;
- certain capital expenditures;
- the cancellation of any material debts owed to it;

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- taking certain actions with respect to employment and employee compensation and benefits;
- the settlement or release of pending or threatened claims;
- entry into, or modification or termination of, certain types of material contracts and the waiver, delay, release or assignment of material rights;
- intellectual property rights;
- tax matters;
- changes in accounting methods or practices;
- liquidation, dissolution, consolidation, restructuring, recapitalization or other reorganization;
- deferment of payment of accounts payable;
- issuance of coupons, gift certificates or complimentary rights for dining;
- material increases or decreases to inventory;
- the adoption of any “shareholder rights plan,” “poison pill” or similar arrangement;
- failure to maintain in full force and effect material insurance policies consistent with past practice;
- changes to its fiscal year;
- new lines of business;
- the implementation or announcement of any material reductions in labor force, mass layoffs or plant closings;
- early retirement programs or new severance programs or policies;
- entry into agreements with certain types of obligations or restrictions; and
- amendment or modification of the letter of engagement of Evercore or the engagement of any other financial advisor.

*Shareholders Meeting.* The Merger Agreement provides that O’Charley’s will, if the approval of the Merger Agreement by its shareholders is required by law, prepare and file with the SEC, subject to the prior review and comment of Parent and the Purchaser, a proxy statement relating to the required shareholder approval (the “Proxy Statement”).

The Merger Agreement provides that O’Charley’s will, if required by applicable law in order to consummate the Merger, (i) duly call, give notice of, convene and hold a meeting of its shareholders (the “Shareholders Meeting”) for the purpose of approving the Merger and the Merger Agreement as soon as reasonably practicable after the Acceptance Time (and the expiration of any subsequent offering period), (ii) subject to the ability of the Company’s Board of Directors to make a Recommendation Withdrawal (as defined below), include in the Proxy Statement the recommendation of the Company’s Board of Directors that the Company’s shareholders vote in favor of the approval of the Merger and the Merger Agreement, and (iii) take all other reasonable actions necessary or advisable to secure the vote of the Company’s shareholders in favor of the approval of the Merger and the Merger Agreement.

Under the Merger Agreement, if the Purchaser acquires at least 90% of the then outstanding Shares (calculated in accordance with the TBCA), Parent, the Purchaser and O’Charley’s shall take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after the Acceptance Time without a shareholders meeting in accordance with the applicable provisions of the TBCA.

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### *Go Shop and No Solicitation Provisions.*

#### *Go Shop Provisions.*

The Merger Agreement provides that during the period beginning on the date of the Merger Agreement and continuing until 11:59 p.m. (New York City time) on March 6, 2012 (the “Go-Shop Period”), O’Charley’s and its subsidiaries and their respective directors, officers, employees, affiliates, investment bankers, attorneys, accountants and other advisors or representatives (collectively, “Representatives”) shall have the right to:

- initiate, solicit, facilitate and encourage (publicly or otherwise) any inquiry or the making of any proposals or offers that could constitute Acquisition Proposals (as defined below), including by way of providing access to non-public information or the business, properties, assets or personnel of O’Charley’s or any of its subsidiaries to any party and its Representatives, its affiliates and its prospective equity and debt financing sources pursuant to (but only pursuant to) a confidentiality agreement that contains terms limiting the use and disclosure of non-public information and imposing standstill obligations that, in each case, are not less favorable in the aggregate to O’Charley’s than those contained in the Confidentiality Agreement (as defined below), and that does not prohibit O’Charley’s from providing information to Parent and the Purchaser that it is obligated under the Merger Agreement to provide (an “Acceptable Confidentiality Agreement”); provided that O’Charley’s shall promptly make available to Parent and the Purchaser, prior to or concurrently with providing that information to any such party(ies), any non-public information concerning O’Charley’s or its subsidiaries that O’Charley’s intends to provide to any party given that access that was not previously made available to Parent or the Purchaser; and
- engage or enter into, continue or otherwise participate in any discussions or negotiations with any parties and their Representatives and their prospective equity and debt financing sources with respect to any Acquisition Proposals or otherwise cooperate with or assist or participate in, or facilitate any of those inquiries, proposals, discussions or negotiations or any effort or attempt to make any Acquisition Proposals.

#### *No Solicitation Provisions.*

Except as expressly permitted by the non-solicitation provisions in the Merger Agreement and except as may relate to any Excluded Party (as defined below) only for so long as they are Excluded Parties, O’Charley’s and its subsidiaries and their respective officers and directors shall, and O’Charley’s shall cause its and its subsidiaries’ other Representatives to:

- at 12:00 a.m. (New York City time) on March 7, 2012 (the “No-Shop Period Start Date”) immediately cease and terminate any solicitation, encouragement (including by way of providing access to non-public information or the business, properties, assets or personnel of O’Charley’s or any of its subsidiaries to any party and its Representatives, its affiliates and its prospective equity and debt financing sources), discussions or negotiations (or any other actions described under the heading “Go Shop Provisions” above) with any parties that may be ongoing with respect to any inquiry, proposal or Acquisition Proposal, and as promptly as practicable thereafter deliver a written notice to each such party to the effect that O’Charley’s is ending all discussions and negotiations with that party with respect to any inquiry, proposal or Acquisition Proposal, effective immediately, which notice shall also request that party to return or destroy promptly all confidential information concerning O’Charley’s and its subsidiaries, and
- from the No-Shop Period Start Date until the earlier of the Effective Time or the termination of the Merger Agreement, not directly or indirectly:
  - initiate, solicit, knowingly facilitate or knowingly encourage (publicly or otherwise) (including by way of providing access to non-public information or the business, properties, assets or personnel of O’Charley’s or any of its subsidiaries to any party and its Representatives, its affiliates and its

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prospective equity and debt financing sources) any inquiries regarding, or the making, submission or announcement of any proposal or offer that constitutes, or would reasonably be expected to lead to, an Acquisition Proposal;

- engage or enter into, continue or otherwise participate in any discussions or negotiations with respect to, or provide any non-public information or data concerning O'Charley's or its subsidiaries or the business, properties, assets or personnel of O'Charley's or any of its subsidiaries to any party relating to, or that would reasonably be expected to lead to, any Acquisition Proposal or otherwise cooperate with or assist or participate in, or knowingly facilitate such inquiries, proposals, discussions or negotiations;
- grant to any party any waiver, amendment or release under any standstill or confidentiality agreement or any takeover statute, other than (if the Company's Board of Directors determines that the failure to take such action would be inconsistent with the Company's directors' fiduciary duties under applicable law) a limited waiver, amendment or release under any standstill agreement for the sole purpose of allowing any party or parties to make an Acquisition Proposal or an offer that would reasonably be expected to lead to an Acquisition Proposal; or
- otherwise knowingly facilitate any such inquiries, proposals, discussion or negotiations or any effort or attempt by any party to make an Acquisition Proposal.

Not later than 24 hours after the expiration of the Go-Shop Period, O'Charley's shall certify to Parent and the Purchaser the number and identity of any Excluded Parties and, subject to the ability of O'Charley's to make a Recommendation Withdrawal pursuant to and in accordance with the non-solicitation provisions under the Merger Agreement, the Company's Board of Directors shall publicly and expressly reaffirm the Company Board Recommendation.

### *Permitted Activities During No-Shop Period.*

Notwithstanding anything in the Merger Agreement to the contrary but subject to the last sentence of the paragraph below titled "Obligation to Keep Parent Informed," at any time following the No-Shop Period Start Date and prior to the Acceptance Time, if O'Charley's receives an Acquisition Proposal from any party(ies) that did not result from a material breach of the non-solicitation provisions under the Merger Agreement, then:

- O'Charley's and its Representatives may contact that party or those parties solely to clarify the terms and conditions of that Acquisition Proposal;
- O'Charley's and its Representatives may provide non-public information and data concerning O'Charley's and its subsidiaries to that party or those parties and their Representatives and their prospective equity and debt financing sources if O'Charley's first receives from that party an executed Acceptable Confidentiality Agreement; provided that O'Charley's shall promptly make available to Parent and the Purchaser, prior to or concurrently with providing such information to any such party(ies), any non-public information concerning O'Charley's or its subsidiaries that O'Charley's made available to any such party or parties and their Representatives and their prospective equity and debt financing sources if such information was not previously made available to Parent or the Purchaser, and
- O'Charley's and its Representatives may engage or participate in any discussions or negotiations with that party regarding that Acquisition Proposal, if that Acquisition Proposal did not result from a material breach of the non-solicitation provisions under the Merger Agreement, and prior to taking any action described in the preceding two bullet points above:
  - that party first executes an Acceptable Confidentiality Agreement with O'Charley's and the Company's Board of Directors determines in good faith (after consultation with its financial advisor and outside counsel) that (A) the failure to take such action would be inconsistent with the Company's directors' fiduciary duties under applicable law and (B) the Acquisition Proposal either constitutes a Superior Proposal (defined below) or would reasonably be expected to result in a Superior Proposal; and

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- O'Charley's provides prompt notice to Parent of each such determination by the Company's Board of Directors and of its intent to provide that information or engage in those negotiations or discussions.

For the avoidance of doubt, notwithstanding the occurrence of the No-Shop Period Start Date, O'Charley's may continue to engage in the activities permitted under the Merger Agreement with respect to any Excluded Parties, including with respect to any amended proposal that is submitted by any Excluded Parties following the No-Shop Period Start Date, and the restrictions in the prior paragraph shall not apply with respect to those Excluded Parties; provided that certain other provisions, described below, shall apply.

### *Obligation to Keep Parent Informed.*

Following the No-Shop Period Start Date and until the Acceptance Time or, if earlier, the termination of the Merger Agreement, O'Charley's shall notify Parent promptly (and, in any event within 24 hours) of (x) any request for information, discussions or negotiations relating to an Acquisition Proposal or (y) any Acquisition Proposal that is received by O'Charley's, its subsidiaries or any of their Representatives, and, if O'Charley's or any of its Representatives is still in negotiations with respect to that request or Acquisition Proposal, (i) the identity of the party or parties making that request or Acquisition Proposal, (ii) a copy of any Acquisition Proposal made in writing provided to O'Charley's or any of its subsidiaries and (iii) a written summary of the material terms of any such Acquisition Proposal not made in writing. From and after the No-Shop Period Start Date, O'Charley's shall keep Parent and its Representatives reasonably informed of any material changes in the status or terms of any Acquisition Proposal (whether made before or after the No-Shop Period Start Date, and whether solicited in accordance with the non-solicitation provisions under the Merger Agreement or unsolicited) on a current basis (and, in any event within 24 hours of any material changes).

### *Limitations on Ability to Effect Recommendation Withdrawal and Enter into an Alternative Acquisition Agreement.*

Except as described under the heading "Fiduciary Duty Exceptions" below, the Company's Board of Directors may not:

- change, withhold, withdraw, qualify or modify (or resolve or publicly propose to change, withhold, withdraw, qualify or modify), in a manner adverse to Parent, the Company Board Recommendation;
- fail to include the Company Board Recommendation in the Schedule 14D-9 or the Proxy Statement;
- adopt, approve, authorize, declare advisable or recommend to propose to adopt, approve, authorize or declare advisable (whether publicly or otherwise) any Acquisition Proposal;
- take formal action, make any recommendation or public statement in connection with, or fail to recommend against, any Acquisition Proposal subject to Regulation 14D under the Exchange Act in any solicitation or recommendation statement made on Schedule 14D-9 relating thereto within ten business days after the commencement of such Acquisition Proposal (any such action described in this and the preceding three bullet points, a "Recommendation Withdrawal"); or
- approve or recommend, or resolve or publicly propose to approve or recommend, or cause or permit O'Charley's or any of its subsidiaries to enter into, any letter of intent, memorandum of understanding, acquisition agreement, merger agreement or similar definitive agreement relating to any Acquisition Proposal (other than an Acceptable Confidentiality Agreement pursuant to the paragraphs above) (an "Alternative Acquisition Agreement"), except if it concurrently terminates the Merger Agreement and immediately prior to or concurrently with that termination pays to Parent or its designees the termination fee (as described below).

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### *Fiduciary Duty Exceptions.*

Notwithstanding anything to the contrary set forth in the Merger Agreement, prior to the Acceptance Time, but not after, so long as none of O'Charley's, its subsidiaries or their Representatives has breached in any material respect the non-solicitation provisions under the Merger Agreement, the Company's Board of Directors may, if it determines that the failure to take that action would be inconsistent with O'Charley's Board of Directors' fiduciary duties under applicable law:

- effect a Recommendation Withdrawal in response to an Acquisition Proposal that the Company's Board of Directors determines in good faith (after consultation with its financial advisor and outside counsel) is a Superior Proposal (including any Superior Proposal made by an Excluded Party) made after the date of the Merger Agreement (giving effect to all of the binding written adjustments, if any, offered to Parent pursuant to the provisions described below),
- subject to prior or concurrent payment of the termination fee required under the Merger Agreement, terminate the Merger Agreement if the Board of Directors of O'Charley's determines in good faith (after consultation with its financial advisor and outside counsel) that the Acquisition Proposal that is the subject of the Alternative Acquisition Agreement is a Superior Proposal; or
- effect a Recommendation Withdrawal in response to an Intervening Event.

### *Applicable Definitions.*

For purposes of the Merger Agreement:

- "Acquisition Proposal" means any bona fide inquiry, proposal or offer from any party or parties other than Parent or one of its subsidiaries for, in one transaction or a series of related transactions:
  - a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving an acquisition of O'Charley's;
  - the acquisition in any manner, directly or indirectly, of 20% or more of the equity securities (or securities convertible into 20% or more of the equity securities) or assets (including capital stock of any subsidiaries of O'Charley's) of O'Charley's or any of its subsidiaries representing 20% or more of the consolidated assets of O'Charley's (based on the fair market value thereof, as determined in good faith by the Company's Board of Directors) or of the consolidated revenues, net income or operating cash flow of O'Charley's;
  - any tender offer or exchange offer that results in or, if consummated, would result in any party or parties, directly or indirectly, beneficially owning 20% or more of the equity securities (or securities convertible into 20% or more of the equity securities) of O'Charley's; or
  - any combination of the foregoing, in the case of each of the three preceding bullets.
- "Excluded Party" means any party or parties (including, with respect thereto, their Representatives, their affiliates and their prospective equity and debt financing sources) from whom O'Charley's or any of its Representatives has received during the Go-Shop Period a written Acquisition Proposal that the Company's Board of Directors determines in its good faith judgment prior to the No-Shop Period Start Date, after consultation with O'Charley's financial advisor and outside counsel, is bona fide and is, or would reasonably be expected to result in, a Superior Proposal; provided that any such party(ies) shall cease to be an "Excluded Party" if those party(ies) cease to be engaged in active discussions concerning an acquisition of O'Charley's.
- "Intervening Event" means any event, fact, development or occurrence that affects the business, assets or operations of O'Charley's that is unknown to, and is not reasonably foreseeable by, the Company's Board of Directors as of the date of the Merger Agreement, that becomes known to the Company's Board of Directors after the date of the Merger Agreement; provided, however, that in no event shall the receipt, existence or terms of an Acquisition Proposal or any matter relating thereto or consequence thereof constitute an Intervening Event.

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- “Superior Proposal” means a bona fide written Acquisition Proposal (with the percentages set forth in the definition of that term changed from 20% to 50%) that did not result from a breach of the non-solicitation provisions under the Merger Agreement and that the Company’s Board of Directors has determined in its good faith judgment, after consultation with its financial advisor and outside counsel:
  - is reasonably likely to be, and reasonably capable of being, consummated in accordance with its terms, and
  - if consummated, would be more favorable to the Company’s shareholders from a financial point of view than the Offer, the Merger and the other transactions contemplated by the Merger Agreement (including written and complete amendments to the terms and conditions of the Merger Agreement proposed in response to that Acquisition Proposal or otherwise by Parent that, if accepted by O’Charley’s, would be binding upon Parent and the Purchaser), taking into account and without limitation, (A) all financial considerations, (B) the identity of the party making that Acquisition Proposal, (C) the anticipated timing, conditions and prospects for completion of that Acquisition Proposal, (D) the other terms and conditions of that Acquisition Proposal and the implications thereof on O’Charley’s, including all relevant legal, regulatory and financial aspects of that Acquisition Proposal and the party making the proposal, and (E) any other aspects of that Acquisition Proposal deemed relevant by the Company’s Board of Directors.

### *Exceptions for Compliance with Other Laws.*

Nothing contained in the non-solicitation provisions under the Merger Agreement shall be deemed to prohibit O’Charley’s or the Company’s Board of Directors from (i) complying with its disclosure obligations under United States federal or state law with regard to an Acquisition Proposal, including taking and disclosing to its shareholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act (or any similar communication to shareholders) or (ii) making any “stop-look-and-listen” communication to the shareholders of O’Charley’s pursuant to Rule 14d-9(f) promulgated under the Exchange Act (or any similar communications to the shareholders of O’Charley’s); provided that (x) such provisions in the Merger Agreement shall not permit the Company’s Board of Directors to make a Recommendation Withdrawal or take any other actions contemplated by the non-solicitation restrictions under the Merger Agreement except, in each case, to the extent permitted by, and subject to the terms and conditions of, the non-solicitation provisions under the Merger Agreement, and (y) in any such disclosure or communication, O’Charley’s publicly states that there has been no change in the Company Board Recommendation.

### *Parent’s Match Rights.*

O’Charley’s shall not be entitled to effect a Recommendation Withdrawal with respect to a Superior Proposal or an Intervening Event or to terminate the Merger Agreement to enter an Alternative Acquisition Agreement with respect to a Superior Proposal unless:

- O’Charley’s has provided a written notice to Parent and the Purchaser at least three business days in advance (the “Notice Period”), which notice in the case of:
  - a Superior Proposal (a “Notice of Superior Proposal”) shall specify that O’Charley’s intends to take such action and include copies of all relevant documents relating to that Superior Proposal, or if either the Superior Proposal or financing terms were not made in writing, a description of the material terms and conditions of the Superior Proposal or financing, as applicable, that is the basis of such action (including the identity of the party making that proposal), or
  - an Intervening Event (a “Notice of Intervening Event”) shall describe in reasonable detail that Intervening Event;
- if requested by Parent and the Purchaser, O’Charley’s shall, and shall direct its financial advisor and outside counsel to, during the Notice Period, negotiate with Parent and the Purchaser and their Representatives in good faith to make amendments to the terms and conditions of the Merger Agreement;

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- following the end of the Notice Period, the Company's Board of Directors shall have determined in good faith after consultation with its financial advisor and outside counsel, taking into account any written and complete amendments to the terms and conditions of the Merger Agreement proposed by Parent and the Purchaser that, if accepted by O'Charley's, would be binding upon Parent and the Purchaser in response to the Notice of Superior Proposal, the Notice of Intervening Event or otherwise, that (1) the Superior Proposal giving rise to the Notice of Superior Proposal continues to constitute a Superior Proposal or (2) those changes would not change the determination of O'Charley's Board of Directors of the need for a Recommendation Withdrawal in response to that Intervening Event, as applicable. In the event of any material revisions to that Superior Proposal or material changes related to that Intervening Event, O'Charley's shall be required to deliver a new written notice to Parent and the Purchaser and to comply with the requirements of such provisions of the Merger Agreement with respect to that new written notice, except that the deadline for that new written notice shall be reduced to two business days.

*Reasonable Best Efforts.* The parties agreed in the Merger Agreement to use reasonable best efforts to (i) cause the conditions to the Offer and the conditions to the parties' obligations to effect the Merger to be satisfied as promptly as practicable, (ii) take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements which may be imposed on that party or its subsidiaries with respect to the Offer, the Merger and the other transactions contemplated by the Merger Agreement, and subject to the conditions to the Offer and the conditions to the parties' obligations to effect the Merger, to consummate the Offer, the Merger and the other transactions contemplated by the Merger Agreement as promptly as practicable, and (iii) obtain as promptly as practicable any consent of, or any exemption or waiver by, any governmental entity or any other third-party consent which is required to be obtained by the parties or their respective subsidiaries in connection with the Offer, the Merger and the other transactions contemplated by the Merger Agreement, and to comply with the terms and conditions of any such consent. The parties agreed to, as promptly as practicable following the date of the Merger Agreement, make all filings and notifications with all governmental entities that may be or may become reasonably necessary, proper or advisable under the Merger Agreement and applicable law to consummate and make effective the Offer, the Merger, and the other transactions contemplated by the Merger Agreement, and to use reasonable best efforts to supply as promptly as practicable any additional information and documentary material that may be reasonably requested by a governmental entity pursuant to the HSR Act or applicable law. O'Charley's and Parent agreed to promptly notify the other of any communication it or any of its affiliates receives from any governmental entity relating to the matters that are the subject of the Merger Agreement, and prior to submitting any substantive written communication, correspondence or filing by that party or any of its Representatives, on the one hand, to any governmental entity, or members of the staff of any governmental entity, on the other hand, the submitting party shall permit the other party and its counsel a reasonable opportunity to review in advance, and consider in good faith the views of the other party provided in a timely manner, in connection with any such communication. To the extent practicable under the circumstances, none of the parties shall agree to participate in any substantive meeting with any governmental entity in respect of any filings, investigation, litigation or other inquiry unless it consults with the other party in advance and, where permitted, allows the other party to participate. The parties further agreed not to voluntarily extend any waiting period associated with any consent of any governmental entity or enter into any agreement with any governmental entity not to consummate the Merger and the other transactions contemplated by the Merger Agreement, except with the prior written consent of the other party. Notwithstanding anything in the Merger Agreement to the contrary, in no event shall Parent, O'Charley's or their affiliates be required to agree to take or enter into any action required by any governmental entity which is not conditioned upon the consummation of the Merger.

*Indemnification and Insurance.* The Merger Agreement provides that from and after the Effective Time, to the fullest extent permitted by law, Parent shall, and shall cause O'Charley's or the Surviving Corporation (as the case may be) to, indemnify, defend and hold harmless (and advance expenses from time to time as incurred to the fullest extent permitted by law, provided the party to whom expenses are advanced complies with the provisions of Section 48-18-504 of the TBCA and provides statements and reasonable documentation therefor) the present and former directors and officers of O'Charley's, any party acting as director, officer, trustee, fiduciary,



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employee or agent of another entity or enterprise (including any O'Charley's benefit plan) at the request of O'Charley's (each an "Indemnified Party") from and against any and all actual, documented costs or expenses (including reasonable attorneys' fees, expenses and disbursements), judgments, fines, losses, claims, damages, penalties, liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative, regulatory or investigative, arising out of, relating to or in connection with any circumstances, developments or matters in existence, or acts or omissions occurring or alleged to occur prior to or at the Effective Time, whether asserted or claimed prior to, at or after the Effective Time; provided that the party to whom expenses are advanced provides written affirmation of the Indemnified Party's good faith determination that any applicable standard of conduct required by the TBCA has been met. Any determination required to be made with respect to whether an Indemnified Party's conduct complies with the standards set forth under applicable law, O'Charley's charter or bylaws or a written contract between an Indemnified Party and O'Charley's or one of its subsidiaries, as the case may be, shall be made by independent special legal counsel selected by the Board of Directors of the Surviving Corporation or a committee thereof in the manner prescribed by Section 48-18-506 of the TBCA, the fees of which counsel shall be paid by the Surviving Corporation.

Subject to the following sentence, O'Charley's or the Surviving Corporation (or any successor), as the case may be, shall, and Parent shall cause O'Charley's or the Surviving Corporation (or any successor), as the case may be, to purchase, at no expense to the beneficiaries, a six year extended reporting period endorsement with respect to directors' and officers' liability insurance and fiduciary liability insurance having terms and conditions at least as favorable to the Indemnified Parties as the Company's currently existing directors' and officers' liability insurance and fiduciary liability insurance (a "Reporting Tail Endorsement") and maintain this endorsement in full force and effect for its full term. To the extent purchased after the date of the Merger Agreement and prior to the Effective Time, such insurance policies shall be placed through such broker(s) and with such insurance carriers as may be specified by Parent and as are reasonably acceptable to O'Charley's; provided that such insurance carrier has at least an "A" rating by A.M. Best with respect to directors' and officers' liability insurance and fiduciary liability insurance. Notwithstanding the first sentence of this paragraph, but subject to the second and last sentence of this paragraph, O'Charley's shall be permitted at its sole and exclusive option to purchase a Reporting Tail Endorsement prior to the Effective Time. Notwithstanding any of the foregoing, (i) in no event shall Parent or the Surviving Corporation be required to (or O'Charley's be able to) expend an aggregate amount in excess of 300% of the annual premium currently payable by O'Charley's for that policy, it being understood that if the premiums payable for that insurance coverage exceed that amount, Parent and the Surviving Corporation shall be obligated to (or O'Charley's may only) obtain a policy with the greatest coverage available for a cost equal to that amount.

*Employee Matters.* The Merger Agreement provides that until the first anniversary of the Effective Time (the "Benefits Continuation Period"), Parent shall, and shall cause the Surviving Corporation and its affiliates to, provide, for those employees of O'Charley's and its subsidiaries who continue as employees of the Surviving Corporation or any of its affiliates during all or a portion of the Benefits Continuation Period (the "Continuing Employees"), compensation (including base salary, bonus and other incentive compensation opportunities) and employee benefits (excluding severance) that in the aggregate with respect to each Continuing Employee shall not be any less favorable than the compensation and employee benefits provided by, (i) in the case of salaried Continuing Employees, Parent to similarly situated employees of Parent and its subsidiaries and, (ii) in the case of hourly Continuing Employees, O'Charley's or the applicable subsidiary of O'Charley's to that Continuing Employee immediately prior to the Acceptance Time.

Subject to certain limitations, Parent also agreed to, and to cause the Surviving Corporation and its affiliates to, (i) waive any applicable pre-existing condition exclusions and waiting periods with respect to participation and coverage requirements in any replacement or successor welfare benefit plan of Parent or the Surviving Corporation or any of its affiliates that a Continuing Employee is eligible to participate in following the Effective Time to the extent those exclusions or waiting periods were inapplicable to, or had been satisfied by, that Continuing Employee immediately prior to the Effective Time under the analogous O'Charley's benefit plan in

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which that Continuing Employee participated, (ii) provide each Continuing Employee with credit for any co-payments and deductibles paid prior to the Effective Time (to the same extent that credit was given under the analogous O'Charley's benefit plan prior to the Effective Time) in satisfying any applicable deductible or out-of-pocket requirements and (iii) recognize service prior to the Effective Time with O'Charley's or any of its subsidiaries for purposes of eligibility to participate, vesting, determination of level of benefits and benefits accrual to the same extent that service was recognized by O'Charley's or any of its subsidiaries under the analogous O'Charley's benefit plan in which that Continuing Employee participated immediately prior to the Effective Time.

Notwithstanding any other provision of the Merger Agreement to the contrary, Parent has agreed to, and to cause the Surviving Corporation and any of its affiliates to, provide certain specified Continuing Employees whose employment terminates during the Benefits Continuation Period with retention benefits at levels no less than the levels agreed to by the parties.

*Section 16 Matters.* The Merger Agreement provides that O'Charley's and its Board of Directors shall take all steps reasonably necessary to cause the transactions contemplated by the Merger Agreement and any other disposition of equity securities of the Company and acquisitions of equity securities by Parent in connection with the transactions contemplated by the Merger Agreement by each individual who is a director or executive officer of O'Charley's or Parent to be exempt under Rule 16b-3 promulgated under the Exchange Act.

*State Takeover Laws.* The Merger Agreement provides that (i) no state or federal anti-takeover statute (other than the HSR Act) is applicable to O'Charley's, the Shares, the Merger, the Top-Up Option, or the other transactions contemplated by the Merger Agreement or the Support Agreement (described below) and (ii) O'Charley's and the Company's Board of Directors shall take such action as is necessary to assure that none of the Offer, the Merger, the Top-Up Option or the other transactions contemplated by the Merger Agreement will be a "takeover offer" under the Tennessee Investor Protection Act.

*Shareholder Litigation.* O'Charley's has agreed to give Parent the opportunity to participate in the defense or settlement of any shareholder litigation against O'Charley's and/or its directors or executive officers relating to the Merger Agreement or the transactions contemplated by the Merger Agreement, whether commenced prior to or after the execution and delivery of the Merger Agreement, and shall not settle or offer to settle any such litigation without the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed). See Section 16 – "Certain Legal Matters; Regulatory Approvals."

*Directors after the Acceptance Time.* Promptly upon the Acceptance Time and from time to time thereafter, pursuant to the Merger Agreement, Parent shall be entitled to designate the number of directors on the Company's Board of Directors equal to the product of (i) the total number of directors on the Company's Board of Directors, and (ii) the percentage that the number of Shares owned directly or indirectly by Parent immediately following the Acceptance Time represents out of the total number of Shares outstanding, and O'Charley's has agreed to take all actions necessary to enable Parent's designees to be so elected or appointed to the Company's Board of Directors. O'Charley's also agreed to cause individuals designated by Parent to have the same proportionate representation on (i) each committee of the Company's Board of Directors and (ii) each board of directors (or similar body) and each committee thereof (or similar body) of each subsidiary of the Company. Prior to the Effective Time, the Company's Board of Directors shall always have at least three members of the Company's Board of Directors who were members of the Company's Board of Directors as of the effective date of the Merger Agreement ("Continuing Directors") and until the Effective Time, the approval of a majority of the Continuing Directors shall be required to authorize O'Charley's to, among other things:

- amend, modify, supplement or terminate the Merger Agreement;
- extend the time for performance of, or waive, any of the obligations or other acts of Parent or the Purchaser under the Merger Agreement;
- waive or exercise any of the Company's rights under the Merger Agreement;

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- waive any condition to the Company's obligations under the Merger Agreement;
- amend the Company's charter or bylaws;
- authorize any agreement between O'Charley's, or its subsidiaries, on the one hand, and Parent, the Purchaser or their affiliates, on the other hand, that is effective before the Effective Time; or
- make any other determination with respect to any action to be taken or not to be taken by or on behalf of O'Charley's relating to the Merger Agreement or the transactions contemplated by the Merger Agreement.

*Directors and Officers after the Effective Time.* The Merger Agreement provides that the directors of the Purchaser immediately prior to the Effective Time will become the directors of the Surviving Corporation. The officers of O'Charley's immediately prior to the Effective Time shall be the officers of the Surviving Corporation.

*Conditions to the Merger.* The Merger Agreement provides that the obligations of O'Charley's, Parent and the Purchaser are subject to the satisfaction at or prior to the date on which the merger closes of the following:

- the O'Charley's shareholder approval of the Merger Agreement, if required by applicable law, and if not required under applicable law, the passage of at least one month since the date a copy of the Merger Agreement was mailed to holders of the Shares;
- Parent or the Purchaser shall have accepted for payment and paid for the Shares pursuant to the Offer in accordance with the Merger Agreement;
- no Restraint and no law shall be in effect preventing or prohibiting consummation of the Merger; and
- the Regulatory Condition shall have been satisfied.

Note that the Regulatory Condition has been satisfied. See Section 16 – "Certain Legal Matters; Regulatory Approvals."

*Termination.* The Merger Agreement may be terminated and the Merger and the other transactions contemplated by the Merger Agreement may be abandoned at any time prior to the Effective Time, whether before or after obtaining the approval of the O'Charley's shareholders, as follows:

- by mutual written consent of Parent and O'Charley's;
- by either Parent or O'Charley's, if the Acceptance Time shall not have occurred on or before the Outside Date; provided, however, that this right to terminate the Merger Agreement will not be available to a party if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement, and any such material breach or violation or failure has been the principal cause of or directly resulted in the failure of the Acceptance Time to occur on or before the Outside Date;
- by either Parent or O'Charley's, if any governmental entity of competent jurisdiction shall have issued an order or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the Merger Agreement, including the Merger, and such order or other action shall have become final and non-appealable; provided, however, that this right to terminate the Merger Agreement will not be available to a party if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement, and any such material breach or violation or failure has been the principal cause of or directly resulted in such order or other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the Merger Agreement, including the Merger;
- by either Parent or O'Charley's, if the Offer expires as a result of the non-satisfaction of any condition to the Offer or is terminated or withdrawn pursuant to its terms in accordance with the Merger

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Agreement without any Shares being purchased thereunder and Parent has not extended, and the Company has not otherwise requested that Parent and the Purchaser extend the Offer; provided, however, that this right to terminate the Merger Agreement will not be available to a party if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement, and any such material breach or violation or failure has been the principal cause of or directly resulted in the failure of any condition to the Offer or any Shares to be purchased;

- by Parent, if prior to the Acceptance Time, O'Charley's shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Merger Agreement, which breach or failure to perform (1) would result in any condition to the Offer relating to such representations, warranties, covenants or agreements not being satisfied and (2) is not curable or, if curable, is not cured by the earlier to occur of the Outside Date and the date that is 30 days following O'Charley's receipt of Parent's written notice of such breach; provided, that O'Charley's shall use reasonable best efforts to cure such breach as promptly as practicable; provided, however, that this right to terminate the Merger Agreement will not be available to Parent if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations under the Merger Agreement, and any such material breach or violation or failure constitutes a Parent Material Adverse Effect (as defined below);
- by Parent, if prior to the Acceptance Time, (1) a Recommendation Withdrawal shall have occurred, or (2) O'Charley's enters into an Alternative Acquisition Agreement;
- by Parent, if prior to the Acceptance Time, there shall have occurred a Company Material Adverse Effect (as defined below);
- by O'Charley's, if Parent or the Purchaser shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Merger Agreement, which breach or failure to perform (1) gives rise to a Parent Material Adverse Effect, (2) is not curable or, if curable, is not cured by the earlier to occur of the Outside Date and the date that is 30 days following Parent's receipt of O'Charley's written notice of such breach; provided, that Parent shall use reasonable best efforts to cure such breach as promptly as practicable, and (3) would reasonably be expected to prevent or delay the Acceptance Time beyond the Outside Date; and
- by O'Charley's, if prior to the Acceptance Time, (1) immediately prior to or concurrently with the termination of the Merger Agreement, subject to complying with the terms of the Merger Agreement, O'Charley's enters into one or more Alternative Acquisition Agreements with respect to a Superior Proposal and (2) O'Charley's immediately prior to or concurrently with such termination pays to Parent or its designees any termination fee required to be paid pursuant to the Merger Agreement.

As used in the Merger Agreement:

- "Company Material Adverse Effect" means any event, change, effect, development or occurrence that, individually or in the aggregate, has or would be reasonably expected to have a material adverse effect on the business, results of operations or financial condition of O'Charley's and its subsidiaries, taken as a whole; provided, however, that (subject to the next proviso) no event, change, effect, development or occurrence, shall be deemed (individually or in the aggregate) to constitute, nor shall any of the foregoing be taken into account in determining whether there has been, a Company Material Adverse Effect, to the extent that such event, change, effect, development or occurrence results from, arises out of, or relates to: (i) any general United States or global economic conditions, (ii) any conditions generally affecting the restaurant industry, (iii) any decline in the market price or trading volume of the Shares (it being understood that the foregoing shall not preclude Parent from asserting that the facts or occurrences giving rise to or contributing to such decline that are not otherwise excluded from the definition of a Company Material Adverse Effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a Company

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Material Adverse Effect), (iv) any regulatory, legislative or political conditions or securities, credit, financial, debt or other capital markets conditions, or the economy in each case in the United States or any foreign jurisdiction, (v) any failure, in and of itself, by O'Charley's to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the foregoing shall not preclude Parent from asserting that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of Company Material Adverse Effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect), (vi) the public announcement or pendency of the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, the taking of any action required or specifically contemplated by the Merger Agreement or the identity of, or any facts or circumstances relating to, Parent, Purchaser, and certain of their affiliates, including the impact of any of the foregoing on the relationships, contractual or otherwise, of O'Charley's or any of its subsidiaries with customers, suppliers, officers or employees (provided, however, that pursuant to the Merger Agreement, the exceptions in this clause (vi) shall not apply to certain of O'Charley's representations and warranties), (vii) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any rule, regulation, ordinance, order, protocol or any other law of or by any governmental entity, (viii) any change in applicable law, regulation or GAAP (or authoritative interpretations thereof), (ix) any geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of the Merger Agreement, (x) any taking of any action at the written request of Parent or the Purchaser, (xi) any reduction in the credit rating of the Company or any of its subsidiaries to the extent attributable to the expected consummation of the Merger (it being understood and agreed that the foregoing shall not preclude Parent and the Purchaser from asserting that the facts or occurrences giving rise to or contributing to such change that are not otherwise excluded from the definition of Company Material Adverse Effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect) or (xii) any hurricane, earthquake, flood or other natural disasters, acts of God or any change resulting from weather conditions; provided, however, that with respect to clauses (i), (ii), (iv), (vii), (viii), (ix) or (xii), any such event, change, effect, development or occurrence shall be taken into account only to the extent it is disproportionately adverse to the Company and its subsidiaries, taken as a whole, when compared to other similarly situated persons operating in the geographies and industry in which Company and its subsidiaries operate.

- "Parent Material Adverse Effect" means any event, change, effect, development or occurrence that, individually or in the aggregate, prevents or materially impedes or delays, or is reasonably likely to prevent or materially impede or delay, the consummation by Parent or Purchaser of the Offer, the Merger or any of the other transactions contemplated by the Merger Agreement on a timely basis or the performance by Parent or Purchaser of their respective covenants and obligations under the Merger Agreement.

*Termination Fees and Expense Reimbursement.* The Merger Agreement contemplates that a termination fee will be payable by O'Charley's to Parent if the Merger Agreement is terminated under certain circumstances, as follows:

- If the Merger Agreement is terminated by Parent for a Recommendation Withdrawal or O'Charley's entry into an Alternative Acquisition Agreement or by O'Charley's in order to enter into an Alternative Acquisition Agreement in respect of a Superior Proposal, then O'Charley's shall pay Parent a termination fee of \$6,740,000; provided, however, that if the Merger Agreement is terminated by Parent for O'Charley's entry into an Alternative Acquisition Agreement or by O'Charley's in order to enter into an Alternative Acquisition Agreement in respect of a Superior Proposal, and either (x) that termination occurs on or before the No-Shop Period Start Date, or (y) O'Charley's enters into a

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definitive agreement with respect to a Superior Proposal as permitted under the Merger Agreement on or before the Acceptance Time, then the termination fee shall instead be \$3,370,000;

- If Parent or O'Charley's terminates the Merger Agreement because no Shares were purchased in the Offer, an uncured material Company breach or the failure to close before the Outside Date, and (i) if prior to the date of that termination (but after the date of the Merger Agreement) an Acquisition Proposal is publicly announced or is otherwise communicated to the Company's Board of Directors, and (ii) within twelve months after the date of that termination, O'Charley's enters into a definitive agreement with respect to or otherwise consummates any Acquisition Proposal, O'Charley's shall pay to Parent a termination fee of \$6,740,000 no later than two business days after the earlier of the execution of that definitive agreement or consummation of that Acquisition Proposal, as the case may be; provided, that solely for purposes of this paragraph, the term Acquisition Proposal shall have the meaning ascribed to that term above, except that all references to 20% shall be changed to 50%; and
- If Parent terminates the Merger Agreement for an uncured material Company breach, as described above, then O'Charley's shall reimburse Parent for any expenses incurred by it, Purchaser or any of their affiliates or permitted assignees, in an aggregate amount not to exceed \$2,000,000, not later than two business days after the date of that termination (any such payment will be credited against any termination fee that becomes payable in the future).

*Amendment.* The Merger Agreement may be amended or modified by written agreement of the parties at any time prior to the Effective Time, subject to applicable law.

*Specific Enforcement.* The parties have agreed that irreparable damage would occur for which monetary damages would not be an adequate remedy in the event that any of the provisions of the Merger Agreement are not performed in accordance with their specific terms or are otherwise breached. Therefore, the parties have agreed that, if for any reason Parent, the Purchaser or O'Charley's has failed to perform its obligations under the Merger Agreement, then the party seeking to enforce the Merger Agreement against the nonperforming party under the Merger Agreement shall be entitled to specific performance and the issuance of injunctive and other equitable relief.

*Fees and Expenses.* Except for the provisions described under "Termination Fees and Expense Reimbursement" above and certain expenses related to financing cooperation, all fees and expenses incurred in connection with the Merger Agreement, the Offer, the Merger and the other transactions contemplated by the Merger Agreement will be paid by the party incurring such fees or expenses, whether or not the Offer, the Merger or any of the other transactions contemplated by the Merger Agreement are consummated.

*Governing Law.* The Merger Agreement is governed by Delaware law.

### **Other Agreements**

*Confidentiality Agreement.* On November 23, 2011, Parent, O'Charley's and ABRH executed a confidentiality agreement (the "Confidentiality Agreement"), pursuant to which the parties agreed, subject to certain exceptions, to, among other things, keep confidential certain information provided by the parties for purposes of evaluating a possible transaction between Parent and O'Charley's. Parent also agreed to a standstill provision placing restrictions on, among other things, the ability of Parent and its affiliates to acquire securities of O'Charley's or to enter into, or propose to enter into, a merger or certain other combination or acquisition transactions involving O'Charley's, except with O'Charley's prior written consent. These restrictions automatically terminate under the Confidentiality Agreement upon the earlier to occur of two years from the date the Confidentiality Agreement or the date of a consummation of a transaction between the parties.

The foregoing description of the material provisions of the Confidentiality Agreement does not purport to be complete and is qualified in its entirety by reference to the Confidentiality Agreement, a copy of which is filed as

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an exhibit to the Tender Offer Statement on Schedule TO filed by Parent on February 27, 2012 and is incorporated herein by reference. For a complete understanding of the Confidentiality Agreement, you are encouraged to read the full text of the Confidentiality Agreement.

*Tender and Support Agreement.* On February 5, 2012, Crescendo Investments II, LLC, in its capacity as general partner of Crescendo Partners II, L.P., Series Z, Crescendo Investments III, LLC, in its capacity as general partner of Crescendo Partners III, L.P., Arnaud Ajdler, and Gregory Monahan (each, a “Supporting Shareholder”), entered into a Tender and Support Agreement with Parent and the Purchaser (the “Support Agreement”).

Pursuant to the Support Agreement, each Supporting Shareholder has agreed, among other things, (i) to validly tender, as promptly as practicable and in any event no later than 5:00 p.m., New York City time, on the second business day prior to the initial expiration date of the Offer, and not withdraw that Supporting Shareholder’s Shares in the Offer, pursuant to the terms of the Offer, (ii) to vote (or cause to be voted) all of that Supporting Shareholder’s Shares (a) in favor of adopting the Merger Agreement, unless a Recommendation Withdrawal has been made in accordance with the Merger Agreement, (b) for the approval of any proposal to postpone a shareholder meeting to a later date if there are not sufficient votes for the adoption and approval of the Merger Agreement and the transactions contemplated by the Merger Agreement, (c) against any action or agreement that would result in (1) a breach of any representation, warranty, covenant, agreement or other obligation of the Company under the Merger Agreement and/or (2) the failure of any of the conditions to the Offer, (d) against any Acquisition Proposal, unless a Recommendation Withdrawal has been made in accordance with the Merger Agreement in favor of a Superior Proposal, and (e) against any agreement, amendment to the Company’s charter or bylaws or other action that would prevent, impede, interfere with or delay the consummation of the Offer or the Merger.

Each Supporting Shareholder granted an irrevocable right to Parent, as that Supporting Shareholder’s proxy and attorney-in-fact, to vote all that Supporting Shareholder’s Shares, or to grant a consent or approval in respect of that Supporting Shareholder’s Shares, in a manner consistent with the provisions discussed above. The proxy is automatically revoked upon termination of the Support Agreement.

Until termination of the Support Agreement, each Supporting Shareholder shall not (i) sell, transfer (including by operation of law), give, pledge, encumber, assign or otherwise dispose of (each, a “Transfer”), or enter into any contract, option or other arrangement or understanding with respect to the Transfer, of any of that Supporting Shareholder’s Shares except (a) to Parent, the Purchaser or their respective affiliates or (b) to an affiliate of that Supporting Shareholder, provided that the affiliate agrees to be bound by the terms and conditions of the Support Agreement, (ii) deposit any Shares into a voting trust, grant any proxies, or enter into any voting agreement, power of attorney or voting trust with respect to any of that Supporting Shareholder’s Shares, (iii) take any action that would make any representation or warranty of that Supporting Shareholder set forth in the Support Agreement untrue or incorrect in any material respect or have the effect of preventing, disabling or delaying that Supporting Shareholder from performing any of its obligations under the Support Agreement, or (iv) agree to take any action contained in clauses (i) through (iii) (in writing or otherwise).

Except with respect to certain provisions which survive termination of the Support Agreement, the Support Agreement and the obligations thereunder terminate automatically on the first to occur of (i) the termination of the Merger Agreement in accordance with its terms, (ii) the Effective Time, (iii) the date on which the Supporting Shareholder and their affiliates cease to own any Shares (provided that any transfer of Shares did not violate the transfer restrictions discussed above), and (iv) the mutual written consent of the parties to the Support Agreement. Each Supporting Shareholder may terminate the Support Agreement immediately following (x) any decrease in the Offer Price payable in the Offer or in the Merger Consideration payable in the Merger or (y) any change to the form of consideration payable in the Offer or the Merger.

The 2,241,400 Shares currently owned by the Supporting Shareholders represent in the aggregate approximately 10.2% of the currently outstanding Shares.

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The foregoing description of the material provisions of the Support Agreement does not purport to be complete and is qualified in its entirety by reference to the Support Agreement, a copy of which is filed as an exhibit to the Form 8-K filed by O'Charley's on February 6, 2012 and is incorporated herein by reference. For a complete understanding of the Support Agreement, you are encouraged to read the full text of the Support Agreement.

### 12. Purpose of the Offer; Plans for O'Charley's.

*Purpose of the Offer.* The purpose of the Offer is for Parent, through the Purchaser, to acquire control of, and the entire equity interest in, O'Charley's. The Offer, as the first step in the acquisition of O'Charley's, is intended to facilitate the acquisition of all outstanding Shares. The purpose of the Merger is to acquire all of the outstanding Shares not tendered and purchased pursuant to the Offer. If the Offer is successful, the Purchaser intends to consummate the Merger as promptly as practicable.

If you sell your Shares in the Offer, you will cease to have any equity interest in O'Charley's or any right to participate in its earnings and future growth. If you do not tender your Shares, but the Merger is consummated, you also will no longer have an equity interest in O'Charley's. Similarly, after selling your Shares in the Offer or the subsequent Merger, you will not bear the risk of any decrease in the value of O'Charley's.

*Short-form Merger.* The TBCA provides that if a parent company owns at least 90% of each class of outstanding voting shares of a subsidiary, the parent company can effect a short-form merger with that subsidiary without the action of the other shareholders of that subsidiary. Accordingly, if as a result of the Offer, the Top-Up Option or the subsequent offering period, if any, the Purchaser directly or indirectly owns at least 90% of the Shares, Parent and the Purchaser expect to effect the Merger as a "short-form merger" pursuant to Section 48-21-105 of the TBCA, no earlier than one month after the date that a copy of the plan of merger was mailed to all shareholders of O'Charley's. Under those circumstances, neither the approval of any holder of Shares other than the Purchaser, or of the Company's Board of Directors, would be required. Furthermore, no dissenters' rights would be available under Section 48-23-102 of the TBCA in connection with a short-form merger, unless the Shares are no longer listed on Nasdaq on the date of the consummation of the short-form merger. See Section 17 – "Dissenters' Rights." Even if Parent and the Purchaser do not own 90% of the outstanding Shares following consummation of the Offer, Parent and the Purchaser could seek to purchase additional Shares in the open market, from O'Charley's or otherwise in order to reach the 90% threshold and effect a short-form merger. The price per Share that may be paid for any Shares so acquired will be at least equal to that paid in the Offer.

*Plans for O'Charley's.* Except as otherwise provided herein, it is expected that, initially following the Merger, the business and operations of O'Charley's will, except as described in this Offer to Purchase, be continued substantially as they are currently being conducted. Parent will continue to evaluate the business and operations of O'Charley's during the pendency of the Offer and after the consummation of the Offer and the Merger and will take such actions as it deems appropriate under the circumstances existing at the time. Thereafter, Parent intends to review information as part of a comprehensive review of the Company's business, operations, capitalization and management with a view to optimizing development of the Company's potential in conjunction with Parent's investment in ABRH.

Upon the Acceptance Time and from time to time thereafter, pursuant to the Merger Agreement, Parent shall be entitled to designate the number of directors on the Company's Board of Directors equal to the product of (i) the total number of directors on Company's Board of Directors and (ii) the percentage that the number of Shares owned directly or indirectly by Parent (and its subsidiaries, including the Purchaser) immediately following the Acceptance Time represents out of the total number of Shares then outstanding. Parent intends to choose its designees from the persons listed in Schedule I to this Offer to Purchase. O'Charley's has agreed to take all actions necessary to enable Parent's designees to be so elected or appointed to the Company's Board of Directors. O'Charley's also agreed to cause individuals designated by Parent to have the same proportionate representation on (i) each committee of the Company's Board of Directors and (ii) each board of directors (or similar body) and each committee thereof (or similar body) of each subsidiary of O'Charley's. Prior to the



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Effective Time, the Company's Board of Directors shall always have at least three members of the Company's Board of Directors who were members of the Company's Board of Directors as of the effective date of the Merger Agreement ("Continuing Directors") and until the effective time of the Merger, the approval of a majority of the Continuing Directors shall be required to authorize O'Charley's to, among other things:

- amend, modify, supplement or terminate the Merger Agreement;
- extend the time for performance of, or waive, any of the obligations or other acts of Parent or the Purchaser under the Merger Agreement;
- waive or exercise any of the Company's rights under the Merger Agreement;
- waive any condition to the Company's obligations under the Merger Agreement;
- amend the Company's charter or bylaws;
- authorize any agreement between O'Charley's, or its subsidiaries, on the one hand, and Parent, the Purchaser or their affiliates, on the other hand, that is effective before the effective time of the Merger; or
- make any other determination with respect to any action to be taken or not to be taken by or on behalf of O'Charley's relating to the Merger Agreement or the transactions contemplated by the Merger Agreement.

Except as described in this Offer to Purchase, the Purchaser and Parent have no present plans or proposals that would relate to or result in (i) any extraordinary corporate transaction involving O'Charley's or any of its subsidiaries (such as a merger, reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets), (ii) any sale or transfer of a material amount of assets of O'Charley's or any of its subsidiaries, (iii) any material change in the Company's capitalization or dividend policy or (iv) any other material change in the Company's corporate structure or business.

### 13. Certain Effects of the Offer.

*Market for the Shares.* The purchase of Shares pursuant to the Offer will reduce the number of holders of Shares and the number of Shares that might otherwise trade publicly, which could adversely affect the liquidity and market value of the remaining Shares. We cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares or whether that reduction would cause future market prices to be greater or less than the Offer Price.

*Stock Quotation.* Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements for continued listing on Nasdaq. According to the published guidelines of The Nasdaq Stock Market, LLC (the "Nasdaq Stock Market"), the Nasdaq Stock Market would consider disqualifying the Shares for listing on Nasdaq (though not necessarily for listing on The Nasdaq Capital Market) if, among other possible grounds:

- the number of publicly held Shares falls below 750,000;
- the total number of beneficial holders of round lots of Shares falls below 400;
- the market value of publicly held Shares over a 30 consecutive business day period is less than \$5 million;
- there are fewer than two active and registered market makers in the Shares over a ten consecutive business day period;
- O'Charley's has shareholders' equity of less than \$10 million; or
- the bid price for the Shares over a 30 consecutive business day period is less than \$1.

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Furthermore, the Nasdaq Stock Market would consider delisting the Shares from Nasdaq altogether if, among other possible grounds:

- the number of publicly held Shares falls below 500,000;
- the total number of beneficial holders of round lots of Shares falls below 300;
- the market value of publicly held Shares over a 30 consecutive business day period is less than \$1 million;
- there are fewer than two active and registered market makers in the Shares over a ten consecutive business day period;
- the bid price for the Shares over a 30 consecutive business day period is less than \$1; or
- (i) O'Charley's has shareholders' equity of less than \$2.5 million, (ii) the market value of the Company's listed securities is less than \$35 million over a ten consecutive business day period, and (iii) the Company's net income from continuing operations is less than \$500,000 for the most recently completed fiscal year and two of the last three most recently completed fiscal years.

Shares held by officers or directors of O'Charley's, or by any beneficial owner of more than 10% of the Shares, will not be considered as being publicly held for this purpose. According to O'Charley's, as of February 20, 2012, there were 21,947,206 Shares issued and outstanding. If, as a result of the purchase of Shares pursuant to the Offer or otherwise, the Shares are either no longer eligible for Nasdaq or are delisted from Nasdaq altogether, the market for Shares will be adversely affected.

*Margin Regulations.* The Shares are currently "margin securities" under the Regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Depending upon factors similar to those described above regarding the market for the Shares and stock quotations, it is possible that, following the Offer, the Shares would no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board and, therefore, could no longer be used as collateral for loans made by brokers.

*Exchange Act Registration.* The Shares are currently registered under the Exchange Act. That registration may be terminated upon application of O'Charley's to the SEC if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by O'Charley's to its shareholders and to the SEC and would make certain provisions of the Exchange Act no longer applicable to O'Charley's, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement pursuant to Section 14(a) of the Exchange Act in connection with shareholders' meetings and the related requirement of furnishing an annual report to shareholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions. Furthermore, the ability of "affiliates" of O'Charley's and persons holding "restricted securities" of O'Charley's to dispose of those securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended, may be impaired or eliminated. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for listing on Nasdaq. We intend and will cause O'Charley's to terminate the registration of the Shares under the Exchange Act as soon after consummation of the Offer as the requirements for termination of registration are met. If registration of the Shares is not terminated prior to the Merger, the registration of the Shares under the Exchange Act will be terminated following the consummation of the Merger.

#### 14. Dividends and Distributions.

The Merger Agreement provides that from the date of the Merger Agreement to the Effective Time, without the prior written consent of Parent, O'Charley's will not, and will not allow its subsidiaries to, declare, set aside, make or pay any dividend or other distribution (whether in cash, stock and/or property) in respect of O'Charley's capital stock.

15. Certain Conditions of the Offer.

For the purposes of this Section 15, capitalized terms used but not defined in this Offer to Purchase will have the meanings set forth in the Merger Agreement. Notwithstanding any other provisions of the Offer and in addition to the Purchaser's rights to extend, amend or terminate the Offer in accordance with the provisions of the Merger Agreement and applicable law, neither Parent nor the Purchaser shall be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act, pay for any tendered Shares unless:

- the Minimum Condition shall have been satisfied;
- the Regulatory Condition shall have been satisfied;
- the Legal Restraint Condition shall have been satisfied;
- each representation or warranty of O'Charley's set forth in the Merger Agreement other than the Fundamental Representations shall be true and correct in all respects (without giving effect to any materiality or Company Material Adverse Effect qualifier therein), as of the date of the Merger Agreement and as of the Acceptance Time as though made on or as of that date (or in the case of representations and warranties that address matters only as of a particular date, as of that date), except to the extent that breaches thereof, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Company Material Adverse Effect; (ii) each of the Fundamental Representations shall be true and correct in all material respects, as of the date of the Merger Agreement and as of the Acceptance Time as though made on or as of that date (or, in the case of representations and warranties that address matters only as of a particular date, as of that date); (iii) each of the Capitalization Representations shall be true and correct in all respects (other than inaccuracies that do not and would not result in an increase in the amounts payable by Parent, Merger Sub, O'Charley's, the surviving corporation or any of their respective subsidiaries pursuant to the Merger Agreement of more than \$625,000 in the aggregate), as of the date of the Merger Agreement and as of the Acceptance Time as though made on or as of that date (or, in the case of representations and warranties that address matters only as of a particular date, as of that date); and (iv) there shall not have occurred any Company Material Adverse Effect since the date of the Merger Agreement;
- O'Charley's shall have performed or complied in all material respects with all agreements and covenants required to be performed by it under the Merger Agreement at or prior to the Acceptance Time;
- O'Charley's shall have furnished Parent with a certificate dated as of the date of the Acceptance Time signed on its behalf by its Chief Executive Officer or Chief Financial Officer to the effect that the conditions described in the preceding two bullet points have been satisfied; and
- The Merger Agreement shall not have been validly terminated in accordance with its terms.

To the extent permitted by the rules and regulations of the SEC which require the satisfaction or waiver of conditions prior to the expiration of the Offer (or thereafter in relation to any condition dependent upon the receipt of government approvals), the foregoing conditions are for the sole benefit of Parent and the Purchaser, may be asserted by either Parent or the Purchaser, regardless of the circumstances giving rise to any of those conditions (provided that nothing shall relieve any party to the Merger Agreement from any obligation or liability that party has under the Merger Agreement), and, except for the Minimum Condition, may be waived by Parent or the Purchaser in whole or in part at any time and from time to time, subject to the terms of the Merger Agreement and applicable law. The failure by Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time.

The Regulatory Condition has been satisfied. See Section 16 – “Certain Legal Matters; Regulatory Approvals.”

16. Certain Legal Matters; Regulatory Approvals.

*General.* Except as described in this Section 16, based on our examination of publicly available information filed by O’Charley’s with the SEC and other information concerning O’Charley’s, we are not aware of any governmental license or regulatory permit that appears to be material to the Company’s business that might be adversely affected by our acquisition of Shares as contemplated herein or of any approval or other action by any governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of Shares by the Purchaser or Parent as contemplated herein. Should any such approval or other action be required, we currently contemplate that, except as described below under “State Takeover Statutes,” such approval or other action will be sought. While we do not currently intend to delay acceptance for payment of Shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that if those approvals were not obtained or such other actions were not taken, adverse consequences might not result to the Company’s business, any of which under certain conditions specified in the Merger Agreement, could cause us to elect to terminate the Offer without the purchase of Shares under certain conditions. See Section 15 – “Certain Conditions of the Offer.”

*Antitrust Compliance.* Under the HSR Act, and the related rules and regulations that have been issued by the United States Federal Trade Commission (the “FTC”), certain transactions may not be consummated until specified information and documentary material (“Premerger Notification and Report Forms”) have been furnished to the FTC and the Antitrust Division of the Department of Justice (the “Antitrust Division”) and certain waiting period requirements have been satisfied. These requirements of the HSR Act apply to the acquisition of Shares in the Offer and the Merger.

Under the HSR Act, our purchase of Shares in the Offer may not be completed until the expiration of a 15 calendar day waiting period following the filing by Parent, as the ultimate parent entity of the Purchaser, of a Premerger Notification and Report Form concerning the Offer with the FTC and the Antitrust Division, unless the waiting period is earlier terminated by the FTC and the Antitrust Division. If the 15th calendar day of the waiting period is not a business day, the waiting period is extended until the next business day. Parent filed Premerger Notification and Report Forms with the FTC and the Antitrust Division in connection with the purchase of Shares in the Offer and the Merger on February 17, 2012. The required waiting period with respect to the Offer and the Merger was terminated by the FTC and the Antitrust Division on February 24, 2012. The Merger will not require an additional filing under the HSR Act if the Purchaser owns more than 50% of the outstanding Shares at the time of the Merger or if the Merger occurs within one year after the HSR Act waiting period applicable to the Offer expires or is terminated. Accordingly, the Regulatory Condition has been satisfied. The Offer continues to be conditioned upon the other conditions described in Section 15 – “Certain Conditions of the Offer,” including, among other things, the satisfaction of the Minimum Condition.

*Other Foreign Competition Filings.* Parent and Purchaser do not believe that any foreign regulatory filings or approvals will be required in connection with the consummation of the Offer.

*State Takeover Laws.* O’Charley’s is incorporated under the laws of the State of Tennessee. A number of states have adopted laws and regulations applicable to attempts to acquire securities of corporations that are incorporated, or have substantial assets, shareholders, principal executive offices or principal places of business, or whose business operations otherwise have substantial economic effects, in those states. In 1982, in *Edgar v. MITE Corp.*, the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987, in *CTS Corp. v. Dynamics Corp. of America*, the Supreme Court held that the State of Indiana could, as a matter of corporate law, constitutionally disqualify a potential acquiror from voting shares of a target corporation without the prior approval of the remaining shareholders where, among other things, the corporation is incorporated, and has a substantial number of shareholders, in the state. Subsequently, in *TLX Acquisition Corp. v. Telex Corp.*, a U.S. federal district court in Oklahoma ruled that the Oklahoma statutes were unconstitutional as applied to corporations incorporated outside Oklahoma in that they would subject those corporations to inconsistent regulations. Similarly, in *Tyson Foods, Inc. v. McReynolds*, a U.S. federal district court in Tennessee ruled that four

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Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit. In December 1988, a U.S. federal district court in Florida held in *Grand Metropolitan PLC v. Butterworth* that the provisions of the Florida Affiliated Transactions Act and the Florida Control Share Acquisition Act were unconstitutional as applied to corporations incorporated outside of Florida. The state law before the Supreme Court was by its terms applicable only to corporations that had a substantial number of shareholders in the state and were incorporated there.

O'Charley's, directly or through subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted takeover laws. We do not know whether any of these laws will, by their terms, apply to the Offer or the Merger and have not attempted to comply with any such laws. O'Charley's has represented and warranted to the Purchaser and Parent that (i) other than the HSR Act, no state or federal anti-takeover or regulation is applicable to O'Charley's, the Shares, the Offer, the Merger, the Top-Up Option and the other transactions contemplated by the Merger Agreement and (ii) the Company's Board of Directors has duly taken all action necessary to assure that none of the Offer, the Merger, the Top-Up Option and the other transactions contemplated by the Merger Agreement will be a "takeover offer" under the Tennessee Investor Protection Act. The Tennessee Investor Protection Act does not apply to the proposed transaction because the Offer is made on substantially equal terms to all shareholders of O'Charley's, those terms have been disclosed to those shareholders and the Company's Board of Directors has recommended acceptance of the Offer to the Company's shareholders. The Purchaser reserves the right to challenge the applicability or validity of any state law purportedly applicable to the Offer and nothing in this Offer to Purchase or any action taken in connection with the Offer is intended as a waiver of that right.

Should any person seek to apply any state takeover law, we will take such action as then appears desirable, which may include challenging the validity or applicability of any such statute in appropriate court proceedings. In the event any person asserts that the takeover laws of any state are applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, we may be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, we may be unable to accept for payment any Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer and the Merger. In such case, we may not be obligated to accept for payment any Shares tendered in the Offer. See Section 15 – "Certain Conditions of the Offer."

### *Litigation.*

O'Charley's, its Board of Directors, Parent, the Purchaser, and in one instance, Crescendo Partners, one of O'Charley's shareholders, are named as defendants in five purported class action lawsuits brought by O'Charley's shareholders in the Court of Chancery for Davidson County in the Twentieth Judicial District of Tennessee (*Kaniecki v. O'Charley's Inc., et al.*, filed on February 9, 2012, *Coyne v. O'Charley's Inc., et al.*, *Gilliam v. O'Charley's Inc., et al.*, and *White v. O'Charley's Inc., et al.*, each filed on February 15, 2012) and in the Circuit Court for Davidson County in the Twentieth Judicial District of Tennessee (*Walleman v. O'Charley's Inc., et al.*, filed on February 13, 2012), challenging the Merger. On February 23, 2012, the Davidson County Circuit Court entered an agreed order transferring the *Walleman* action to the Davidson County Chancery Court. The shareholders actions generally allege, among other things, that (i) each member of O'Charley's Board of Directors breached his or her fiduciary duties to the O'Charley's and its shareholders in authorizing the Merger, (ii) the Merger does not maximize value to the O'Charley's stockholders, and (iii) O'Charley's, Parent, the Purchaser and Crescendo Partners aided and abetted the breaches of fiduciary duty allegedly committed by O'Charley's Board of Directors. The shareholders actions seek, among other things, class certification and equitable relief, including judgments enjoining the defendants from consummating the Merger on the agreed-upon terms.

### 17. Dissenters' Rights.

No dissenters' rights are available under Section 48-23-102 of the TBCA in connection with the Offer. Shareholders who sell Shares in the Offer will not be entitled to exercise dissenters' rights with respect thereto, but, rather, will receive the Offer Price.

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Furthermore, no dissenters' rights are available under Section 48-23-102 of the TBCA in connection with the Merger, unless the Shares are no longer listed on Nasdaq on the date of the consummation of the Merger. If the Shares are delisted from Nasdaq prior to the date of the consummation of the Merger such that holders of the Shares are entitled to dissenters' rights in connection with the Merger, such holders will receive additional information concerning dissenters' rights and the procedures to be followed in connection therewith before they have to take any action relating thereto.

### 18. Fees and Expenses.

Jefferies is acting as Dealer Manager in connection with the Offer and has provided certain financial advisory services to Parent in connection with the proposed acquisition of O'Charley's, for which services Jefferies will receive customary compensation. Jefferies will be reimbursed for its reasonable fees and expenses, including the reasonable fees and disbursements of Jefferies's counsel, incurred in connection with Jefferies' engagement, and will be indemnified, along with certain related parties, against specified liabilities, including liabilities under the federal securities laws. In the ordinary course of business, Jefferies and its respective affiliates may actively trade or hold securities or loans of Parent and O'Charley's for their own accounts or for the accounts of customers and, accordingly, Jefferies and/or its respective affiliates may at any time hold long or short positions in these securities or loans.

The Purchaser has retained Georgeson Inc. to be the Information Agent and American Stock Transfer & Trust Company, LLC to be the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telecopy, telegraph and personal interview and may request banks, brokers, dealers and other nominees to forward materials relating to the Offer to beneficial owners of Shares.

The Information Agent and the Depositary each will receive reasonable and customary compensation for their respective services in connection with the Offer, will be reimbursed for reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith, including certain liabilities under federal securities laws.

Neither Parent nor the Purchaser will pay any fees or commissions to any broker or dealer or to any other person (other than to the Depositary and the Information Agent) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Purchaser for customary mailing and handling expenses incurred by them in forwarding offering materials to their customers. In those jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by the Purchaser.

### 19. Miscellaneous.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In those jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by the Purchaser.

**No person has been authorized to give any information or to make any representation on behalf of Parent or the Purchaser not contained herein or in the Letter of Transmittal, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer, bank, trust company, fiduciary or other person shall be deemed to be the agent of the Purchaser, the Depositary, the Dealer Manager or the Information Agent for the purpose of the Offer.**

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Parent and the Purchaser have filed with the SEC a Tender Offer Statement on Schedule TO pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, together with exhibits furnishing certain additional information with respect to the Offer, and may file amendments thereto. In addition, O'Charley's has filed with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9, together with exhibits, pursuant to Rule 14d-9 under the Exchange Act, setting forth the recommendation of the Company's Board of Directors with respect to the Offer and the reasons for such recommendation and furnishing certain additional related information. A copy of such documents, and any amendments thereto, may be examined at, and copies may be obtained from, the SEC in the manner set forth under Section 7 – "Certain Information Concerning O'Charley's" above.

Fred Merger Sub Inc.

February 27, 2012

**SCHEDULE I**  
**DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER, PARENT AND FNSO.**

**1. DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER.**

The name, business address, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of each of the directors and executive officers of Fred Merger Sub Inc. are set forth below. The business address and phone number of each such director and executive officer is 601 Riverside Avenue, Jacksonville, Florida, 32204, (904) 854-8100. Unless otherwise indicated, each director and executive officer is a citizen of the United States of America.

**NAME AND POSITION**

**PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT**

**George P. Scanlon**  
Director and President

Mr. Scanlon is the Chief Executive Officer of Parent and he has served in that capacity since October 2010. Previously Mr. Scanlon served as Chief Operating Officer of Parent since June 2010. Prior to that, Mr. Scanlon served as Corporate Executive Vice President and Chief Financial Officer of Fidelity Information Services, Inc. ("FIS") since July 2008 and before then as Executive Vice President, Finance of FIS since February 2008. Prior to joining FIS, Mr. Scanlon served as Executive Vice President and Chief Financial Officer of Woodbridge Holdings Corporation (formerly known as Levitt Corporation) since August 2004 and Executive Vice President and Chief Financial Officer of BFC Financial Corporation since April 2007. Prior to joining Levitt, Mr. Scanlon was the Chief Financial Officer of Datacore Software Corporation, an independent software vendor, from December 2001 to August 2004. Prior to joining Datacore, Mr. Scanlon was the Chief Financial Officer at Seisint, Inc., a technology company specializing in providing data search and processing products, from November 2000 to September 2001.

**Anthony J. Park**  
Director and Chief Financial Officer

Mr. Park is the Executive Vice President and Chief Financial Officer of Parent and he has served in that position since October 2005. Prior to being appointed CFO of Parent, Mr. Park served as Controller and Assistant Controller of Parent from 1991 to 2000 and served as the Chief Accounting Officer of Parent from 2000 to 2005.

**Goodloe M. Partee**  
Secretary

Mr. Partee is Senior Vice President, Legal of Parent and has served in that capacity since September, 2006.



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**2. DIRECTORS AND EXECUTIVE OFFICERS OF PARENT.**

The name, business address, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of each of the directors and executive officers of Parent are set forth below. The business address and phone number of each such director and executive officer is 601 Riverside Avenue, Jacksonville, Florida, 32204, (904) 854-8100. Unless otherwise indicated, each director and executive officer is a citizen of the United States of America.

**NAME AND POSITION**

**PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT  
AND EMPLOYMENT HISTORY**

**William P. Foley, II**

Executive Chairman of the Board and Chairman of  
Executive Committee

Mr. Foley has served as the executive Chairman of Parent since October 2006 and, prior to that, as Chairman of the Board since 1984. Mr. Foley also served as Chief Executive Officer of Parent from 1984 until May 2007. Mr. Foley also served as President of Parent from 1984 until December 1994. Mr. Foley also serves as the Chairman of the Board of FIS and was its Executive Chairman from February 2006 to February 2011. Mr. Foley also served as the Chairman of the Board of Lender Processing Services, Inc. from July 2008 until March 2009, and, within the past five years, has served as a director of Florida Rock Industries, Inc.. He also serves on the board of directors of the Foley Family Charitable Foundation and the Cummer Museum of Arts and Gardens.

**George P. Scanlon**

Chief Executive Officer

See description above.

**Raymond R. Quirk**

President

Mr. Quirk is the President of Parent and he has served in that position since April 2008. Previously, Mr. Quirk served as Co-President since May 2007 and Co-Chief Operating Officer of Parent from October 2006 until May 2007. Mr. Quirk was appointed as President of Parent in 2002. Since joining Parent in 1985, Mr. Quirk has served in numerous executive and management positions, including Executive Vice President, Co-Chief Operating Officer and Division Manager and Regional Manager, with responsibilities for managing direct and agency operations nationally.

**Brent B. Bickett**

Executive Vice President, Corporate Finance

Mr. Bickett has served as Executive Vice President, Corporate Finance of Parent since April 2008. He joined Parent in 1999 as a Senior Vice President, Corporate Finance and has served as an executive officer of Parent since that time. Mr. Bickett also serves as Corporate Executive Vice President, Corporate Finance of FIS.

**Anthony J. Park**

Executive Vice President and Chief Financial Officer

See description above.

**Peter T. Sadowski**

Executive Vice President and Chief Legal Officer

Mr. Sadowski is Executive Vice President and Chief Legal Officer of Parent and has served in that position since 2008. Prior to that, Mr. Sadowski served as Executive Vice President and General Counsel of Parent since 1999.

**NAME AND POSITION**

**PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT  
AND EMPLOYMENT HISTORY**

**Michael L. Gravelle**

Executive Vice President, General Counsel and Corporate Secretary

Mr. Gravelle has served as the Executive Vice President, General Counsel and Corporate Secretary of Parent since January 2010 and served in the capacity of Executive Vice President, Legal since May 2006 and Corporate Secretary since April 2008. Mr. Gravelle joined Parent in 2003, serving as Senior Vice President. Mr. Gravelle joined a subsidiary of Parent in 1993, where he served as Vice President, General Counsel and Secretary beginning in 1996 and as Senior Vice President, General Counsel and Corporate Secretary beginning in 2000. Mr. Gravelle also serves as Corporate Executive Vice President, Chief Legal Officer and Secretary of FIS.

**Douglas K. Ammerman**

Director and Chairman of the Audit Committee

Mr. Ammerman has served as a director of Parent since July 2005. Mr. Ammerman is a retired partner of KPMG LLP, where he became a partner in 1984. Mr. Ammerman formally retired from KPMG in 2002. He also serves as a director of Quiksilver, Inc., William Lyon Homes, El Pollo Loco, Inc. and Stantec, Inc.

**Thomas M. Hagerty**

Director

Chairman of the Corporate Governance and Nominating Committee and Member of the Executive Committee

Mr. Hagerty has served as a director of Parent since 2005. Mr. Hagerty is a Managing Director of Thomas H. Lee Partners, L.P. Mr. Hagerty has been employed by Thomas H. Lee Partners, L.P. and its predecessor, Thomas H. Lee Company, since 1988. From July 2000 through April 2001, Mr. Hagerty also served as the Interim Chief Financial Officer of Consec, Inc. On December 17, 2002, Consec, Inc. voluntarily commenced a case under Chapter 11 of the United States Code in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division. Mr. Hagerty currently serves as a director of MGIC Investment Corp., MoneyGram International, Inc., Ceridian Corporation, FIS, First Bancorp and several private companies.

**Peter O. Shea, Jr.**

Director and Member of the Corporate Governance and Nominating Committee

Mr. Shea has served as a director of Parent since April 2006. Mr. Shea is also the President and Chief Executive Officer of J.F. Shea Co., Inc. and he previously served as Chief Operating Officer of J.F. Shea Co., Inc. for more than five years. J.F. Shea Co., Inc. is a private company with operations in home building, commercial property development and management and heavy civil construction.

**Frank P. Willey**

Vice Chairman of the Board

Mr. Willey is the Vice Chairman of the Board of Parent and has been a director since 1984. Mr. Willey served as Parent's President from January 1, 1995 through March 20, 2000. Prior to that, he served as an Executive Vice President and General Counsel of Parent until December 31, 1994. Mr. Willey also serves as a director of PennyMac Mortgage Investment Trust. Mr. Willey previously served as a director of CKE Restaurants, Inc. until July, 2010.

**Willie D. Davis**

Director and Member of the Audit Committee

Willie D. Davis has served as a director of Parent since 2003. Mr. Davis has served as the President and as a director of All-Pro Broadcasting, Inc., a holding company that operates several radio stations, since 1976. Mr. Davis also serves on the Board of Directors of MGM Mirage, Inc., and, within the past five years, has served as a director of Sara Lee Corporation, Dow Chemical Company, Alliance Bank, Johnson Controls, Inc., Manpower, Inc., and Checkers Drive-In Restaurants, Inc.

**NAME AND POSITION**

**PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT  
AND EMPLOYMENT HISTORY**

**Daniel D. (Ron) Lane**

Director, Chairman of the Compensation Committee and Member of the Audit Committee

Mr. Lane has served as a director of Parent since 1989. Since February 1983, Mr. Lane has been a principal, Chairman and Chief Executive Officer of Lane/Kuhn Pacific, Inc., a corporation that comprises several community development and home building partnerships, all of which are headquartered in Newport Beach, California. Mr. Lane also served as a director of CKE Restaurants, Inc. from 1993 to 2010 and served as a director of FIS from February 2006 to July 2008, and as a director of Lender Processing Services, Inc. ("LPS") from July 2008 until March 2009.

**General William Lyon**

Director

General Lyon has served as a director of Parent since 1998. General Lyon has served as the Chairman of the board of directors and Chief Executive Officer of William Lyon Homes, Inc. and its predecessors since 1954. General Lyon also serves as the Chairman of the board of directors of Commercial Bank of California. Mr. Lyon also serves as a director of Segerstrom Center for the Arts and Orangewood Children's Foundation, and as a Life Trustee of the University of Southern California.

**Richard N. Massey**

Director and Member of the Compensation Committee

Mr. Massey has served as a director of Parent since February 2006. Mr. Massey has been a partner of Westrock Capital, LLC, a private investment partnership, since January 2009. Mr. Massey was Chief Strategy Officer and General Counsel of Alltel Corporation from January 2006 to January 2009. From 2000 until 2006, Mr. Massey served as Managing Director of Stephens Inc., a private investment bank, during which time his financial advisory practice focused on software and information technology companies. Mr. Massey also serves as a director of FIS and First Federal Bancshares of Arkansas, Inc.

**Cary H. Thompson**

Director and Member of the Compensation Committee and the Executive Committee

Mr. Thompson has served as a director of Parent since 1992. Mr. Thompson currently is Vice Chairman of Global Corporate and Investment Banking, Bank of America Merrill Lynch, having joined that firm in May 2008. From 1999 to May 2008, Mr. Thompson was Senior Managing Director and Head of West Coast Investment Banking at Bear Stearns & Co., Inc. Mr. Thompson also serves on the board of directors of SonicWall Corporation and served as a director of FIS from February 2006 to July 2008, and as a director of LPS from July 2008 until March 2009.

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**3. DIRECTORS AND EXECUTIVE OFFICERS OF FNSO.**

The name, business address, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of each of the directors and executive officers of FNSO are set forth below. The business address and phone number of each such director and executive officer is 601 Riverside Avenue, Jacksonville, Florida, 32204, (904) 854-8100. Unless otherwise indicated, each director and executive officer is a citizen of the United States of America.

NAME AND POSITION	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND EMPLOYMENT HISTORY
<b>William P. Foley</b> Director, President and Chief Executive Officer	See description above.
<b>Brent B. Bickett</b> Director and Executive Vice President	See description above.
<b>Michael L. Gravelle</b> Director and Executive Vice President, General Counsel and Corporate Secretary	See description above.
<b>Anthony J. Park</b> Executive Vice President and Chief Financial Officer	See description above.

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The Letter of Transmittal, certificates for Shares and any other required documents should be sent by each shareholder of O'Charley's or such shareholder's broker, dealer, commercial bank, trust company or other nominee to the Depository as follows:

*The Depository for the Offer is:*

**AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC**



If delivering by mail:

American Stock Transfer &  
Trust Company, LLC  
Operations Center  
Attn: Reorganization  
Department  
P.O. Box 2042  
New York, New York 10272-  
2042

Facsimile transmission:

For Eligible Institutions Only:  
718-234-5001  
  
For Confirmation Only Telephone:  
877-248-6417

If delivering by hand  
or courier:

American Stock  
Transfer &  
Trust Company, LLC  
Operations Center  
Attn: Reorganization  
Department  
6201 15<sup>th</sup> Avenue  
Brooklyn, New York  
11219

**Other Information:**

Questions or requests for assistance or additional copies of this Offer to Purchase, the Letter of Transmittal, and the Notice of Guaranteed Delivery may be directed to the Information Agent at its location and telephone numbers set forth below. Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

*The Information Agent for the Offer is:*

**Georgeson**

Georgeson Inc.  
199 Water Street, 26<sup>th</sup> Floor  
New York, NY 10038  
**(866) 785-7395 (Toll Free)**

Banks and Brokerage Firms please call:  
(212) 440-9800

Letter of Transmittal To Tender Shares of Common Stock

of

**O'CHARLEY'S INC.**

**at \$9.85 Net Per Share in Cash Pursuant to the Offer to Purchase dated February 27, 2012 by Fred Merger Sub Inc., an indirect wholly-owned subsidiary of Fidelity National Financial, Inc.**

The undersigned represents that I (we) have full authority to surrender without restriction the certificate(s) listed below. You are hereby authorized and instructed to deliver to the address indicated below (unless otherwise instructed in the boxes in the following page) a check representing a cash payment for shares of common stock, no par value per share, of O'Charley's Inc. ("O'Charley's") (any shares of such common stock, the "Shares") tendered pursuant to this Letter of Transmittal, at a price of \$9.85 per share, net to the seller in cash, without interest and less any applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated February 27, 2012 (as it may be amended or supplemented from time to time, the "Offer to Purchase" and, together with this Letter of Transmittal, as it may be amended or supplemented from time to time, the "Offer").

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, AT THE END OF MONDAY, APRIL 2, 2012, UNLESS THE OFFER IS EXTENDED (SUCH DATE AND TIME, AS IT MAY BE EXTENDED, THE "EXPIRATION DATE") OR EARLIER TERMINATED.**

Method of delivery of the certificate(s) is at the option and risk of the owner thereof. See Instruction 2.

Mail or deliver this Letter of Transmittal, together with the certificate(s) representing your Shares, to:



If delivering by mail:

American Stock Transfer & Trust  
Company, LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042

If delivering by hand or courier:

American Stock Transfer & Trust  
Company, LLC  
Operations Center  
Attn: Reorganization Department  
6201 15<sup>th</sup> Avenue  
Brooklyn, New York 11219

Pursuant to the offer of Fred Merger Sub Inc. ("Purchaser") to purchase all outstanding Shares of O'Charley's, the undersigned encloses herewith and surrenders the following certificate(s) representing Shares of O'Charley's:

DESCRIPTION OF SHARES TENDERED				
Name(s) and Address(es) of Registered Owner(s) (If blank, please fill in exactly as name(s) appear(s) on Share certificate(s))	Shares Tendered (attached additional list if necessary)			
	Certificated Shares**			
	Certificate Number(s)*	Total Number of Shares Represented by Certificate(s)*	Number of Shares Tendered**	Book Entry Shares Tendered
	Total Shares			
* Need not be completed by Book-Entry Shareholders.				
** Unless otherwise indicated, it will be assumed that all Shares represented by certificates described above are being tendered hereby.				

**PLEASE READ THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL. DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.**

**IF YOU WOULD LIKE ADDITIONAL COPIES OF THIS LETTER OF TRANSMITTAL OR ANY OF THE OTHER OFFERING DOCUMENTS, YOU SHOULD CONTACT EITHER THE INFORMATION AGENT, GEORGESON INC. AT (866) 785-7395 OR THE DEALER MANAGER, JEFFERIES & COMPANY, INC. AT (646) 805-5470.**

You have received this Letter of Transmittal in connection with the offer of Fred Merger Sub Inc., a Tennessee corporation (“Purchaser”) and an indirect wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation (“Parent”), to purchase all outstanding shares of common stock, no par value per share, of O’Charley’s Inc., a Tennessee corporation (“O’Charley’s”) (any shares of such common stock, the “Shares”), at a price of \$9.85 per Share, net to the seller in cash, without interest and less any applicable withholding taxes, as described in the Offer to Purchase, dated February 27, 2012 (as it may be amended or supplemented from time to time, the “Offer to Purchase” and, together with this Letter of Transmittal, as it may be amended or supplemented from time to time, the “Offer”).

You should use this Letter of Transmittal to deliver to American Stock Transfer & Trust Company (the “Depositary”) Shares represented by stock certificates, or held in book-entry form on the books of O’Charley’s, for tender. If you are delivering your Shares by book-entry transfer to an account maintained by the Depositary at The Depository Trust Company (“DTC”) (as defined in Section 2 of the Offer to Purchase and pursuant to the procedures set forth in Section 3 thereof), you must use an Agent’s Message (as defined in Instruction 2 below). In this Letter of Transmittal, shareholders who deliver certificates representing their Shares are referred to as “Certificate Shareholders,” and shareholders who deliver their Shares through book-entry transfer are referred to as “Book-Entry Shareholders.”

If certificates for your Shares are not immediately available, or you cannot complete the book-entry transfer procedures prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase), or you cannot deliver your certificates and all other required documents to the Depositary prior to the Expiration Date, you may nevertheless tender your Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 below. **Delivery of documents to DTC will not constitute delivery to the Depositary.**

#### **Additional Information if Shares Have Been Lost**

If any Share Certificate has been lost, destroyed, mutilated or stolen, the shareholder should promptly notify O’Charley’s stock transfer agent, American Stock Transfer & Trust Company at (800) 937-5449. See Instruction 11 below.

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):**

Name of Tendering

Institution: \_\_\_\_\_

DTC Participant

Number: \_\_\_\_\_

Transaction Code

Number: \_\_\_\_\_

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING (PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY):**

Name(s) of Registered Owner(s): \_\_\_\_\_

Window Ticket Number (if any) or DTC Participant

Number: \_\_\_\_\_

Date of Execution of Notice of Guaranteed

Delivery: \_\_\_\_\_

Name of Institution which Guaranteed

Delivery: \_\_\_\_\_

**NOTE: YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE PROVIDED BELOW, WITH SIGNATURE GUARANTEE, IF REQUIRED, AND COMPLETE THE W-9 SET FORTH BELOW, IF REQUIRED. PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.**



Ladies and Gentlemen:

The undersigned hereby tenders to Fred Merger Sub Inc., a Tennessee corporation (“Purchaser”) and an indirect wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation (“Parent”), the above-described shares of common stock, no par value per share, of O’Charley’s Inc., a Tennessee corporation (“O’Charley’s”) (any shares of such common stock, the “Shares”), at a price of \$9.85 per Share (the “Offer Price”), net to the sellers in cash, without interest and less any applicable withholding taxes, on the terms and subject to the conditions set forth in the Offer to Purchase (as it may be amended or supplemented from time to time, the “Offer to Purchase”), receipt of which is hereby acknowledged, and this Letter of Transmittal (as it may be amended or supplemented from time to time, this “Letter of Transmittal” and, together with the Offer to Purchase, as it may be amended or supplemented from time to time, the “Offer”). The undersigned understands that Purchaser reserves the right to transfer or assign, from time to time, in whole or in part, to one or more of its affiliates, the right to purchase the Shares tendered herewith.

On the terms and subject to the conditions of the Offer (including, if the Offer is extended, amended or supplemented, the terms and conditions of such extension, amendment or supplement), subject to, and effective upon, acceptance for payment and payment for the Shares validly tendered herewith, and not properly withdrawn, prior to the Expiration Date (unless the tender is made during a subsequent offering period (as described in Section 1 of the Offer to Purchase, a “Subsequent Offering Period”), if one is provided, in which case the Shares, the Letter of Transmittal and other documents must be accepted for payment and payment validly tendered, and not properly withdrawn, prior to the expiration of the Subsequent Offering Period) in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser, all right, title and interest in and to all of the Shares being tendered hereby and any and all cash dividends, distributions, rights, other Shares or other securities issued or issuable in respect of such Shares on or after February 27, 2012 (collectively, “Distributions”). In addition, the undersigned hereby irrevocably appoints American Stock Transfer & Trust Company, LLC (the “Depository”) the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such Shares and any Distributions with full power of substitution (such proxies and power of attorney being deemed to be an irrevocable power coupled with an interest in the tendered Shares) to the full extent of such shareholder’s rights with respect to such Shares and any Distributions (a) to deliver certificates representing Shares (the “Share Certificates”) and any Distributions, or transfer of ownership of such Shares and any Distributions on the account books maintained by DTC, together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of Purchaser, (b) to present such Shares and any Distributions for transfer on the books of O’Charley’s, and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares and any Distributions, all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby irrevocably appoints each of the directors and officers of Purchaser the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, (i) to vote at any annual or special meeting of O’Charley’s shareholders or any adjournment or postponement thereof or otherwise in such manner as each such attorney in fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, (ii) to execute any written consent concerning any matter as each such attorney in fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, and (iii) to otherwise act as each such attorney in fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, all of the Shares (and any and all Distributions) tendered hereby and accepted for payment by the Purchaser. Such appointment is effective when, and only to the extent that, Purchaser accepts the Shares tendered with this Letter of Transmittal for payment pursuant to the Offer. This power of attorney and proxy are irrevocable and are granted in consideration of the acceptance for payment of such Shares in accordance with the terms of the Offer. Upon the effectiveness of such appointment, without further action, all prior powers of attorney, proxies and consents given by the undersigned with respect to such Shares and any associated Distributions will be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given (and, if given, will not be deemed effective). Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser’s acceptance for payment of such Shares, Purchaser must be able to exercise full voting, consent and other rights, to the extent permitted under applicable law, with respect to such Shares and any associated Distributions, including voting at any meeting of O’Charley’s shareholders or executing a written consent concerning any matter.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares and any Distributions tendered hereby and, when the same are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim. The undersigned hereby represents and warrants that the undersigned is the registered owner of the Shares, or the Share Certificate(s) have been endorsed to the undersigned in blank, or the undersigned is a participant in DTC whose name appears on a security position listing as the owner of the Shares. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares and any Distributions tendered hereby. In addition, the undersigned shall promptly remit and transfer to the Depository for the account of Purchaser any and all Distributions in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer and, pending such remittance or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of any such Distributions and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof.

It is understood that the undersigned will not receive payment for the Shares unless and until the Shares are accepted for payment and until the Share Certificate(s) owned by the undersigned are received by the Depository at the address set forth above, together with such additional documents as the Depository may require, or, in the case of Shares held in book-entry form, ownership of Shares is validly transferred on the account books maintained by DTC, and until the same are processed for payment by the Depository.

**IT IS UNDERSTOOD THAT THE METHOD OF DELIVERY OF THE SHARES, THE SHARE CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS (INCLUDING DELIVERY THROUGH DTC) IS AT THE OPTION AND RISK OF THE UNDERSIGNED AND THAT THE RISK OF LOSS OF SUCH SHARES, SHARE CERTIFICATE(S) AND OTHER DOCUMENTS SHALL PASS ONLY AFTER THE DEPOSITARY HAS ACTUALLY RECEIVED THE SHARES OR SHARE CERTIFICATE(S) (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION (AS DEFINED BELOW)). IF DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.**

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the acceptance for payment by Purchaser of Shares tendered pursuant to one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and Purchaser upon the terms of and subject to the conditions to the Offer (and if the Offer is extended, amended or supplemented, the terms of or the condition to any such extension, amendment or supplement).

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price of all of the Shares purchased in the name(s) of, and/or return any Share Certificates representing Shares not tendered or accepted for payment to, the registered owner(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of all of the Shares purchased and/or return any Share Certificates representing Shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under "Description of Shares Tendered." In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price of all Shares purchased and/or issue any Share Certificates representing Shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return

such Share Certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Unless otherwise indicated herein in the box titled "Special Payment Instructions," please credit any Shares tendered hereby or by an Agent's Message and delivered by book-entry transfer, but which are not purchased, by crediting the account at DTC designated above. The undersigned recognizes that Purchaser has no obligation pursuant to the Special Payment Instructions to transfer any Shares from the name of the registered owner(s) thereof if Purchaser does not accept for payment any of the Shares so tendered.

**SPECIAL PAYMENT INSTRUCTIONS**

**(See Instructions 1, 4, 5, 6 and 7)**

To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price in consideration of Shares accepted for payment are to be issued in the name of someone other than the undersigned or if Shares tendered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at DTC other than that designated above.

Issue:  Check and/or  Share Certificates to:

Name: \_\_\_\_\_  
**(Please Print)**

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **(Include Zip Code)**

\_\_\_\_\_ **(Tax Identification or Social Security Number)**

Credit Shares tendered by book-entry transfer that are not accepted for payment to the DTC account set forth below.

\_\_\_\_\_ **(DTC Account Number)**

**SPECIAL DELIVERY INSTRUCTIONS**

**(See Instructions 1, 4, 5, 6 and 7)**

To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown in the box titled "Description of Shares Tendered" above.

Deliver:  Check(s) and/or  Share Certificates to:

Name: \_\_\_\_\_  
**(Please Print)**

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **(Include Zip Code)**

**IMPORTANT—SIGN HERE**  
**(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)**  
**(Non-U.S. Holders Please Obtain and Complete IRS Form W-8BEN or**  
**Other Applicable IRS Form W-8)**

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**(Signature(s) of Shareholder(s))**

Dated: \_\_\_\_\_, 2012

(Must be signed by registered owner(s) exactly as name(s) appear(s) on Share Certificate(s) or on a security position listing or by person(s) authorized to become registered owner(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5. For information concerning signature guarantees, see Instruction 1.)

Name(s): \_\_\_\_\_  
**(Please Print)**

Capacity (full title): \_\_\_\_\_

Address: \_\_\_\_\_

---

**(Include Zip Code)**

Area Code and Telephone Number: \_\_\_\_\_

Tax Identification or  
Social Security No.: \_\_\_\_\_

**GUARANTEE OF SIGNATURE(S)**  
**(For use by Eligible Institutions only;**  
**see Instructions 1 and 5)**

Name of Firm: \_\_\_\_\_

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**(Include Zip Code)**

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

---

**(Please Type or Print)**

Area Code and Telephone Number: \_\_\_\_\_

Dated: \_\_\_\_\_, 2012

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**Place medallion guarantee in space below:**

**INSTRUCTIONS**  
**Forming Part of the Terms and Conditions of the Offer**

1. **Guarantee of Signatures.** Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program, the Stock Exchanges Medallion Program, or by any other “eligible guarantor institution,” as such term is defined in rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each, an “Eligible Institution”). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this document, includes any participant in any of DTC’s systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered herewith and such registered owner(s) has not completed the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. **Delivery of Letter of Transmittal and Certificates or Book-Entry Confirmations.** This Letter of Transmittal is to be completed by shareholders if Share Certificates are to be forwarded herewith. If tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase, an Agent’s Message must be utilized. Share Certificates representing all physically tendered Shares, or confirmation of any book-entry transfer into the Depository’s account at DTC of Shares tendered by book-entry transfer (“Book-Entry Confirmation”), as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, or an Agent’s Message in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository at its address set forth herein prior to the Expiration Date (unless the tender is made during a subsequent offering period (as described in Section 1 of the Offer to Purchase, a “Subsequent Offering Period”), if one is provided, in which case the Shares, the Letter of Transmittal and other documents must be received prior to the expiration of the Subsequent Offering Period). Please do not send your Share Certificates directly to Purchaser, Parent, or O’Charley’s.

Shareholders whose Share Certificates are not immediately available or who cannot deliver all other required documents to the Depository prior to the Expiration Date or who cannot complete the procedures for book-entry transfer prior to the Expiration Date may nevertheless tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by Purchaser must be received by the Depository prior to the Expiration Date (or prior to the expiration of the Subsequent Offering Period, as applicable), and (c) Share Certificates representing all tendered Shares, in proper form for transfer (or a Book-Entry Confirmation with respect to such Shares), this Letter of Transmittal, properly completed and duly executed with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message), and all other documents required by this Letter of Transmittal, if any, must be received by the Depository within three trading days after the date of execution of such Notice of Guaranteed Delivery.

A properly completed and duly executed Letter of Transmittal must accompany each such delivery of Share Certificates to the Depository.

The term “Agent’s Message” means a message, transmitted through electronic means by DTC to, and received by, the Depository and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that Purchaser may enforce such agreement against the participant. The term “Agent’s Message” also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depository’s office. For Shares to be validly tendered during any Subsequent Offering Period, the tendering

shareholder must comply with the foregoing procedures, except that the required documents and certificates must be received before the expiration of the Subsequent Offering Period and no guaranteed delivery procedure will be available during a Subsequent Offering Period.

**THE METHOD OF DELIVERY OF THE SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE AND RISK OF THE SHARE CERTIFICATES SHALL PASS ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.**

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All tendering shareholders, by execution of this Letter of Transmittal, waive any right to receive any notice of the acceptance of their Shares for payment.

All questions as to validity, form and eligibility (including time of receipt) of the surrender of any Share Certificate hereunder, including questions as to the proper completion or execution of any Letter of Transmittal, Notice of Guaranteed Delivery or other required documents and as to the proper form for transfer of any certificate of Shares, will be determined by Purchaser (which may delegate power in whole or in part to the Depositary). Purchaser reserves the right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may be unlawful. Purchaser also reserves the right to waive any defect or irregularity in the surrender of any Shares or Share Certificate(s) whether or not similar defects or irregularities are waived in the case of any other shareholder. A surrender will not be deemed to have been validly made until all defects and irregularities have been cured or waived. Please note that neither Purchaser, nor the Depositary nor any other person shall have a duty to notify any person of any defect in any Letter of Transmittal submitted to the Depositary. Subject to any applicable legal requirements, any determination by Purchaser concerning any condition or event relating to the Offer, including the interpretation of the terms and conditions of the Offer (including this Letter of Transmittal and the instructions hereto), may be challenged by Shareholder(s) in a court of competent jurisdiction. A nonappealable determination with respect to such matter by a court of competent jurisdiction will be final and binding upon all persons.

**3. Inadequate Space.** If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

**4. Partial Tenders (Applicable to Certificate Shareholders Only).** If fewer than all the Shares evidenced by any Share Certificate delivered to the Depositary are to be tendered, fill in the number of Shares which are to be tendered in the column titled "Number of Shares Tendered" in the box titled "Description of Shares Tendered." In such cases, new certificate(s) for the remainder of the Shares that were evidenced by the old certificate(s) but not tendered will be sent to the registered owner, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date (or after the expiration of the Subsequent Offering Period, as applicable). All Shares represented by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

**5. Signatures on Letter of Transmittal; Stock Powers and Endorsements.**

(a) *Exact Signatures.* If this Letter of Transmittal is signed by the registered owner(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration or any other change whatsoever.

(b) *Joint Holders.* If any Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

(c) *Different Names on Certificates.* If any tendered Shares are registered in the names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

(d) **Endorsements.** If this Letter of Transmittal is signed by the registered owner(s) of the Shares listed and transmitted hereby, no endorsements of Share Certificates or separate stock powers are required unless payment is to be made to, or Share Certificates representing Shares not tendered or accepted for payment are to be issued in the name of, a person other than the registered owner(s), in which case the Share Certificates representing the Shares tendered by this Letter of Transmittal must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered owner(s) or holder(s) appear(s) on the Share Certificates. Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to Purchaser of their authority so to act must be submitted.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Share(s) listed, the Share Certificate(s) must be endorsed or accompanied by the appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the Share Certificate(s). Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

**6. Transfer Taxes.** Purchaser will pay any transfer taxes with respect to the transfer and sale of Shares to it or to its order pursuant to the Offer (for the avoidance of doubt, transfer taxes do not include United States federal income or backup withholding taxes). If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered Share Certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered owner(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

**Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates listed in this Letter of Transmittal.**

**7. Special Payment and Delivery Instructions.** If a check for the purchase price is to be issued, and/or Share Certificates representing Shares not tendered or accepted for payment are to be issued or returned to, a person other than the signer(s) of this Letter of Transmittal or to an address other than that shown in the box titled "Description of Shares Tendered" above, the appropriate boxes on this Letter of Transmittal should be completed. Shareholders delivering Shares tendered hereby or by Agent's Message by book-entry transfer may request that Shares not purchased be credited to an account maintained at DTC as such shareholder may designate in the box titled "Special Payment Instructions" herein. If no such instructions are given, all such Shares not purchased will be returned by crediting the same account at DTC as the account from which such Shares were delivered.

**8. Requests for Assistance or Additional Copies.** Questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth below or to your broker, dealer, commercial bank or trust company. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be obtained from either the Information Agent or the Dealer Manager as set forth below, and will be furnished at Purchaser's expense.

**9. Backup Withholding.** Under U.S. federal income tax laws, the Depository will be required to withhold a portion of the amount of any payments made to certain shareholders pursuant to the Offer or the Merger, as applicable. In order to avoid such backup withholding, each tendering shareholder or payee that is a United States person (for U.S. federal income tax purposes), must provide the Depository with such shareholder's or payee's correct taxpayer identification number ("TIN") and certify that such shareholder or payee is not subject to such backup withholding by completing the attached Form W-9. Certain shareholders or payees are not subject to



these backup withholding and reporting requirements. A tendering shareholder who is a foreign individual or a foreign entity should complete, sign, and submit to the Depository the appropriate Form W-8. A Form W-8BEN may be obtained from the Depository or downloaded from the Internal Revenue Service's website at the following address: <http://www.irs.gov>. Failure to complete the Form W-9 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depository to withhold a portion of the amount of any payments made of the Offer Price pursuant to the Offer.

**NOTE: FAILURE TO COMPLETE AND RETURN THE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE "IMPORTANT TAX INFORMATION" SECTION BELOW.**

10. **Lost, Destroyed, Mutilated or Stolen Share Certificates.** If any Share Certificate has been lost, destroyed, mutilated or stolen, the shareholder should promptly notify O'Charley's stock transfer agent, American Stock Transfer & Trust Company at (800) 937-5449. The shareholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed.

11. **Waiver of Conditions.** Subject to the terms and conditions of the Merger Agreement (as defined in the Offer to Purchase) and the applicable rules and regulations of the Securities and Exchange Commission, which require the satisfaction or waiver of conditions prior to the expiration of the Offer (or thereafter in relation to any condition dependent upon the receipt of government approvals) the conditions of the Offer may be waived by Purchaser in whole or in part at any time and from time to time.

**IMPORTANT: THIS LETTER OF TRANSMITTAL OR AN AGENT'S MESSAGE, TOGETHER WITH SHARE CERTIFICATE(S) OR BOOK-ENTRY CONFIRMATION OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE (OR PRIOR TO THE EXPIRATION OF THE SUBSEQUENT OFFERING PERIOD, AS APPLICABLE).**

#### **IMPORTANT TAX INFORMATION**

Under United States federal income tax law, a shareholder that is a non-exempt United States person (for U.S. federal income tax purposes) whose tendered Shares are accepted for payment, or whose Shares are converted in the Merger, is required by law to provide the Depository (as payer) with such shareholder's correct TIN on Form W-9 below. If such shareholder is an individual, the TIN is such shareholder's social security number. If the Depository is not provided with the correct TIN, the shareholder may be subject to penalties imposed by the Internal Revenue Service ("IRS") and payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer, or converted in the Merger, may be subject to backup withholding. In order for an exempt foreign shareholder to avoid backup withholding, such person should complete, sign and submit an appropriate Form W-8 signed under penalties of perjury, attesting to his or her exempt status. A Form W-8 can be obtained from the Depository. Such shareholders should consult a tax advisor to determine which Form W-8 is appropriate. Exempt shareholders, other than foreign shareholders, should furnish their TIN, write "EXEMPT" in Part 2 of the Form W-9 and sign, date and return the Form W-9 to the Depository in order to avoid erroneous backup withholding. See the enclosed Form W-9 for additional instructions.

If backup withholding applies, the Depository is required to withhold 28% of any payments of the purchase price made to the shareholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained from the IRS provided that the required information is furnished to the IRS.

## **Form W-9**

To prevent backup withholding on payments that are made to a United States shareholder with respect to Shares purchased pursuant to the Offer or converted in the Merger, as applicable, the shareholder is required to notify the Depositary of such shareholder's correct TIN by completing Form W-9 certifying, under penalties of perjury, (i) that the TIN provided on Form W-9 is correct (or that such shareholder is awaiting a TIN), (ii) that such shareholder is not subject to backup withholding because (a) such shareholder has not been notified by the IRS that such shareholder is subject to backup withholding as a result of a failure to report all interest or dividends, (b) the IRS has notified such shareholder that such shareholder is no longer subject to backup withholding or (c) such shareholder is exempt from backup withholding, and (iii) that such shareholder is a U.S. person.

### **What Number to Give the Depositary**

Each United States shareholder is generally required to give the Depositary its social security number or employer identification number. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the shareholder should write "Applied For" in the space for the TIN, sign and date the Form W-9. Notwithstanding that "Applied For" is written in the space for the TIN, the Depositary will withhold 28% of all payments of the purchase price to such shareholder until a TIN is provided to the Depositary. We note that your Form W-9, including your TIN, may be transferred from the Depositary to the Paying Agent, in certain circumstances.

**Please consult your accountant or tax advisor for further guidance regarding the completion of IRS Form W-9, IRS Form W-8BEN, or another version of IRS Form W-8 to claim exemption from backup withholding, or contact the Depositary.**

Form **W-9**  
(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:  Individual/sole proprietor  C Corporation  S Corporation  Partnership  Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership)

Exempt payee

Other (see instructions) u

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

- -

Employer identification number

-

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign  
Here Signature of  
U.S. person u

Date u

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701.7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line. **Disregarded entity.** Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

**Note.** Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701 -3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

## Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
  2. The United States or any of its agencies or instrumentalities,
  3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
  4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
  5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
  7. A foreign central bank of issue,
  8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
  9. A futures commission merchant registered with the Commodity Futures Trading Commission,
  10. A real estate investment trust,
  11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
  12. A common trust fund operated by a bank under section 584(a),
  13. A financial institution,
  14. A middleman known in the investment community as a nominee or custodian, or
  15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 7 <sup>2</sup>

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

**Signature requirements.** Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor <sup>*</sup>
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\* **Note.** Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

*The Depository for the Offer to Purchase is:*



If delivering by mail:

American Stock Transfer & Trust  
Company, LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042

If delivering by hand or courier:

American Stock Transfer & Trust  
Company, LLC  
Operations Center  
Attn: Reorganization Department  
6201 15<sup>th</sup> Avenue  
Brooklyn, New York 11219

**DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.**

Any questions or requests for assistance may be directed to the Information Agent at its telephone number and location listed below. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed either to the Information Agent or the Dealer Manager at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

*The Information Agent for the Offer is:*

# Georgeson

199 Water Street, 26<sup>th</sup> Floor  
New York, NY 10038  
(866) 785-7395 (Toll Free)

Banks and Brokerage Firms please call:  
(212) 440-9800

*The Dealer Manager for the Offer is:*

# Jefferies

520 Madison Avenue  
New York, NY 10022  
(646) 805-5470

**NOTICE OF GUARANTEED DELIVERY**  
**For Tender of Shares of Common Stock**  
**of**  
**O'CHARLEY'S INC.**  
**at**  
**\$9.85 NET PER SHARE**  
**Pursuant to the Offer to Purchase dated February 27, 2012**  
**by**  
**FRED MERGER SUB INC.**  
**an indirect wholly-owned subsidiary of**  
**FIDELITY NATIONAL FINANCIAL, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, AT THE  
END OF MONDAY, APRIL 2, 2012, UNLESS THE TENDER OFFER IS EXTENDED.**

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (defined below) if (i) certificates representing shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation ("O'Charley's"), are not immediately available, (ii) the procedure for book-entry transfer cannot be completed on a timely basis or (iii) time will not permit all required documents to reach American Stock Transfer & Trust Company, LLC (the "Depository") prior to the expiration of the Offer. This Notice of Guaranteed Delivery may be delivered by overnight courier, facsimile transmission or mail to the Depository. See Section 3 of the Offer to Purchase.

*The Depository for the Offer is:*



***By Mail:***

American Stock Transfer & Trust Company, LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042

***By Facsimile Transmission:***

For Eligible Institutions Only:  
718-234-5001  
For Confirmation Only Telephone:  
877-248-6417

***By Overnight Courier:***

American Stock Transfer & Trust  
Company, LLC  
Operations Center  
Attn: Reorganization Department  
6201 15<sup>th</sup> Avenue  
Brooklyn, New York 11219

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION, OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS FORM IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE APPROPRIATE LETTER OF TRANSMITTAL.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal or an Agent's Message (as defined in the Offer to Purchase) and certificates for Shares to the Depository within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.



Ladies and Gentlemen:

The undersigned hereby tenders to Fred Merger Sub Inc., a Tennessee corporation and an indirect wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation, upon the terms and subject to the conditions set forth in the offer to purchase, dated February 27, 2012 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, are collectively referred to as the "Offer"), receipt of which is hereby acknowledged, the number of shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation, specified below, pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Number of Shares and Certificate No(s)  
(if available):

Check here if Shares will be tendered by book-entry transfer.

DTC Account Number:

Dated:

Name(s) of Record Holder(s):

\_\_\_\_\_  
\_\_\_\_\_  
(Please type or print)

Address(es):

\_\_\_\_\_  
(Zip Code)

Area Code and Tel.

No.:

(Daytime telephone number)

Signature(s)

**GUARANTEE**

(Not to be used for signature guarantee)

The undersigned, an Eligible Institution (defined in Section 3 of the Offer to Purchase), hereby (i) represents that the tender of Shares effected hereby complies with Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and (ii) guarantees delivery to the Depository, at one of its addresses set forth above, of certificates representing the Shares tendered hereby, in proper form for transfer, or a confirmation of a book-entry transfer of such Shares into the Depository's account at DTC (defined in Section 2 of the Offer to Purchase), in either case together with a properly completed and duly executed Letter of Transmittal or, in the case of a book-entry transfer, an Agent's Message (defined in Section 2 of the Offer to Purchase), together with any other documents required by the Letter of Transmittal, all within three trading days after the date hereof.

Name of Firm:

Address:

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(Zip Code)

Area Code and Tel. No.:

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(Authorized Signature)

Name of Firm:

(Please type or print)

Title:

Dated:

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE. CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

**Offer To Purchase For Cash**  
**All Outstanding Shares of Common Stock**  
**of**  
**O'CHARLEY'S INC.**  
**at**  
**\$9.85 NET PER SHARE**  
**Pursuant to the Offer to Purchase dated February 27, 2012**  
**by**  
**FRED MERGER SUB INC.**  
**an indirect wholly-owned subsidiary of**  
**FIDELITY NATIONAL FINANCIAL, INC.**

<b>THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, AT THE END OF MONDAY, APRIL 2, 2012, UNLESS THE TENDER OFFER IS EXTENDED.</b>
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February 27, 2012

**To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:**

We have been engaged by Fred Merger Sub Inc., a Tennessee corporation (the "Purchaser") and an indirect wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation ("Parent"), to act as Dealer Manager in connection with the Purchaser's offer to purchase for cash all outstanding shares of common stock, without par value, of O'Charley's Inc., a Tennessee corporation ("O'Charley's"), at a purchase price of \$9.85 per Share, net to the sellers in cash, without interest thereon and less any required withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated February 27, 2012 (the "Offer to Purchase"), and the related Letter of Transmittal enclosed herewith (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, collectively constitute the "Offer").

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase;
2. The Letter of Transmittal for your use in accepting the Offer and tendering Shares and for the information of your clients, together with "Form W-9" and "General Instructions to Form W-9" providing information relating to backup federal income tax withholding;
3. A Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents cannot be delivered to American Stock Transfer & Trust Company, LLC (the "Depository") by the Expiration Date (as defined in the Offer to Purchase) or if the procedure for book-entry transfer cannot be completed by the Expiration Date;
4. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer; and
5. A return envelope addressed to the Depository, for your use only.

Certain conditions to the Offer are described in Section 15 (“Certain Conditions of the Offer”) of the Offer to Purchase.

We urge you to contact your clients as promptly as possible. Please note that the Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Monday, April 2, 2012, unless the Offer is extended.

For Shares to be properly tendered pursuant to the Offer, (a) the share certificates or confirmation of receipt of such Shares under the procedure for book-entry transfer, together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or an “Agent’s Message” (as defined in the Offer to Purchase) in the case of book-entry transfer, and any other documents required in the Letter of Transmittal, must be timely received by the Depository, or (b) the tendering shareholder must comply with the guaranteed delivery procedures, all in accordance with the Offer to Purchase and Letter of Transmittal.

The Purchaser will not pay any fees or commissions to any broker or dealer or other person (other than the Depository and Information Agent as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. The Purchaser will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers. The Purchaser will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the Information Agent or the undersigned at the addresses and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

Jefferies & Company, Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU THE AGENT OF THE PURCHASER, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY OR ANY AFFILIATE OF ANY OF THEM OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

**Offer To Purchase For Cash**  
**All Outstanding Shares of Common Stock**  
**of**  
**O'CHARLEY'S INC.**  
**at**  
**\$9.85 NET PER SHARE**  
**Pursuant to the Offer to Purchase dated February 27, 2012**  
**by**  
**FRED MERGER SUB INC.**  
**an indirect wholly-owned subsidiary of**  
**FIDELITY NATIONAL FINANCIAL, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,  
NEW YORK CITY TIME, AT THE END OF MONDAY, APRIL 2, 2012,  
UNLESS THE TENDER OFFER IS EXTENDED.**

February 27, 2012

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated February 27, 2012 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, collectively constitute the "Offer") in connection with the offer by Fred Merger Sub Inc., a Tennessee corporation (the "Purchaser") and an indirect wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation ("Parent"), to purchase for cash all outstanding shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation ("O'Charley's"), at a purchase price of \$9.85 per Share, net to the sellers in cash, without interest thereon and less any required withholding taxes, upon the terms and subject to the conditions of the Offer.

We or our nominees are the holder of record of Shares held for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. **The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.**

**We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the enclosed Offer to Purchase and the Letter of Transmittal.**

Please note carefully the following:

1. The offer price for the Offer is \$9.85 per Share, net to you in cash, without interest thereon and less any required withholding taxes.
2. The Offer is being made for all outstanding Shares.
3. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Monday, April 2, 2012 unless the Offer is extended by the Purchaser.
4. The Offer is subject to certain conditions described in Section 15 ("Certain Conditions of the Offer") of the Offer to Purchase.

5. Tendering shareholders who are registered shareholders or who tender their Shares directly to American Stock Transfer & Trust Company, LLC (the "Depository") will not be obligated to pay any brokerage commissions or fees, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on the Purchaser's purchase of Shares pursuant to the Offer.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing, detaching and returning to us the Instruction Form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise specified on the Instruction Form.

**Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit the tender on your behalf before the expiration of the Offer.**

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction.

**INSTRUCTION FORM**  
**With Respect to the Offer to Purchase for Cash**  
**All Outstanding Shares of Common Stock**  
**of**  
**O'CHARLEY'S INC.**  
**at**  
**\$9.85 NET PER SHARE**  
**Pursuant to the Offer to Purchase dated February 27, 2012**  
**by**  
**FRED MERGER SUB INC.**  
**an indirect wholly-owned subsidiary of**  
**FIDELITY NATIONAL FINANCIAL, INC.**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated February 27, 2012, and the related Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, collectively constitute the "Offer"), in connection with the offer by Fred Merger Sub Inc., a Tennessee corporation (the "Purchaser") and an indirect wholly-owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation ("Parent"), to purchase for cash all outstanding shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation ("O'Charley's"), at a purchase price of \$9.85 per Share, net to the sellers in cash, without interest thereon and less any required withholding taxes, upon the terms and subject to the conditions of the Offer.

The undersigned hereby instruct(s) you to tender to the Purchaser the number of Shares indicated below or, if no number is indicated, all Shares held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

**ACCOUNT NUMBER:**

**NUMBER OF SHARES BEING TENDERED HEREBY:            SHARES\***

**The method of delivery of this document is at the election and risk of the tendering shareholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

**\* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.**

Dated:

(Signature(s))

---

Please Print Names(s)

---

Address

**Include Zip Code**

---

**Area code and  
Telephone no.  
Tax Identification  
or Social Security No.**

*This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made only by the Offer to Purchase, dated February 27, 2012, and the related Letter of Transmittal and any amendments or supplements thereto, and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance of tendered Shares would not be in compliance with the securities, "blue sky" or other laws of such jurisdiction. In those jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser (as defined below) by Jefferies & Company, Inc. (the "Dealer Manager") or one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by the Purchaser.*

**Notice of Offer to Purchase for Cash**  
**All of the Outstanding Shares of Common Stock**  
 of  
**O'Charley's Inc.**  
 at  
**\$9.85 Net Per Share**  
 by  
**Fred Merger Sub Inc.**  
 an indirect wholly-owned subsidiary  
 of  
**Fidelity National Financial, Inc.**

Fred Merger Sub Inc., a Tennessee corporation (the "Purchaser") and an indirect wholly-owned subsidiary of Fidelity National Financial, a Delaware corporation ("Parent"), is offering to purchase all outstanding shares of common stock, without par value (the "Shares"), of O'Charley's Inc., a Tennessee corporation ("O'Charley's" or the "Company"), at a purchase price of \$9.85 per Share (the "Offer Price"), net to the sellers in cash, without interest thereon and less any required withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated February 27, 2012, and in the related Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, collectively constitute the "Offer"). Shareholders of record who tender directly to American Stock Transfer & Trust Company, LLC (the "Depositary") will not be obligated to pay brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. Shareholders who hold their Shares through a broker, dealer, commercial bank, trust company or other nominee should consult that institution as to whether it charges any service fees.

<p><b>THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, APRIL 2, 2012, UNLESS THE OFFER IS EXTENDED.</b></p>
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The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of February 5, 2012 (as it may be amended from time to time, the "Merger Agreement"), among Parent, the Purchaser and O'Charley's. The Merger Agreement provides, among other things, that following the consummation of the Offer and subject to certain conditions, the Purchaser will be merged with and into O'Charley's (the "Merger") with O'Charley's continuing as the surviving corporation and an indirect wholly-owned subsidiary of Parent. In the Merger, each Share outstanding immediately prior to the effective time of the Merger (other than Shares held by O'Charley's, Parent, the Purchaser or any wholly-owned subsidiary of O'Charley's or Parent, including the Purchaser, which Shares will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be cancelled and converted into the right to receive \$9.85 or any greater per Share price paid in the Offer, in cash, without interest thereon and subject to any required withholding taxes.



The Offer is conditioned upon, among other things, (i) satisfaction of the Minimum Condition (as described below), (ii) the expiration or termination of all statutory waiting periods (and any extensions thereof) applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “Regulatory Condition”) and (iii) the absence of a legal restraint preventing, or a law, regulation or order prohibiting, the consummation of the transactions contemplated by the Merger Agreement (the “Legal Restraint Condition”). The Minimum Condition requires the number of Shares that have been validly tendered and not validly withdrawn prior to the expiration of the Offer (when added to the Shares already owned by Parent and its subsidiaries, including the Purchaser) to represent the number of Shares required to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement pursuant to the charter and by-laws of O’Charley’s and the Tennessee Business Corporation Act on the date the tendered Shares are accepted for payment, determined on a fully-diluted basis (as defined in the Merger Agreement). The Offer also is subject to other conditions set forth in Section 15 of the Offer to Purchase.

**After careful consideration, the Board of Directors of O’Charley’s, among other things, has unanimously (i) declared that the Merger Agreement and the transactions contemplated by the Merger Agreement are advisable, fair to and in the best interests of O’Charley’s and the shareholders of O’Charley’s, (ii) adopted and approved the Merger Agreement and the transactions contemplated by the Merger Agreement, (iii) directed the adoption of the Merger Agreement be submitted to the shareholders of O’Charley’s and (iv) recommended that the shareholders of O’Charley’s accept the Offer, tender their Shares in the Offer and, to the extent required by applicable law, approve the Merger and adopt the Merger Agreement.**

The Merger Agreement provides that on the initial expiration date or any subsequent date on which the Offer is scheduled to expire, if any of the conditions to the Offer are not satisfied or waived, then, (i) the Purchaser may (without O’Charley’s consent), or (ii) the Purchaser must (if requested in writing by O’Charley’s no less than one business day prior to the scheduled expiration date), extend the Offer for one or more successive periods of time up to five business days per extension until those condition(s) have been satisfied or waived; provided that the Purchaser will not be required to extend the Offer beyond June 4, 2012 (the “Outside Date”); provided, further, that if the only condition which has not been satisfied as of the scheduled expiration date of the Offer is the Minimum Condition, then the Purchaser must extend the Offer for one or more successive periods of up to five business days each, with the total of those extensions not to exceed the earlier to occur of (x) ten business days and (y) the Outside Date. Under the Merger Agreement, the Purchaser also will extend the Offer for any period required by any rule, regulation, interpretation or position of the United States Securities and Exchange Commission (the “SEC”) or its staff applicable to the Offer or necessary to resolve any comments of the SEC or its staff applicable to the Offer or the documents pursuant to which the Offer is made. The Merger Agreement also provides that the Purchaser may, at its sole discretion, choose to provide for a subsequent offering period in accordance with Rule 14d-11 promulgated under the Exchange Act, if, following the expiration of the Offer, all the conditions to the Offer are satisfied but the number of Shares validly tendered and not validly withdrawn in the Offer and accepted for payment is less than 90% of the outstanding Shares (on a fully-diluted basis, as defined in the Merger Agreement).

Parent and the Purchaser have agreed in the Merger Agreement that, without the prior written consent of O’Charley’s, they will not (i) decrease the Offer Price or change the form of consideration payable in the Offer, (ii) decrease the number of Shares subject to or sought to be purchased in the Offer, (iii) impose conditions on the Offer in addition to the conditions set forth in this Offer to Purchase, (iv) waive or amend the Minimum Condition, (v) amend or supplement any of the other conditions set forth in this Offer to Purchase or any other term of the Offer in a manner adverse to the holders of the Shares, other than Parent, the Purchaser and any of their respective affiliates, or (vi) extend or otherwise change the expiration date of the Offer except as required or permitted by the Merger Agreement.

Any extension, delay, termination, waiver or amendment of the Offer will be followed as promptly as practicable by public announcement thereof and that announcement in the case of an extension will be made no

later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the Offer.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment and thereby purchased Shares validly tendered and not withdrawn if and when the Purchaser gives oral or written notice to the Depository of the Purchaser's acceptance of those Shares for payment pursuant to the Offer. Upon the terms and conditions of the Offer, the Purchaser will pay for Shares accepted for payment pursuant to the Offer by depositing the purchase price therefor with the Depository, which will act as agent for the tendering shareholders for purposes of transmitting those payments to the tendering shareholders. **Under no circumstances will the Purchaser pay interest on the purchase price for Shares, regardless of any extension of the Offer or any delay in payment for Shares.**

In all cases, the Purchaser will pay for Shares accepted for payment pursuant to the Offer only after timely receipt by the Depository of: (i) certificates representing those Shares or timely confirmation of a book-entry transfer of those Shares into the Depository's account at The Depository Trust Company ("DTC") pursuant to the procedures set forth in Section 3 of the Offer to Purchase; (ii) a properly completed and duly executed Letter of Transmittal with all required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in Section 2 of the Offer to Purchase) in lieu of the Letter of Transmittal; and (iii) any other documents required by the Letter of Transmittal.

Shares tendered pursuant to the Offer may be withdrawn at any time on or before the expiration of the Offer. Thereafter, tenders are irrevocable, except that Shares tendered may also be withdrawn after April 27, 2012, unless the Purchaser has already accepted them for payment. For a withdrawal of Shares to be effective, the Depository must timely receive a written or facsimile transmission notice of withdrawal at one of its addresses set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name in which the certificates representing those Shares are registered, if different from that of the person who tendered those Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 3 of the Offer to Purchase), unless those Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Shares. If certificates representing the Shares to be withdrawn have been delivered or otherwise identified to the Depository, then, prior to the physical release of those certificates, the name of the registered owner and the serial numbers shown on those certificates must also be furnished to the Depository. The Purchaser will determine, in its sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal, and that determination will be final and binding. No withdrawal of Shares shall be deemed to have been properly made until all defects and irregularities have been cured or waived. None of the Purchaser, Parent or any of their respective affiliates or assigns, the Depository, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give that notification. Withdrawals of tenders of Shares may not be rescinded and any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer. Withdrawn Shares may, however, be re-tendered by following one of the procedures for tendering Shares described in Section 3 of the Offer to Purchase at any time prior to the expiration of the Offer.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

O'Charley's provided the Purchaser with the Company's shareholder lists and security position listings for the purpose of disseminating the Offer to Purchase, the related Letter of Transmittal and related documents to holders of Shares. The Offer to Purchase and related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's shareholder list and will be furnished to brokers, dealers,

commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The receipt of cash by a holder of Shares pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes. See Section 5 of the Offer to Purchase for a more detailed discussion of the tax treatment of the Offer. **You are strongly urged to consult with your own tax advisor as to the particular tax consequences to you of the Offer and the Merger.**

**The Offer to Purchase and the related Letter of Transmittal contain important information. Shareholders should carefully read both documents in their entirety before any decision is made with respect to the Offer.**

Questions and requests for assistance may be directed to the Information Agent at its address and telephone numbers set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies. These copies will be furnished promptly at the Purchaser's expense. The Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Information Agent or the Depository) for soliciting tenders of Shares pursuant to the Offer.

*The Information Agent for the Offer is:*

# Georgeson

199 Water Street, 26<sup>th</sup> Floor  
New York, NY 10038

(866) 785-7395 (Toll Free)

Banks and Brokerage Firms please call:  
(212) 440-9800

*The Dealer Manager for the Offer is:*

# Jefferies

520 Madison Avenue  
New York, NY 10022  
(646) 805-5470

February 27, 2012



## PRESS RELEASE

### Fidelity National Financial, Inc. Commences Tender Offer for all Outstanding Shares of O'Charley's

Jacksonville, Fla. — (February 27, 2012) — Fidelity National Financial, Inc. (NYSE:FNF), a leading provider of title insurance, mortgage services and diversified services, today announced the commencement of a tender offer through its indirect wholly-owned subsidiary, Fred Merger Sub Inc., for all of the outstanding common stock of O'Charley's Inc. ("O'Charley's") (NASDAQ:CHUX) that FNF does not currently own for \$9.85 per share, net to the seller in cash, without interest and less any required withholding taxes. The tender offer is being made pursuant to an Offer to Purchase, dated February 27, 2012, and in connection with the previously announced Agreement and Plan of Merger, dated February 5, 2012, among FNF, Fred Merger Sub Inc. and O'Charley's.

The tender offer is scheduled to expire at 12:00 midnight, New York City time, on Monday, April 2, 2012, unless the tender offer is extended. The tender offer is conditioned on shares that, when combined with FNF's existing 9.5% ownership stake, represent more than a majority of the outstanding shares of O'Charley's (calculated on a fully-diluted basis, as defined in the Agreement and Plan of Merger) being validly tendered and not withdrawn, as well as other customary closing conditions, including the expiration of the HSR waiting period. Following the successful completion of the tender offer, FNF's indirect wholly-owned subsidiary, Fred Merger Sub Inc., will merge with and into O'Charley's, and the outstanding O'Charley's shares not tendered in the tender offer will be converted into the right to receive the same \$9.85 per share, net to the seller in cash, without interest and less any required withholding taxes, paid in the tender offer.

Today, FNF will file with the U.S. Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule TO, containing the Offer to Purchase, form of Letter of Transmittal and related tender offer documents, setting forth in detail the terms and conditions of the tender offer. O'Charley's will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 setting forth in detail, among other things, the recommendation of the O'Charley's Board of Directors that O'Charley's shareholders accept the tender offer and tender their shares to FNF pursuant to the tender offer. As previously disclosed, the O'Charley's Board of Directors has unanimously approved the transactions.

The Depository for the tender offer is American Stock Transfer & Trust Company, LLC, Operations Center, Attn: Reorganization Department, P.O. Box 2042, New York, New York 10272-2042. The Dealer Manager for the tender offer is Jefferies & Company, Inc., 520 Madison Avenue, New York, NY 10022. The Information Agent for the tender offer is Georgeson Inc., 99 Water Street, 26th Floor, New York, NY 10038. The tender offer materials may be obtained at no charge by directing a request by mail to Georgeson Inc. or by calling toll-free at (866) 785-7395.

#### **About FNF**

Fidelity National Financial, Inc. (NYSE:FNF), is a leading provider of title insurance, mortgage services and diversified services. FNF is the nation's largest title insurance company through its title insurance underwriters — Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title — that collectively issue more title insurance policies than any other title company in the United States. In addition, among other operations, FNF owns minority interests in Ceridian Corporation, a leading provider of global human capital management and payment solutions, Remy International, Inc., a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles and American Blue Ribbon Holdings, LLC, an owner and operator of the Village Inn, Bakers Square and Max & Erma's restaurants. More information about FNF can be found at [www.fnf.com](http://www.fnf.com).

### **Important Information about the Tender Offer**

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL ANY SECURITIES. THE TENDER OFFER IS BEING MADE PURSUANT TO A TENDER OFFER STATEMENT ON SCHEDULE TO, CONTAINING AN OFFER TO PURCHASE, FORM OF LETTER OF TRANSMITTAL AND RELATED TENDER OFFER DOCUMENTS, FILED BY FNF WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") ON FEBRUARY 27, 2012. O'CHARLEY'S WILL FILE A SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 RELATING TO THE TENDER OFFER WITH THE SEC. FNF AND O'CHARLEY'S WILL MAIL THESE DOCUMENTS TO ALL O'CHARLEY'S SHAREHOLDERS OF RECORD. THESE DOCUMENTS, AS THEY MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, CONTAIN IMPORTANT INFORMATION ABOUT THE TENDER OFFER AND O'CHARLEY'S SHAREHOLDERS ARE URGED TO READ THEM CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE TENDER OFFER. THE TENDER OFFER MATERIALS MAY BE OBTAINED AT NO CHARGE BY DIRECTING A REQUEST BY MAIL TO GEORGESON INC., 99 WATER STREET, 26TH FLOOR, NEW YORK, NY 10038, OR BY CALLING TOLL-FREE AT ((866) 785-7395, AND MAY ALSO BE OBTAINED AT NO CHARGE AT THE WEBSITE MAINTAINED BY THE SEC AT WWW.SEC.GOV.

### **Forward Looking Statements**

This press release contains forward-looking statements relating to the potential acquisition of O'Charley's by FNF and its affiliates, including the expected date of closing of the acquisition and the potential benefits of the transaction. These are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. The actual results of the transaction could vary materially as a result of a number of factors, including: uncertainties as to how many of shareholders of O'Charley's will tender their stock in the offer, the possibility that competing offers will be made and the possibility that various closing conditions for the transaction may not be satisfied or waived. Other factors that may cause actual results to differ materially include those other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of FNF's Form 10-K and other filings with the Securities and Exchange Commission. These forward-looking statements reflect FNF's expectations as of the date of this press release. FNF undertakes no obligation to update the information provided herein.

SOURCES: Fidelity National Financial, Inc.

CONTACT: Daniel Kennedy Murphy, Senior Vice President and Treasurer, 904-854-8120,  
dkmurphy@fnf.com

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER  
DATED AS OF FEBRUARY 5, 2012  
BY AND AMONG  
FIDELITY NATIONAL FINANCIAL, INC.,  
FRED MERGER SUB INC.  
AND  
O'CHARLEY'S INC.

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## AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of February 5, 2012 (this "Agreement"), by and among FIDELITY NATIONAL FINANCIAL, INC., a Delaware corporation ("Parent"), FRED MERGER SUB INC., a Tennessee corporation and an indirect, wholly-owned Subsidiary of Parent ("Merger Sub"), and O'CHARLEY'S INC., a Tennessee corporation (the "Company"). Certain capitalized terms are defined in Section 9.12.

### RECITALS

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Merger Sub shall commence a cash tender offer (such tender offer, as it may be extended, amended and supplemented from time to time as permitted by this Agreement, the "Offer") to purchase all of the issued and outstanding shares of common stock, no par value per share, of the Company (the "Company Common Stock") at a price per share equal to \$9.85, subject to applicable Tax withholding, net to the seller in cash (such amount or any greater amount per share paid pursuant to the Offer, the "Offer Price");

WHEREAS, subject to the terms and conditions of this Agreement, following the consummation of the Offer, Merger Sub shall merge with and into the Company, with the Company surviving the Merger as an indirect, wholly-owned Subsidiary of Parent (the "Merger"), pursuant to which each outstanding share of Company Common Stock shall be converted into the right to receive the Offer Price, except for shares of Company Common Stock to be canceled pursuant to Section 2.8(a);

WHEREAS, the Board of Directors of the Company has unanimously (i) declared that this Agreement and the Transactions are advisable, fair to and in the best interest of the Company and the Company Shareholders, (ii) adopted this Agreement and approved the execution, delivery and performance of this Agreement, and the consummation of the Offer, the Merger and the other Transactions, (iii) directed that the adoption of this Agreement be submitted to the holders of Company Common Stock, to the extent required by applicable Law, (iv) subject to the terms and conditions of this Agreement, recommended that the Company Shareholders accept the Offer and tender their shares of Company Common Stock pursuant to the Offer and, to the extent required by applicable Law, approve the Merger and adopt this Agreement and (v) subject to the terms and conditions of this Agreement, authorized and approved the Top-Up Option and the issuance of the Top-Up Option Shares thereunder;

WHEREAS, the Board of Directors of Parent and the Board of Directors of Merger Sub have (i) declared it advisable to enter into this Agreement and (ii) adopted this Agreement and approved the execution, delivery and performance of this Agreement by Parent and Merger Sub, respectively, and the consummation of the Merger and the other transactions contemplated hereby;

WHEREAS, Parent, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements specified herein in connection with the Merger and the other transactions contemplated hereby and to prescribe certain conditions to the Merger; and

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to the willingness of Parent and Merger Sub to enter into this Agreement, certain shareholders have delivered to Parent and Merger Sub a support agreement, dated as of the date hereof, in substantially the form set forth in Annex A (the "Support Agreement"), providing that such shareholders have, among other things, agreed to (i) tender the shares of Company Common Stock beneficially owned by them in the Offer, and (ii) support the Merger and the other Transactions, each on the terms and subject to the conditions and limitations set forth in the Support Agreement.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements set forth in this Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

## ARTICLE I

### THE OFFER

#### Section 1.1 The Offer.

(a) Commencement of the Offer. As promptly as practicable (but in no event later than fifteen (15) Business Days) after the date hereof, provided that this Agreement shall not have been terminated in accordance with Article VIII, Merger Sub shall, and Parent shall cause Merger Sub to, commence (within the meaning of Rule 14d-2 under the Exchange Act), the Offer at the Offer Price; provided, however, that Parent and Merger Sub shall not be deemed to be in breach of this Section 1.1(a) if the Company fails to comply with its obligations under Section 1.2.

(b) Conditions of Offer. Subject to the terms and conditions of this Agreement and to the satisfaction or waiver (as provided in Section 1.1(c) below) of the conditions set forth in Annex B (the "Tender Offer Conditions"), Merger Sub shall, and Parent shall cause Merger Sub to, accept for payment and pay for all shares of Company Common Stock validly tendered and not validly withdrawn pursuant to the Offer as soon as practicable after the expiration date of the Offer and in compliance with applicable Law (the date and time of acceptance for payment, the "Acceptance Time"). Parent shall provide, or cause to be provided, to Merger Sub on a timely basis funds necessary to purchase and pay for any and all shares of Company Common Stock that Merger Sub becomes obligated to accept for payment and purchase pursuant to the Offer. The Company agrees that no shares of Company Common Stock held by the Company or any of its Subsidiaries shall be tendered in the Offer.

(c) Limitations on Amendments and Waivers. Parent and Merger Sub expressly reserve the right to waive any of the Tender Offer Conditions, to increase the Offer Price or to make any other changes in the terms and conditions of the Offer; provided that, without the prior written consent of the Company, Parent and Merger Sub shall not: (i) decrease the Offer Price or change the form of consideration payable in the Offer; (ii) decrease the number of shares of Company Common Stock subject to or sought to be purchased in the Offer; (iii) impose conditions on the Offer in addition to the Tender Offer Conditions; (iv) waive or amend the Minimum Condition; (v) amend or supplement any of the other Tender Offer Conditions or any other term of the Offer in a manner that is adverse to the holders of shares of Company Common Stock (the "Company Shareholders"), other than Parent, Merger Sub and any of their respective Affiliates; or (vi) extend or otherwise change the Expiration Date except as required or permitted by Section 1.1(e).

(d) Schedule TO; Offer Documents. On the date the Offer is commenced, Merger Sub shall, and Parent shall cause Merger Sub to, file with the Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule TO with respect to the Offer, which Tender Offer Statement shall include an offer to purchase, letter of transmittal, summary advertisement and other required ancillary offer documents (such Schedule TO and the documents included therein pursuant to which the Offer will be made, together with any supplements or amendments thereto, the "Offer Documents") and cause the Offer Documents to be disseminated to the Company Shareholders in accordance with the applicable requirements of the Exchange Act. Subject to the ability of the Company to make a Recommendation Withdrawal pursuant to and in accordance with Section 6.2, the Company hereby consents to the inclusion in the Offer Documents of the Company Board Recommendation. Merger Sub shall, and Parent shall cause Merger Sub to, cause the Offer Documents to comply as to form in all material respects with the requirements of applicable Laws. The Company shall as promptly as practicable furnish to Parent and Merger Sub all information concerning the Company required by the Exchange Act to be set forth in the Offer Documents. The Company, Parent and Merger Sub each agree promptly to correct any information

provided by it for use in the Offer Documents if and to the extent that such information contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and Parent and Merger Sub further agree to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and disseminated to the Company Shareholders, in each case as and to the extent required by applicable Law. The Company and its counsel shall be given a reasonable opportunity to review and comment on the Offer Documents prior to its filing with the SEC (including any amendments or supplements thereto), and Parent and Merger Sub shall give reasonable and good faith consideration to any comments made by the Company and its counsel. Parent and Merger Sub shall provide the Company and its counsel with (i) any comments or other communications, whether written or oral, that Parent, Merger Sub or their counsel may receive from time to time from the SEC or its staff with respect to the Offer Documents promptly after receipt of those comments or other communications and (ii) a reasonable opportunity to review the response of Parent and Merger Sub to those comments and to provide comments on that response (to which reasonable and good faith consideration shall be given). Parent and Merger Sub shall use reasonable best efforts to respond as promptly as practicable to any such comments.

(e) Expiration of the Offer. Subject to the terms and conditions set forth in the Offer Documents, the Offer shall remain open until midnight, New York City time, on April 2, 2012 (the "Initial Expiration Date"), or, if the period of time for which the Offer is open shall have been extended pursuant to, and in accordance with, this Section 1.1(e) or as may be required by applicable Law, the time and date to which the Offer has been so extended (the Initial Expiration Date or such later time and date to which the Offer has been extended in accordance with this Section 1.1(e), the "Expiration Date"). Notwithstanding the foregoing, (i) if, on the Expiration Date, any of the Tender Offer Conditions are not satisfied or waived, then (x) Merger Sub may, without the Company's consent, or (y) to the extent requested in writing by the Company no less than one (1) Business Day prior to the Expiration Date, Merger Sub shall, and Parent shall cause Merger Sub to, extend the Offer for one or more successive periods of up to five (5) Business Days (or such longer period as the parties may agree) per extension until such condition(s) has been satisfied or waived; provided that Merger Sub may not, and shall not be required to, extend the Offer beyond June 4, 2012 (the "Termination Date"); and, provided, further, if, on any Expiration Date, the Minimum Condition is the only Tender Offer Condition that has not been satisfied or waived (to the extent waivable in accordance with the terms and conditions of this Agreement), then Merger Sub shall, and Parent shall cause Merger Sub to, extend the Offer for one or more successive periods of up to five (5) Business Days each, with the total of such extensions not to exceed the earlier to occur of (x) ten (10) Business Days and (y) the Termination Date; and (ii) Merger Sub shall, and Parent shall cause Merger Sub to, extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or its staff applicable to the Offer or necessary to resolve any comments of the SEC or its staff applicable to the Offer or the Offer Documents; provided that the extensions in this Section 1.1(e) shall be subject to Parent's and the Company's right to terminate the Agreement in accordance with Section 8.1.

(f) Termination of the Offer. The Offer may not be terminated prior to the Initial Expiration Date, or any subsequent date as of which the Offer is scheduled to expire, unless this Agreement is validly terminated in accordance with Section 8.1 hereof. If this Agreement is validly terminated in accordance with Section 8.1 prior to the Acceptance Time, Merger Sub shall, and Parent shall cause Merger Sub to, (i) promptly (and in any event within twenty-four (24) hours of such termination) terminate the Offer and cease to acquire any shares of Company Common Stock pursuant thereto and (ii) promptly return, and shall cause any depository acting on behalf of Merger Sub to return, all tendered shares of Company Common Stock to the registered holders thereof.

(g) Subsequent Offering Period. If necessary to obtain sufficient shares of Company Common Stock to reach the Short Form Threshold (without regard to shares tendered pursuant to guaranteed delivery procedures that have not yet been delivered in settlement or satisfaction of such guarantee and without regard to the Top-Up Option), Merger Sub may, in its sole discretion, provide for a subsequent offering period (and one or more extensions thereof) after the Acceptance Time in accordance with Rule 14d-11 under the Exchange Act (each a "Subsequent Offering Period"). Subject to the terms and conditions of this Agreement and the Offer, the Merger

Sub shall, and Parent shall cause Merger Sub to, immediately accept for payment, and pay for, all shares of Company Common Stock that are validly tendered pursuant to the Offer during such Subsequent Offering Period. The Offer Documents shall provide for the possibility of a Subsequent Offering Period in a manner consistent with the terms of this Section 1.1(g).

#### Section 1.2 Company Action.

(a) On the date the Offer Documents are filed with the SEC, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 pertaining to the Offer (together with any amendments or supplements thereto, the "Schedule 14D-9") that, subject to the ability of the Company to make a Recommendation Withdrawal pursuant to and in accordance with Section 6.2, contains the Company Board Recommendation and shall promptly mail the Schedule 14D-9 to the Company Shareholders together with the Offer Documents as required by Rule 14d-9 under the Exchange Act. The Company shall cause the Schedule 14D-9 to comply as to form in all material respects with the requirements of all applicable Laws. Parent and Merger Sub shall as promptly as practicable furnish to the Company all information concerning Parent and Merger Sub that is required or reasonably requested by the Company for inclusion in the Schedule 14D-9. Each of the Company, Parent and Merger Sub agrees promptly to correct any information provided by it for use in the Schedule 14D-9 if and to the extent that such information contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and disseminated to the Company Shareholders, in each case as and to the extent required by applicable Law.

(b) Except in connection with (i) an Acquisition Proposal that the Company's Board of Directors determines in good faith (after consultation with its financial advisor and outside counsel) constitutes or would reasonably be expected to result in a Superior Proposal or (ii) a Recommendation Withdrawal, in the case of each of clauses (i) and (ii), in accordance with Section 6.2: (A) Parent, Merger Sub and their counsel shall be given a reasonable opportunity to review and comment on the Schedule 14D-9 prior to its filing with the SEC (including any amendments or supplements thereto), and the Company shall give reasonable and good faith consideration to any comments made by Parent, Merger Sub and their counsel; and (B) the Company shall provide Parent, Merger Sub and their counsel with (i) any comments or other communications, whether written or oral, that the Company or its counsel may receive from time to time from the SEC or its staff with respect to the Schedule 14D-9 promptly after receipt of those comments or other communications and (ii) a reasonable opportunity to review and provide comments on the response of the Company to those comments. The Company shall use reasonable best efforts to respond promptly to any such comments.

(c) The Company shall as promptly as practicable after the date of this Agreement provide to Merger Sub, or cause to be provided to Merger Sub, (i) a list of the Company's shareholders as of the most recent practicable date as well as mailing labels and any available listing or computer file containing the names and addresses of all record holders of Company Common Stock and lists of securities positions of Company Common Stock held in stock depositories, and shall promptly furnish Merger Sub with such additional information and assistance (including updated lists of the Company Shareholders, mailing labels and lists of securities positions) as Merger Sub or its agents may reasonably request in order to communicate the Offer to the Company Shareholders. Except as required by applicable Law, and except as necessary to communicate regarding the Transactions with the Company Shareholders, Parent and Merger Sub (and their respective Representatives) shall hold in confidence the information contained in any such labels, listings and files, shall use such information solely in connection with the Transactions, and, if this Agreement is terminated or the Offer is otherwise terminated or withdrawn for any reason, shall promptly deliver or cause to be delivered to the Company or destroy all copies of such information, labels, listings and files then in their possession or in the possession of their Representatives.



### Section 1.3 Top-Up Option.

(a) The Company hereby grants to Parent and/or Merger Sub an irrevocable option (the “Top-Up Option”), exercisable only upon the terms and subject to the conditions set forth in this Agreement, to purchase from the Company, at a price per share equal to the Offer Price paid in the Offer, up to that number of newly issued shares of Company Common Stock (the “Top-Up Option Shares”) that, when added to the number of shares of Company Common Stock owned by Parent (or any of its Subsidiaries) or Merger Sub at the time of exercise of the Top-Up Option, would constitute one (1) share more than ninety percent (90%) of the shares of Company Common Stock then outstanding on a fully-diluted basis (“on a fully-diluted basis” meaning the number of shares of Company Common Stock then issued and outstanding, plus all shares of Company Common Stock that the Company may be required to issue as of such date pursuant to options (whether or not then vested or exercisable), rights, convertible or exchangeable securities (only to the extent then convertible or exchangeable into shares of Company Common Stock) or similar obligations then outstanding, and after giving effect to the issuance of the Top-Up Option Shares, but excluding from Parent’s (and any of its Subsidiaries’) and Merger Sub’s ownership, but not from the outstanding shares of Company Common Stock, shares of Company Common Stock tendered pursuant to guaranteed delivery procedures that have not yet been delivered in settlement or satisfaction of such guarantee) (the “Short Form Threshold”). Parent may assign the Top-Up Option and its rights and obligations pursuant to this Section 1.3, in its sole discretion, to any of its Subsidiaries, including Merger Sub.

(b) The Top-Up Option may be exercised at any time after consummation of the Offer and prior to the earlier of (i) the Effective Time and (ii) the termination of this Agreement in accordance with its terms; provided, however, the Top-Up Option shall not be exercisable to the extent (A) the number of shares of Company Common Stock subject to the Top-Up Option exceeds the number of authorized and unissued shares of Company Common Stock available for issuance (less the maximum number of shares of Company Common Stock potentially necessary for issuance with respect to outstanding Company Options and other obligations of the Company), (B) any Restraint or Law shall prohibit the exercise of the Top-Up Option or the delivery of the Top-Up Option Shares, (C) immediately after such exercise and issuance of shares of Company Common Stock pursuant thereto, the Short Form Threshold would not be reached or (D) Merger Sub has not accepted for payment all shares of Company Common Stock validly tendered in the Offer (or during any subsequent offering period) and not validly withdrawn. The Top-Up Option shall be exercisable only once.

(c) In the event that Parent or Merger Sub wishes to exercise the Top-Up Option, Parent or Merger Sub shall give the Company written notice (i) specifying the number of shares of Company Common Stock that are or will be owned by Parent or any of its Subsidiaries or Merger Sub immediately following the Acceptance Time (or any closing relating to a subsequent offering period), (ii) specifying a place and a time for the closing of the purchase and (iii) undertaking to effect the Merger pursuant to Article II (including the proviso in Section 2.2) as promptly as practicable following the acquisition of the Top-Up Option Shares. The Company shall, as soon as practicable following receipt of such notice, deliver written notice to Parent or Merger Sub specifying the estimated number of Top-Up Option Shares. Prior to the closing of the purchase of the Top-Up Option Shares, the Company shall (A) cause its transfer agent to certify in writing to Purchaser the number of Shares issued and outstanding (x) as of immediately prior to the closing of the Top-Up Option and (y) after giving effect to the issuance of the Top-Up Option Shares and, (B) based thereon, determine the final number of Top-Up Option Shares. At the closing of the purchase of the Top-Up Option Shares, (i) Parent or Merger Sub shall pay (or cause to be paid) to the Company the aggregate purchase price payable for the Top-Up Option Shares (in an amount equal to the product of (x) the number of shares of Company Common Stock purchased pursuant to the Top-Up Option and (y) the Offer Price (which amount may be paid, at the election of Parent or Merger Sub, either in cash (by wire transfer or cashier’s check) or by execution and delivery of a promissory note having a principal amount equal to the aggregate purchase price for the Top Up Option Shares, or any combination thereof, and (ii) the Company shall cause the Top-Up Option Shares to be issued to Parent (or any of its Subsidiaries designated by Parent) or Merger Sub, represented by either certificates or book-entry shares, at the sole option of Parent or Merger Sub. Any promissory note issued pursuant to the immediately preceding sentence shall be in the form attached as

Annex C hereto and shall include the following terms: (A) the maturity date shall be one year after issuance, (B) the unpaid principal amount of the promissory note shall accrue simple interest at a per annum rate of 1.5% per annum, (C) the promissory note may be prepaid in whole or in part at any time, without penalty or prior notice, (D) the promissory note shall be with full recourse and shall be fully secured by the Top-Up Option Shares, (E) the promissory note shall be nonnegotiable and nontransferable and (F) the promissory note shall have no other material terms. The parties will cooperate to ensure that the issuance of the Top-Up Option Shares is accomplished consistent with applicable Laws, including compliance with an applicable exemption from registration under the Securities Act. The Top-Up Option shall terminate concurrently with the termination of this Agreement in accordance with its terms.

(d) Parent and/or Merger Sub acknowledges that the Top-Up Option Shares which Parent (or any of its Subsidiaries) or Merger Sub may acquire upon exercise of the Top-Up Option shall not be registered under the Securities Act, and shall be issued in reliance upon an exemption for transactions not involving a public offering. Parent and/or Merger Sub agrees that the Top-Up Option, and the Top-Up Option Shares to be acquired upon exercise of the Top-Up Option, if any, are being and shall be acquired by Parent (or any of its Subsidiaries) or Merger Sub for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof (within the meaning of the Securities Act). Each of Parent and Merger Sub hereby represents and warrants to the Company that Merger Sub is, and will be, upon the purchase of the Top-Up Option Shares, an “accredited investor,” as defined in Rule 501 of Regulation D under the Securities Act.

#### Section 1.4 Board of Directors.

(a) Promptly upon the Acceptance Time and from time to time and at all times thereafter, Parent shall be entitled to elect or designate such number of directors, rounded up to the next whole number, on the Company’s Board of Directors as shall give Parent representation on the Company’s Board of Directors equal to the product of the total number of directors on the Company’s Board of Directors (giving effect to the directors elected or designated by Parent pursuant to this Section 1.4) multiplied by the percentage that the aggregate number of Company Common Stock then owned directly or indirectly by Parent bears to the total number of shares of Company Common Stock then outstanding. After the Acceptance Time, the Company shall, upon request by Parent, take all actions as are necessary to enable Parent’s designees to be so elected or appointed to the Company’s Board of Directors, including by promptly filling vacancies or newly created directorships on the Company’s Board of Directors, promptly increasing the size of the Company’s Board of Directors (including by amending the by-laws of the Company if necessary to increase the size of the Company’s Board of Directors) and/or promptly securing the resignations of such number of its incumbent directors as is necessary to provide Parent with such level of representation, and shall cause Parent’s designees to be so elected or appointed at such time (the date on which Parent’s designees are so elected or appointed to the Company’s Board of Directors, the “Director Appointment Date”). Subject to Section 1.4(b), after the Acceptance Time, the Company shall also, upon Parent’s request, cause the directors elected or designated by Parent to the Company’s Board of Directors to serve on and constitute the same percentage as such individuals represent of the entire Board of Directors of the Company (but not less than a majority) (rounded up to the next whole number) of: (i) each committee of the Company’s Board of Directors and (ii) each board of directors (or similar body) and each committee thereof (or similar body) of each Subsidiary of the Company, in each case to the extent permitted by applicable Law and the rules of NASDAQ. The provisions of this Section 1.4(a) are in addition to and shall not limit any rights that Parent, Merger Sub or any of their respective Affiliates may have as a record holder or beneficial owner of Company Common Stock as a matter of applicable Law with respect to the election of directors or otherwise. The Company’s obligations to appoint or elect Parent’s designees to the Company’s Board of Directors shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. At the request of Parent, the Company shall take all actions necessary to effect any such appointment or election of Parent’s designees, including filing with the SEC and mailing to the Company Shareholders the information required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder which, unless Parent otherwise elects, shall be so mailed together with the Schedule 14D-9. Parent shall supply to the Company, and, (with respect to information furnished by Parent to the Company in writing) be solely responsible for, all information with

respect to itself and its officers, directors and Affiliates as is required by such Section and Rule.

(b) After Parent's designees are appointed or elected to, and constitute a majority of, the Company's Board of Directors pursuant to Section 1.4(a), and prior to the Effective Time, the Company shall cause the Company's Board of Directors to maintain at least three directors (selected by the members of the Company's Board of Directors on the date hereof) who are members of the Company's Board of Directors on the date hereof, each of whom shall be an "independent director" as defined by Rule 5605(a)(2) of the NASDAQ Marketplace Rules and eligible to serve on the Company's audit committee under the Exchange Act and NASDAQ Marketplace Rules and, at least one of whom shall be an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K and the instructions thereto (the "Continuing Directors"); provided, however, that if the number of Continuing Directors is reduced below three for any reason, the remaining Continuing Directors shall be entitled to elect or designate a person meeting the foregoing criteria to fill such vacancy who shall be deemed to be a Continuing Director for purposes of this Agreement or, if no Continuing Directors then remain, the other directors shall designate three persons meeting the foregoing criteria to fill such vacancies, and such persons shall be deemed to be Continuing Directors for purposes of this Agreement. The Company and the Company's Board of Directors shall promptly take all action as may be necessary to comply with their obligations under this Section 1.4(b). Notwithstanding anything to the contrary set forth in this Agreement, in the event that Parent's designees are elected or appointed to the Company's Board of Directors prior to the Effective Time pursuant to Section 1.4(a), the approval of a majority of such Continuing Directors (or the sole Continuing Director if there shall be only one (1) Continuing Director) shall be required in order to (i) amend, modify, supplement or terminate this Agreement, or agree or consent to any amendment, modification, supplement or termination of this Agreement, in any case on behalf of the Company, (ii) extend the time for performance of, or waive, any of the obligations or other acts of Parent or Merger Sub under this Agreement, (iii) waive or exercise any of the Company's rights under this Agreement, (iv) waive any condition to the Company's obligations under this Agreement, (v) amend the Company Charter or the Company Bylaws, (vi) authorize any agreement between the Company or any of the Subsidiaries of the Company, on the one hand, and Parent, Merger Sub or any of their Affiliates, on the other hand, that is effective before the Effective Time or (vii) make any other determination with respect to any action to be taken or not to be taken by or on behalf of the Company relating to this Agreement or the Transactions. For purposes of considering any matter set forth in this Section 1.4(b), the Continuing Directors shall be permitted to meet without the presence of the other directors. The Continuing Directors shall have the authority to retain such counsel (which may include current counsel to the Company) and other advisors at the expense of the Company as determined by the Continuing Directors and shall have the authority to institute any action on behalf of the Company to enforce performance of this Agreement or any of the Company's rights hereunder.

## ARTICLE II

### THE MERGER; CERTAIN RELATED MATTERS

Section 2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the Tennessee Business Corporation Act (the "TBCA"), at the Effective Time, Merger Sub shall be merged with and into the Company, whereupon the separate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation (the "Surviving Corporation") and an indirect, wholly-owned Subsidiary of Parent (or any other Person, as permitted under Section 9.7).

Section 2.2 Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m., local time, on (a) a date to be specified by the parties, such date to be no later than the second Business Day after the satisfaction or waiver of all of the conditions set forth in Article VII capable of satisfaction prior to the Closing, at the offices of Bass, Berry & Sims PLC, 150 Third Avenue South, Suite 2800, Nashville, Tennessee 37201 or (b) such other date, time and/or place as is agreed to in writing by the parties hereto; provided, that the Closing shall not take place earlier than one (1) month after the date a copy of this Agreement was mailed to the holders

of shares of Company Common Stock (to the extent required by Section 48-21-105(e) of the TBCA). The date upon which the Closing actually occurs is referred to herein as the “Closing Date.”

Section 2.3 Effective Time. Immediately following the Closing on the Closing Date, the parties shall cause the Merger to be consummated by filing articles of merger relating to the Merger (the “Articles of Merger”) with the Secretary of State of the State of Tennessee, in such form as required by, and executed and acknowledged in accordance with, the applicable provisions of the TBCA (the date and time of such filing, or if another date and time is specified in such filing, such specified date and time, being the “Effective Time”).

Section 2.4 Effects of the Merger. The Merger shall have the effects set forth in this Agreement, the Articles of Merger, and the applicable provisions of the TBCA. Without limiting the generality of the foregoing and subject thereto, at the Effective Time, all the property, rights, privileges, immunities, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation, all as provided under the TBCA and other applicable Law.

Section 2.5 Charter. At the Effective Time, the charter of Merger Sub, as in effect immediately prior to the Effective Time, shall be the charter of the Surviving Corporation until thereafter changed or amended, subject to Section 6.7(d), as provided by the TBCA or therein, except that as of the Effective Time, Paragraph 1 of the charter of the Surviving Corporation shall be amended to reflect the name of the Company (or a variation thereof) as the name of the Surviving Corporation.

Section 2.6 Bylaws. Subject to Section 6.7(d), at the Effective Time, the bylaws of Merger Sub, as in effect immediately prior to the Effective Time, shall become the bylaws of the Surviving Corporation, until thereafter changed or amended as provided by the TBCA, the charter of the Surviving Corporation and such bylaws.

Section 2.7 Directors and Officers. The parties hereto shall take all actions necessary so that, from and after the Effective Time, (i) the directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation from and after the Effective Time, and shall hold such office until the earlier of their death, resignation or removal or until their respective successors are duly elected and qualified, and (ii) the officers of the Company immediately prior to the Effective Time, from and after the Effective Time, shall be the officers of the Surviving Corporation, and shall hold such office until the earlier of their death, resignation or removal or until their respective successors are duly appointed and qualified.

Section 2.8 Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Parent, Merger Sub or any holder of any shares of Company Common Stock or the other securities described below:

(a) All shares of Company Common Stock that are owned by the Company (other than shares of Company Common Stock held either in a fiduciary or agency capacity that are beneficially owned by third parties), Parent, Merger Sub or any wholly-owned Subsidiary of the Company or Parent immediately prior to the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, shall cease to be outstanding and shall be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(b) Subject to Section 2.8(a) and Section 2.9, each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (including any shares of Company Common Stock held in a Company Benefit Plan or related trust) shall be converted into and shall thereafter represent the right to receive an amount in cash equal to the Offer Price (subject to any applicable Tax withholding), without interest, payable to the holder thereof (the “Merger Consideration”). As of the Effective Time, all such shares of Company Common Stock shall cease to be outstanding, shall be automatically cancelled and shall cease to exist, and each holder of a certificate representing any such shares of Company Common Stock (a “Certificate”) or shares of Company

Common Stock held in book-entry form (“Book-Entry Shares”) shall cease to have any rights with respect thereto, except the right to receive, in accordance with this Section 2.8(b), the Merger Consideration upon surrender of such Certificate or cancellation of such Book-Entry Shares, without interest.

(c) Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time, without any action on the part of the holder thereof, shall be converted into and become one fully paid and nonassessable share of common stock of the Surviving Corporation.

Section 2.9 Certain Adjustments. Notwithstanding anything in this Agreement to the contrary, if, from the date of this Agreement until the Effective Time, the outstanding shares of Company Common Stock shall have been changed into a different number of shares or a different class by reason of any reclassification, stock split (including a reverse stock split), recapitalization, split-up, combination, exchange of shares, readjustment, or other similar transaction, or a stock dividend or stock distribution thereon shall be declared with a record date within said period, the Merger Consideration shall be equitably adjusted to provide the holders of Company Common Stock the same economic effect as contemplated by this Agreement prior to such event. For the avoidance of doubt, nothing in this Section 2.9 shall be deemed to modify the Company’s obligations under Section 5.1.

Section 2.10 Dissenters’ Rights. Dissenters’ rights under Chapter 23 of the TBCA are not available to the Company Shareholders for the Transactions.

Section 2.11 Merger Without Meeting of Shareholders. Notwithstanding anything to the contrary set forth in this Agreement, in the event that Merger Sub shall own a number of shares of Company Common Stock (including any Top-Up Option Shares) that meets or exceeds the Short Form Threshold, the parties hereto agree to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after the Acceptance Time without a Company Shareholders Meeting in accordance with the applicable provisions of the TBCA.

Section 2.12 Exchange of Company Common Stock.

(a) Exchange Agent. At or prior to the Effective Time, Parent shall deposit with a nationally recognized financial institution selected by Parent with the Company’s prior approval (which approval shall not be unreasonably withheld, conditioned or delayed) (the “Exchange Agent”), for the benefit of the holders of shares of Company Common Stock, for exchange in accordance with this Article II, through the Exchange Agent, all of the cash sufficient to pay the Merger Consideration (such cash provided to the Exchange Agent being hereinafter referred to as the “Exchange Fund”). Parent shall cause the Exchange Agent to deliver the cash contemplated to be issued and paid pursuant to Section 2.8 out of the Exchange Fund. The Exchange Fund shall not be used for any other purpose. Parent shall or shall cause the Surviving Corporation to promptly replace or restore the cash in the Exchange Fund so as to ensure that the Exchange Fund is at all times until the twelve (12) month anniversary of the Effective Time maintained at a level sufficient for the Exchange Agent to make such payments under Section 2.8(b). Nothing contained in this Section 2.12(a) and no investment losses resulting from investment of the funds deposited with the Exchange Agent shall diminish the rights of any holder of Company Common Stock to receive the Merger Consideration.

(b) Exchange Procedures.

(i) Certificates. Parent shall cause the Exchange Agent to mail (or in the case of The Depository Trust Company on behalf of “street” holders, deliver), as soon as reasonably practicable after the Effective Time, to each holder of record of a Certificate whose shares were converted into the right to receive the Merger Consideration pursuant to Section 2.8(b), (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in customary form and have such other provisions (including customary

provisions with respect to delivery of an “agent’s message” with respect to Book-Entry Shares) as are reasonably satisfactory to Parent) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration. Upon surrender of a Certificate for cancellation to the Exchange Agent, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor, and Parent shall cause the Exchange Agent to pay and deliver in exchange thereof as promptly as practicable, the cash amount equal to (x) the number of shares of Company Common Stock represented by such Certificate multiplied by (y) the Offer Price, and the Certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Company Common Stock that is not registered in the transfer records of the Company, payment may be made and shares may be issued to a Person other than the Person in whose name the Certificate so surrendered is registered, if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the Person requesting such payment shall pay any transfer or other Taxes required by reason of the payment to a Person other than the registered holder of such Certificate or establish to the satisfaction of Parent that such Tax has been paid or is not applicable. Until surrendered as contemplated by this Section 2.12, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the cash portion of the Merger Consideration into which the shares of Company Common Stock theretofore represented by such Certificate have been converted pursuant to Section 2.8(b). No interest shall be paid or accrue on any cash payable upon surrender of any Certificate.

(ii) Book-Entry Shares. Notwithstanding anything to the contrary contained in this Agreement, any holder of Book-Entry Shares shall not be required to deliver a Certificate or an executed letter of transmittal to the Exchange Agent to receive the Merger Consideration that such holder is entitled to receive pursuant to this Article II. In lieu thereof, each holder of record of one or more Book-Entry Shares whose shares of Company Common Stock were converted into the right to receive the Merger Consideration pursuant to Section 2.8(b) shall automatically upon the Effective Time (or, at any later time at which such Book-Entry Shares shall be so converted) be entitled to receive, and Parent shall cause the Exchange Agent to pay and deliver as promptly as practicable after the Effective Time, in respect of each Book-Entry Share held by such holder the cash amount equal to (x) the number of shares of Company Common Stock represented by such Book-Entry Shares multiplied by (y) the Offer Price, and the Book-Entry Shares of such holder shall forthwith be cancelled. No interest shall be paid or accrue on any cash payable upon cancellation of any Book-Entry Shares.

(c) No Further Ownership Rights in Company Common Stock; Closing of Transfer Books. The Merger Consideration, when paid in accordance with the terms of this Article II upon the surrender of the Certificates (or, automatically, in the case of the Book-Entry Shares), shall be deemed to have been paid in full satisfaction of all rights pertaining to such shares of Company Common Stock previously pertaining to such Certificates. After the Effective Time there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of shares of Company Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any Certificates formerly representing shares of Company Common Stock are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this Article II.

(d) Termination of Exchange Fund. Any portion of the Exchange Fund that remains undistributed to the holders of Company Common Stock for twelve (12) months after the Effective Time shall be delivered to the Surviving Corporation, upon demand, and any holder of Company Common Stock who has not theretofore complied with this Article II shall thereafter look only to the Surviving Corporation for payment of its claim for the Merger Consideration.

(e) No Liability. None of Parent, Merger Sub, the Company, the Surviving Corporation, the Exchange Agent or any other Person shall be liable to any Person in respect of any cash from the Exchange Fund (including any amounts delivered to Parent in accordance with Section 2.12(d)) properly delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(f) Lost, Stolen or Destroyed Certificates. In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, to the extent required by Parent, the posting by such Person of a bond in reasonable amount as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent shall issue and pay in exchange for such lost, stolen or destroyed Certificate the Merger Consideration that would be payable or deliverable in respect thereof pursuant to this Agreement had such lost, stolen or destroyed Certificate been surrendered as provided in this Article II.

(g) Investment. The Exchange Agent shall invest any cash included in the Exchange Fund, as directed by Parent, on a daily basis. Any interest and other income resulting from such investments shall be paid to the Surviving Corporation; provided that no losses on any investment made pursuant to this Section 2.12(g) shall affect the Merger Consideration payable to holders of Company Common Stock entitled to receive such consideration, and following any such losses, Parent shall promptly cause to be provided additional funds to the Exchange Agent for the benefit of holders of shares of Company Common Stock entitled to receive such consideration in the amount of any such losses or if for any reason such funds are unavailable for payment to the holders of shares of Company Common Stock.

(h) Withholdings. Each of Parent and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable to any holder of Company Common Stock and any holder of Company Options or Company Restricted Shares pursuant to this Article II such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code or under any provision of state, local or foreign Tax Law. Any amount properly deducted or withheld pursuant to this Section 2.12(h) shall be treated for all purposes of this Agreement as having been paid to the holder of Company Common Stock, Company Options or Company Restricted Shares in respect of which such deduction or withholding was made. Parent shall pay, or shall cause to be paid, all amounts so deducted or withheld to the appropriate Taxing Authority within the period required under applicable Law.

#### Section 2.13 Treatment of Stock Plans.

(a) Each option to purchase shares of Company Common Stock granted under a Company Stock Plan, other than purchase rights granted under the Company Ownership Plan, that is outstanding immediately prior to the Acceptance Time (each a "Company Option"), whether or not then vested and exercisable, shall become fully vested and exercisable upon the occurrence of the Acceptance Time. With respect to such Company Options:

(i) each unexercised Company Option for which, as of the Effective Time, the Offer Price exceeds the exercise price per Share shall be canceled at the Effective Time and, in exchange therefor, the Company shall pay to each former holder of such Company Option as soon as practicable, but in no event later than fifteen (15) Business Days following the Effective Time, an amount in cash (without interest, and subject to deduction for any required withholding Tax) equal to the product of (1) the excess, if any, of the Merger Consideration over the exercise price per Share under such Company Option and (2) the number of shares of Company Common Stock subject to such Company Option; and

(ii) each Company Option that is outstanding immediately prior to the Effective Time for which, as of the Effective Time, the Offer Price does not exceed the exercise price per Share shall be cancelled at the Effective Time without any cash payment being made in respect thereof.

(b) Each share of Company Common Stock that, immediately prior to the Acceptance Time, is subject to forfeiture, vesting or other restrictions that was granted pursuant to any Company Stock Plan (a "Company Restricted Share") shall become fully vested at the Acceptance Time (and subject to forfeiture or surrender to the Company, to the extent necessary to satisfy any Tax withholding) and, to the extent still outstanding at the Effective Time, shall be cancelled at the Effective Time (the "Canceled Restricted Awards"), and, in exchange therefor, the Company shall pay to each former holder of any such Canceled Restricted Awards, as soon as practicable but in no event later than fifteen (15) Business Days following the Effective Time, an amount in cash

(without interest, and subject to deduction for any required withholding Tax) equal to the product of (1) the Merger Consideration and (2) the number of shares of Company Common Stock subject to such Canceled Restricted Awards.

(c) With respect to the Company Ownership Plan, after the date of this Agreement, (i) participation in the Company Ownership Plan shall be limited to those employees who are participants on the date of this Agreement, (ii) except to the extent necessary to maintain the status of the Company Ownership Plan as an “employee stock purchase plan” within the meaning of Section 423 of the Code and the Treasury Regulations thereunder, participants may not increase their payroll deduction elections or rate of contributions from those in effect on the date of this Agreement, (iii) no contribution period shall be commenced after the date of this Agreement, (iv) the Company Ownership Plan shall terminate, effective upon the earlier of the first purchase date following the date of this Agreement or the last Business Day before the Acceptance Time, but subsequent to the exercise of purchase rights on such purchase date (in accordance with the terms of the Company Ownership Plan) or termination of such purchase rights on such last Business Day (as provided for in the following clause (v)), as applicable, and (v) if the Company Ownership Plan remains in effect on the last Business Day before the Acceptance Time, each purchase right under the Company Ownership Plan outstanding on such day shall be terminated and the balance in each participant’s contribution account shall be paid to such participant in accordance with the terms of the Company Ownership Plan.

(d) As soon as practicable following the date of this Agreement, but in any event prior to the Acceptance Time, the Company, the Board of Directors of the Company or the compensation committee of the Board of Directors of the Company, as applicable, shall adopt any resolutions and take any actions which are reasonably necessary in accordance with applicable Law, and, as applicable, the Company Stock Plans, each agreement evidencing a grant of Company Options (each, a “Company Option Agreement”) and each agreement evidencing a grant of Company Restricted Shares (each, a “Company Restricted Share Agreement”) (including obtaining necessary consents) to (i) effectuate the provisions of this Section 2.13 and (ii) terminate, upon the Effective Time, each Company Stock Plan, each Company Option Agreement and each Company Restricted Share Agreement, such that at the Effective Time and upon the payments contemplated hereunder, no Person shall have any right to purchase or receive any equity or payment interest, or right convertible into or exercisable for any equity or payment interest or exit payment from or of the Company or the Surviving Corporation; provided, however, that, notwithstanding the foregoing clause (ii), the Company Ownership Plan shall be terminated pursuant to Section 2.13(c) above.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as (x) disclosed in the Company SEC Documents publicly filed with the SEC prior to the date hereof (but without giving effect to any amendment to any such Company SEC Documents filed on or after the date hereof and excluding any disclosures set forth under the headings “Risk Factors,” “Quantitative and Qualitative Disclosures About Market Risk,” “Special Note Regarding Forward-looking Statements” and any other disclosures in any such Company SEC Documents relating to any information, forward-looking statements or factors or risks to the extent it is predictive, cautionary or forward-looking in nature), provided that this clause (x) shall not be applicable to the Fundamental Representations and the Capitalization Representations; or (y) set forth in the disclosure schedule delivered by the Company to Parent and Merger Sub immediately prior to the execution and delivery of this Agreement (the “Company Disclosure Schedule”) (it being agreed that disclosure of any item in any section or subsection of the Company Disclosure Schedule shall be deemed disclosure with respect to any section of this Agreement or any other section or subsection of the Company Disclosure Schedule to which the relevance of such disclosure is reasonably apparent on its face and that the mere inclusion of an item in such Company Disclosure Schedule as an exception to a representation or warranty shall not be deemed an



admission that such item represents a material exception or material fact, event or circumstance or that such item has had, would have or would reasonably be expected to have a Company Material Adverse Effect), the Company represents and warrants to Parent and Merger Sub as follows:

### Section 3.1 Corporate Organization.

(a) Each of the Company and its Subsidiaries is a corporation or other entity duly organized, validly existing and, to the extent applicable, in good standing under the Laws of the jurisdiction of its organization and has the requisite corporate or other entity power and authority to own, lease and operate all of its properties and assets and to carry on its business as it is now being conducted. Each of the Company and its Subsidiaries is duly licensed or qualified to do business, and is in good standing, in each jurisdiction where the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing does not and would not reasonably be expected to have a Company Material Adverse Effect. The copies of the Restated Charter (the "Company Charter") and the Amended and Restated Bylaws (the "Company Bylaws") of the Company, as most recently filed with the Company SEC Documents, are true, complete and correct copies of such documents as in effect and as amended as of the date of this Agreement. The Company Charter and the Company Bylaws are in full force and effect and the Company is not in violation of any of the provisions of the Company Charter or the Company Bylaws. The Company has made available to Parent true, complete and correct copies of the certificates of incorporation and bylaws (or comparable organizational documents) of each of the Company's Subsidiaries, in each case as amended as of the date of this Agreement. Such organizational documents are in full force and effect and none of the Company's Subsidiaries is in violation in any material respect of any of the terms of its organizational documents.

(b) Section 3.1(b) of the Company Disclosure Schedule lists all of the Subsidiaries of the Company and, for each such Subsidiary, the state of formation or incorporation and each jurisdiction in which such Subsidiary is qualified or licensed to do business.

### Section 3.2 Capitalization.

(a) The authorized capital stock of the Company consists of 50,000,000 shares of Company Common Stock and 100,000 shares of preferred stock, no par value per share ("Company Preferred Stock"). As of February 3, 2012, (i) 21,966,912 shares of Company Common Stock were issued and outstanding (which number includes 292,882 Company Restricted Shares) and no shares of Company Preferred Stock were issued and outstanding, (ii) 2,697,581 shares of Company Common Stock were reserved for issuance pursuant to the Company Stock Plans, including 1,645,648 shares of Company Common Stock issuable upon the exercise of Company Options (whether or not presently exercisable) and (iii) no shares of Company Common Stock were owned by the Company as treasury stock. All outstanding shares of capital stock of the Company have been, and all shares of Company Common Stock that may be issued pursuant to any of the Company Stock Plans will be, when issued in accordance with the respective terms thereof, duly authorized and validly issued and are (or, in the case of shares of Company Common Stock that have not yet been issued, will be) fully paid and nonassessable and are not subject to preemptive rights. Each Company Option and each Restricted Share award has been granted in accordance with applicable Law, the terms of the applicable Company Stock Plan and pursuant in all material respects to the Company's form of stock option agreement and form of restricted stock award agreement, respectively, true, complete and correct copies of which have been made available to Parent. No Subsidiary of the Company owns any shares of Company Common Stock. There were outstanding rights to purchase 26,785 shares of Company Common Stock on the last day of the current offering period in effect under the Company Ownership Plan (assuming the fair market value per share of Company Common Stock on the last day of the current offering period in effect under the Company Ownership Plan will be equal to the Merger Consideration). As of the last day of the most recent payroll period ending prior to the date of this Agreement, the aggregate amount credited to the accounts of participants in the Company Ownership Plan was \$172,242.07 and the aggregate amount credited to such accounts for such payroll period was \$9,174.71.

(b) Included in Section 3.2(b) of the Company Disclosure Schedule is a true, complete and correct list, as of the date hereof, of (i) each outstanding Company Option, the number of shares of Company Common Stock subject thereto, the grant date, the expiration date, the exercise price, and the name of the holder thereof, and (ii) each outstanding Company Restricted Share, the grant date, and the name of the holder thereof.

(c) Except as set forth above or in Section 3.2(c) of the Company Disclosure Schedule, as of the date hereof, there are no outstanding securities, options, warrants, calls, rights, commitments, agreements, derivative contracts, forward sale contracts or undertakings of any kind to which the Company or any of its Subsidiaries is a party, or by which the Company or any of its Subsidiaries is bound, obligating the Company or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of the Company or of any Subsidiary of the Company or obligating the Company or any Subsidiary of the Company to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, derivative contract, forward sale contract or undertaking, or obligating the Company to make any payment based on or resulting from the value or price of Company Common Stock or of any such security, option, warrant, call, right, commitment, agreement, derivative contract, forward sale contract or undertaking. Except for acquisitions, or deemed acquisitions, of Company Common Stock or other equity securities of the Company in connection with (i) the payment of the exercise price of Company Options with Company Common Stock (including in connection with “net” exercises), (ii) Tax withholding in connection with the exercise of Company Options or vesting of Company Restricted Shares and (iii) forfeitures of Company Options or Company Restricted Shares, there are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of Company Common Stock or the capital stock of any of its Subsidiaries, other than pursuant to the Company Benefit Plans. There are no outstanding or authorized stock appreciation rights, phantom stock awards or other rights that are linked in any way to the price of the Company Common Stock or the value of the Company, or any part thereof. Except as set forth in Section 3.2(c) of the Company Disclosure Schedule, there are no agreements requiring the Company or any of its Subsidiaries to make contributions to the capital of, or lend or advance funds to, any Subsidiary of the Company. There are no bonds, debentures, notes or other indebtedness of the Company or any of its Subsidiaries having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of the Company may vote.

(d) Except as set forth above or in Section 3.2(d) of the Company Disclosure Schedule, the Company owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity interests of each of its Subsidiaries, free and clear of any liens, pledges, charges, encumbrances, adverse rights, restrictions or claims and security interests whatsoever (including any restriction on the right to vote or transfer the same), excluding restrictions imposed by securities laws (“Liens”), and all of such shares and equity interests are duly authorized, validly issued and free of preemptive rights and all such shares are fully paid and nonassessable. The Company does not own, directly or indirectly, any capital stock of, or voting securities or equity interests in, any Person other than its Subsidiaries identified on Section 3.2(d) of the Company Disclosure Schedule.

### Section 3.3 Corporate Power and Authorization.

(a) The Company has all necessary corporate power and authority to execute and deliver this Agreement and all other agreements and documents contemplated hereby to which it is a party and, subject only to the adoption, if required by applicable Law, of this Agreement by the affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock (the “Company Shareholder Approval”), to consummate the Merger and the other Transactions. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Merger and the other Transactions have been duly and validly authorized by the Board of Directors of the Company, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Merger or the other Transactions, subject, in the case of the Merger, to obtaining the Company Shareholder Approval and the filing of the Articles of Merger with the Secretary of State of the State of Tennessee in accordance with the TBCA. This Agreement has been duly executed and delivered by the Company and, assuming due power and authority of, and due

execution and delivery by, Parent and Merger Sub, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar Laws affecting the rights of creditors generally and the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at Law) (together, the “Bankruptcy and Equity Exception”).

(b) The Board of Directors of the Company, at a meeting duly called and held, has unanimously adopted resolutions (i) declaring that this Agreement and the Transactions are advisable, fair to and in the best interest of the Company and the Company Shareholders, (ii) adopting this Agreement and approving the execution, delivery and performance of this Agreement, and the consummation of the Offer, the Merger and the other Transactions, (iii) directing that the adoption of this Agreement be submitted to the holders of Company Common Stock unless the adoption of this Agreement by the Company Shareholders is not required by applicable Law, (iv) recommending, subject to the ability of the Company to make a Recommendation Withdrawal pursuant to and in accordance with Section 6.2, that the Company Shareholders accept the Offer and tender their shares of Company Common Stock pursuant to the Offer and, if required by applicable Law, approve the Merger and adopt this Agreement (such recommendation, the “Company Board Recommendation”) and (v) authorizing and approving the Top-Up Option, the issuance of the Top-Up Option Shares thereunder, the terms of payment (including the potential issuance of the promissory note in the form attached as Annex C) and acknowledging the consideration payable is sufficient. Subject to the ability of the Company to make a Recommendation Withdrawal pursuant to and in accordance with Section 6.2, such resolutions remain in effect and have not been rescinded, modified or withdrawn.

(c) If required by applicable Law to consummate the Merger, the Company Shareholder Approval is the only vote of the holders of capital stock of the Company or any of its Subsidiaries which is necessary to approve this Agreement and the Transactions.

Section 3.4 No Conflicts. The execution and delivery of this Agreement by the Company do not and the consummation by the Company of the Merger and the other Transactions and the compliance by the Company with any of the terms or provisions hereof will not (i) conflict with or violate any provision of the Company Charter or Company Bylaws or any of the similar organizational documents of any of its Subsidiaries or (ii) assuming that the authorizations, consents and approvals referred to in Section 3.5 and the Company Shareholder Approval, if required by applicable Law, are obtained (in the case of the Company Shareholder Approval, in accordance with the TBCA), (x) except as set forth above or in Section 3.4 of the Company Disclosure Schedule, violate, conflict with, result in the loss of any material benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, give rise to the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien, other than any Permitted Liens, upon any of the respective properties or assets of the Company or any of its Subsidiaries under, any note, bond, debenture, mortgage, indenture, deed of trust, license, lease, agreement or other contract, agreement, instrument or obligation (each, a “Contract”) to which the Company or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets are bound or affected or (y) conflict with or violate any Laws applicable to the Company or any of its Subsidiaries or any of their respective properties or assets, other than, in the case of clause (ii)(x), any such violation, conflict, loss, default, right or Lien that does not and would not reasonably be expected to have a Company Material Adverse Effect or materially impair the ability of the Company to perform its obligations hereunder or prevent or materially impede or delay the consummation of the Merger or the other Transactions.

Section 3.5 Governmental Approvals. Other than in connection with or in compliance with (i) the TBCA, (ii) the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (iii) the Securities Act of 1933, as amended (the “Securities Act”), (iv) any other applicable federal or state securities Laws or “blue sky” Laws, (v) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), (vi) the rules and regulations of the NASDAQ, or (vii) such other consent, approval, waiver, license, permit, franchise, authorization or Order (“Consents”) of, or registration, declaration, notice, report, submission or other filing

("Filings") with, any Governmental Entity, the failure of which to obtain or make does not and would not reasonably be expected to have a Company Material Adverse Effect, or materially impair the ability of the Company to perform its obligations hereunder or prevent or materially impede or delay the consummation of the Merger and the other Transactions, no Consents of, or Filings with, any federal, state or local court, administrative or regulatory agency or commission or other governmental authority, domestic or foreign (each a "Governmental Entity"), are necessary in connection with the execution and delivery of this Agreement by the Company and the consummation of the Merger and the other Transactions.

Section 3.6 Company SEC Filings; Financial Statements; Controls.

(a) The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company with the SEC pursuant to the Exchange Act and the Securities Act since December 28, 2008 (collectively, and together with all documents filed on a voluntary basis on Form 8-K, and in each case including all exhibits and schedules thereto and documents incorporated by reference therein, the "Company SEC Documents"). None of the Company's Subsidiaries is required to file any forms, reports or other documents with the SEC pursuant to Section 13 or 15 of the Exchange Act. The Company SEC Documents, as amended, complied as of their respective effective dates (in the case of Company SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other Company SEC Documents) in all material respects with the requirements of applicable Law, including the Exchange Act, the Securities Act and the Sarbanes-Oxley Act of 2002 (including its rules and regulations, "SOX"), as the case may be, applicable to such Company SEC Document, and none of the Company SEC Documents as of such respective dates or, if amended, as of the date of such amendment, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of the date of this Agreement, there are no outstanding or unresolved comments received from the SEC staff with respect to the Company SEC Documents. To the Knowledge of the Company, none of the Company SEC Documents is the subject of ongoing SEC review or investigation. The Company is in compliance with the applicable rules of NASDAQ, except where the failure to comply does or would reasonably be expected to have a Company Material Adverse Effect.

(b) The consolidated financial statements (including all related notes thereto) of the Company (the "Company SEC Financial Statements") included in the Company SEC Documents (if amended, as of the date of the last such amendment) comply in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Company SEC Financial Statements fairly present, in all material respects, the consolidated financial position of the Company and its consolidated Subsidiaries, as at the respective dates thereof, and the consolidated results of their operations and their consolidated cash flows for the respective periods then ended (subject, in the case of the unaudited statements, to normal year-end audit adjustments, none of which, individually or in the aggregate, has been or will be material to the Company and its Subsidiaries, taken as a whole, and to the absence of information or notes not required by GAAP to be included in interim financial statements) in conformity with GAAP (except, in the case of the unaudited statements, as permitted by the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto).

(c) Neither the Company nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract, including any contract or arrangement relating to any transaction or relationship between or among the Company and any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, on the other hand, including any structured finance, special purpose or limited purpose entity or Person, or any "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K of the SEC), where the result, purpose or effect of such contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of its Subsidiaries in the Company's or any of its Subsidiaries' published financial statements or any Company SEC Documents.

(d) Each of the principal executive officer of the Company and the principal financial officer of the Company (or each former principal executive officer of the Company and each former principal financial officer

of the Company, as applicable) has made all certifications required by Rule 13a-14 or 15d-14 under the Exchange Act and Sections 302 and 906 of SOX, in each case, with respect to the Company SEC Documents, and the statements contained in such certifications were complete, correct and accurate in all material respects on the date such certifications were made. For purposes of this Agreement, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in SOX.

(e) The Company has established and maintains a system of "internal control over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) promulgated by the SEC under the Exchange Act) sufficient to provide reasonable assurance (i) that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, (ii) that transactions are executed only in accordance with the authorization of management or the Board of Directors of the Company, and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the Company's assets.

(f) The Company has established and maintains "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) promulgated by the SEC under the Exchange Act); such disclosure controls and procedures are reasonably designed to ensure that information relating to the Company and the Subsidiaries of the Company required to be disclosed in the Company's periodic reports filed or submitted under the Exchange Act is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared. To the Knowledge of the Company, there are no facts or circumstances that would prevent its principal executive officer and principal financial officer from giving the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of SOX, without qualification, when next due.

Section 3.7 No Undisclosed Liabilities. As of the date of this Agreement there are no liabilities or obligations of the Company or any of its Subsidiaries of any nature, whether accrued, contingent, absolute or otherwise, in each case, that would be required by GAAP to be reflected on a consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with GAAP or the notes thereto, other than: (a) liabilities or obligations reflected or reserved against in the Company's audited consolidated balance sheet as of December 26, 2010 or its unaudited consolidated balance sheet as of October 2, 2011 included in the Company SEC Documents or in the notes thereto, (b) liabilities or obligations that were incurred since October 2, 2011 in the ordinary course of business, (c) liabilities or obligations which, individually and in the aggregate, are not and would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, or (d) liabilities or obligations disclosed in the Company Disclosure Schedule or arising or incurred in connection with this Agreement, the Merger and the other Transactions.

#### Section 3.8 Information Supplied.

(a) The Schedule 14D-9 and the information supplied in writing by the Company for inclusion or incorporation by reference in the Offer Documents will, at the respective times the Schedule 14D-9, the Offer Documents, and any amendments or supplements thereto are filed with the SEC, and at the time they are first published, sent or given to the Company Shareholders, and on the Expiration Date, not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(b) The Schedule 14D-9, and any amendments or supplements thereto will, when filed with the SEC, comply as to form in all material respects with the applicable requirements of the Exchange Act and all other applicable Laws. The Schedule 14D-9 will not, on the date it is first sent to the Company Shareholders, contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading; provided, however, that no representation or warranty is made by the Company with respect to information supplied in writing by Parent or Merger Sub or any of their directors, officers, employees, Affiliates, agents or other representatives for inclusion or incorporation by reference in the Schedule 14D-9.

### Section 3.9 Labor Matters.

(a) Since December 28, 2008, (i) neither the Company nor any of its Subsidiaries is or has been a party to any collective bargaining agreement, labor union contract, trade union agreement, or any other labor-related agreements with any labor union, labor organization or works council (each a “Collective Bargaining Agreement”), (ii) no employees of the Company or any of its Subsidiaries are or have been represented by any labor union, labor organization or works council in connection with their employment with the Company or any Subsidiary, (iii) to the Knowledge of the Company, there currently are no, and there have not been any, activities or proceedings of any labor or trade union to organize any employees of the Company or any of its Subsidiaries, (iv) no Collective Bargaining Agreement is being or has been negotiated by the Company or any of its Subsidiaries, and (v) there currently is no, and there has not been any, strike, lockout, slowdown, or work stoppage against the Company or any of its Subsidiaries pending or, to the Knowledge of the Company, threatened that may materially interfere with the respective business activities of the Company or any of its Subsidiaries.

(b) Except as set forth in Section 3.9(a) of the Company Disclosure Schedule or for failures to be in compliance that do not have, and would not reasonably be expected to have, a Company Material Adverse Effect, the Company and its Subsidiaries are in compliance with applicable Laws and Orders with respect to hiring, employment, and termination of employment (including but not limited to applicable Laws regarding wage and hour requirements, tips, correct classification of independent contractors and of employees as exempt and non-exempt, work authorization status, discrimination in employment, harassment, retaliation and reasonable accommodation, leaves of absence, terms and conditions of employment, employee health and safety, collective bargaining and the Worker Adjustment and Retraining Notification Act (“WARN”) and any similar state or local “mass layoff” or “plant closing” law). There has been no “mass layoff” or “plant closing” (as defined by WARN) with respect to the Company or any of its Subsidiaries since December 28, 2008. No material complaint, charge, claim or proceeding based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment or failure to employ by the Company or any of its Subsidiaries, of any individual is now pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries, before any Governmental Authority or regulatory authority, and there is no material complaint, charge, claim or proceeding before any Governmental Authority or regulatory authority with respect to a violation of any occupational safety or health standards that is now pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries.

(c) Except as do not and would not reasonably be expected to have a Company Material Adverse Effect, neither the Company nor any of its Subsidiaries is liable for any payment to any trust or other fund or to any Governmental Entity, with respect to unemployment compensation benefits, social security or other benefits for employees (other than routine payments to be made in the ordinary course of business).

Section 3.10 Absence of Certain Changes or Events. Except (a) as disclosed in the Company SEC Documents filed with or furnished to the SEC prior to the date of this Agreement and as set forth in Section 3.10 of the Company Disclosure Schedule and (b) liabilities or obligations incurred in connection with this Agreement, the Merger and the other Transactions, (i) since December 26, 2010, there has not been any event that has had or would reasonably be expected to have a Company Material Adverse Effect, (ii) since December 26, 2010, the Company and its Subsidiaries have carried on and operated their respective businesses in all material respects in the ordinary course of business and (iii) since October 2, 2011, neither the Company nor any of its Subsidiaries has taken any action described in Section 5.1(b)(i) through (vi), (vii)(A), (vii)(B), (viii), (ix), (xi), (xiii), (xvi), (xxi) and (xxiii) hereof that, if taken after the date hereof and prior to the Effective Time without the prior written consent of Parent, would violate such provision.

Section 3.11 Compliance with Laws. Other than those violations or allegations that, individually and in the aggregate, do not and would not reasonably be expected to have a Company Material Adverse Effect, (a) the Company and its Subsidiaries are not in violation of, and since December 28, 2008 have not violated, any Laws

and Orders applicable to the Company, any of its Subsidiaries or any assets owned or used by any of them and (b) neither the Company nor any of its Subsidiaries has received any written communication since December 28, 2008 from a Governmental Entity that alleges that the Company or any of its Subsidiaries is not in compliance with any Law (except for violations that have been resolved).

Section 3.12 Permits.

(a) The Company and each of its Subsidiaries have all required governmental licenses, franchises, permits, certificates, consents, orders, approvals and authorizations (“Permits”) necessary for the conduct of their business and the use of their properties and assets, as presently conducted and used, and each of the Permits is valid, subsisting and in full force and effect, except where the failure to have or maintain any such Permits, individually and in the aggregate, do not and would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. The Company and its Subsidiaries are (and since December 28, 2008 have been) in compliance with the terms of all Permits, except where non-compliance does not or would not reasonably be expected to have a Company Material Adverse Effect. Since December 28, 2008, neither the Company nor any of its Subsidiaries has received written notice to the effect that a Governmental Authority was considering the amendment, termination, revocation or cancellation of any Permit, except any such amendments, terminations, revocations or cancellations that, individually and in the aggregate, do not and would not reasonably be expected to have a Company Material Adverse Effect. The consummation of the Merger and the other Transactions, in and of themselves, will not cause the revocation or cancellation of any Permits, except any such revocations and cancellations that, individually and in the aggregate, are not and would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(b) Section 3.12(b) of the Company Disclosure Schedule sets forth a list as of the date hereof of all liquor licenses (including beer and wine licenses) held or used by the Company and its Subsidiaries (collectively, the “Liquor Licenses”) in connection with the operation of each restaurant operated by the Company or any of its Subsidiaries, along with the name and store number of each such restaurant, and the expiration date of each such Liquor License.

(c) As of the date hereof:

(i) to the extent required by applicable Law, each restaurant currently operated by the Company or any Company Subsidiary possesses a Liquor License, except as, individually and in the aggregate, is not and would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole;

(ii) assuming that each Governmental Entity issuing a Liquor License issued such Liquor License in accordance with its own procedures therefore, each of the Liquor Licenses has been validly issued, is in full force and effect and is adequate for the current conduct of the operations at the restaurant for which it is issued, except as, individually and in the aggregate, is not and would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole;

(iii) neither the Company nor any Company Subsidiary has received any written notice of any pending or threatened modification, suspension, or cancellation of a Liquor License or any proceeding related thereto, except as, individually and in the aggregate, do not and would not reasonably be expected to have a Company Material Adverse Effect;

(iv) since December 28, 2008, there have been no Proceedings relating to any of the Liquor Licenses, except as, individually and in the aggregate, do not and would not reasonably be expected to have a Company Material Adverse Effect; and

(v) there are no pending disciplinary actions, unresolved citations, unsatisfied penalties, or past disciplinary actions relating to Liquor Licenses that would reasonably be expected to have any impact on any restaurant or the ability to maintain or renew any Liquor License, except as, individually and in the aggregate, do not and would not reasonably be expected to have a Company Material Adverse Effect.

Section 3.13 Litigation. As of the date of this Agreement, there are no Proceedings pending, or, to the Knowledge of the Company, threatened in writing, against the Company or any of its Subsidiaries before any Governmental Entity (other than insurance claims litigation or arbitration arising in the ordinary course of business), which, if determined or resolved adversely in accordance with the plaintiff's or claimant's demands, individually and in the aggregate, are or would reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. As of the date of this Agreement, there are no Orders outstanding against the Company or any of its Subsidiaries that, individually and in the aggregate, are or would reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

Section 3.14 Taxes.

Except as do not and would not reasonably be expected to have a Company Material Adverse Effect:

(a) All material Tax Returns required by applicable Law to be filed with any Taxing Authority by, or on behalf of, the Company or any of its Subsidiaries have been duly filed when due (including extensions) in accordance with all applicable Laws, and all such Tax Returns are true and complete in all material respects.

(b) The Company and each of its Subsidiaries has duly and timely paid or has duly and timely withheld and remitted to the appropriate Taxing Authority all material Taxes due and payable, or (i) where payment is not yet due, has established an adequate accrual in accordance with GAAP or (ii) where payment is being contested in good faith pursuant to appropriate procedures, has established an adequate reserve in accordance with GAAP, in each case for all Taxes reflected in the most recent financial statements contained in the Company SEC Documents.

(c) The federal income Tax Returns of the Company and its Subsidiaries through the Tax year ended December 31, 2007 have been examined and the examinations have been closed or are Tax Returns with respect to which the applicable period for assessment under applicable Law, after giving effect to extensions or waivers, has expired.

(d) There is no Proceeding pending or, to the Knowledge of the Company, threatened in writing against or with respect to the Company or any of its Subsidiaries in respect of any material Tax.

(e) Neither the Company nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution that would otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with this Agreement.

(f) Neither the Company nor any of its Subsidiaries has been: (i) a member of an Affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which is the Company) or (ii) a party to a tax sharing, tax indemnity or tax allocation agreement (other than an agreement exclusively between or among the Company and its Subsidiaries).

(g) Neither the Company nor any of its Subsidiaries has participated in a "listed transaction" as defined in Treasury Regulation §1.6011-4(b)(2).

Section 3.15 Employee Benefit Plans and Related Matters; ERISA.

(a) Section 3.15 of the Company Disclosure Schedule sets forth as of the date of this Agreement a true and complete list of each material Company Benefit Plan. With respect to each such Company Benefit Plan, the Company has made available to Parent a true and complete copy of such written Company Benefit Plan, and, to the extent applicable, (i) all trust agreements, insurance contracts or other funding arrangements, (ii) the most



recent actuarial and trust reports for both ERISA funding and financial statement purposes, (iii) the most recent Form 5500 with all attachments filed with the Internal Revenue Service (“IRS”) or the Department of Labor or any similar reports filed with any comparable Governmental Entity in any non-U.S. jurisdiction having jurisdiction over any Company Benefit Plan and all schedules thereto, (iv) the most recent IRS determination letter (or opinion letter upon which the Company is entitled to rely), (v) all material current summary plan descriptions and (vi) any actuarial study of any pension, disability, post-employment life or medical benefits provided under any such Company Benefit Plan. “Company Benefit Plan” means any employee benefit plan, scheme, program, policy, arrangement or contract (including any “employee benefit plan,” as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”) or similar provisions of non-U.S. Law, whether or not subject to ERISA, and each other pension, profit-sharing or other retirement, bonus, deferred compensation, incentive compensation, stock bonus, stock appreciation, stock purchase, restricted stock, restricted stock unit, stock option or other equity-based (whether real or phantom), employment, vacation, holiday, sick leave, disability, death benefit, cafeteria, hospitalization, fringe benefit, medical, dental, vision, life or other insurance, termination, retention, change in control or severance agreement, plan, program, policy, arrangement or contract) under which any current or former director, officer or employee of the Company or any of its Subsidiaries has any present or future right to benefits, that is maintained, sponsored or contributed to by the Company or any of its Subsidiaries or which the Company or any of its Subsidiaries has any obligation to maintain, sponsor or contribute, or with respect to which the Company or any of its Subsidiaries would incur any direct or indirect liability.

(b) Each Company Benefit Plan intended to be qualified under Section 401(a) of the Code, and the trust (if any) forming a part thereof, has received a favorable determination letter from the IRS (or opinion letter upon which the Company is entitled to rely) that the Company Benefit Plan is so qualified, and, to the Company’s Knowledge, there are no existing circumstances or any events that would reasonably be expected to adversely affect the qualified status of any such plan in a manner which would reasonably be expected to have a Company Material Adverse Effect. Each Company Benefit Plan has been administered and operated in accordance with its terms and with applicable Law, except as do not and would not reasonably be expected to have a Company Material Adverse Effect. All contributions or other amounts which the Company was required to make to Company Benefit Plans on or prior to the Closing Date have been paid, except where any failure to do so would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(c) No liability under Title IV or Section 302 of ERISA has been incurred by the Company or any ERISA Affiliate that has not been satisfied in full, and, to the Company’s Knowledge, no condition exists that presents a material risk to the Company or any ERISA Affiliate of incurring any such liability (exclusive of the liability to pay insurance premiums to the Pension Benefit Guaranty Corporation (“PBGC”) under Title IV of ERISA), except as would not reasonably be expected to have a Company Material Adverse Effect. No prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Company Benefit Plan. As used in this Agreement, “ERISA Affiliate” means any Person which is (or at any relevant time was or will be) a member of a “controlled group of corporations” with, under “common control” with, or a member of an “affiliated service group” with the Company as such terms are defined in Section 414(b), (c), (m) or (o) of the Code.

(d) There are no pending actions or claims with respect to any of the Company Benefit Plans by any employee or otherwise involving any such plan or the assets of any such plan (other than routine claims for benefits), except as do not and would not reasonably be expected to have a Company Material Adverse Effect.

(e) No Company Benefit Plan is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA or is a “multiple employer plan” within the meaning of Section 4063 or 4064 of ERISA. Neither the Company nor any ERISA Affiliate has at any time during the last six (6) years contributed to or been obligated to contribute to any such type of plan. No Company Benefit Plan is an “employee pension benefit plan” (as defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA or Section 412 of the Code or is otherwise a “defined benefit plan” (as defined in Section 3(35) of ERISA).

(f) Except as set forth in Section 3.15 of the Company Disclosure Schedule, no Company Benefit Plan provides for or promises medical, surgical, hospitalization, death, disability, life insurance or similar benefits (whether or not insured) for current or former employees, officers, service providers or directors of the Company for periods extending beyond their retirement or other termination of service, other than coverage mandated by applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and the regulations issued thereunder or applicable state Law.

(g) Except as provided in this Agreement, as set forth in Section 3.15 of the Company Disclosure Schedule or as required by applicable Law, the consummation of the Merger and the other Transactions will not, either alone or in combination with another event, (i) entitle any current or former director, officer or employee of the Company or of any of its Subsidiaries to severance pay or any similar payment or (ii) result in any payment becoming due, accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such director, officer or employee. The Company is not a party to any contract or arrangement that would result, separately or in the aggregate, in the payment of any “excess parachute payments” within the meaning of Section 280G of the Code, and the consummation of the transactions contemplated by this Agreement will not be a factor causing payments to be made by the Company to be non-deductible (in whole or in part) under Section 280G of the Code.

(h) There are no pension, unemployment insurance, medical insurance, work injury insurance, housing provident fund, welfare, bonus, stock purchase, stock ownership, stock option, deferred compensation, incentive, severance, termination or other compensation plan or arrangement, or other material employee fringe benefit plan presently maintained by, or contributed to by the Company or any ERISA Affiliate for the benefit of any employee of the Company or any ERISA Affiliate, or with respect to which the Company or any ERISA Affiliate has any liability, including any plans required to be maintained or contributed to by the Law of the relevant jurisdiction, in any case for purposes of the arrangements listed in this Section 3.15(h) that are maintained outside the jurisdiction of the United States.

(i) Each Company Benefit Plan that is a “nonqualified deferred compensation plan” within the meaning of Treasury Regulation Section 1.409A-1(a)(1)(a) (a “Nonqualified Deferred Compensation Plan”) (i) was operated in compliance with Section 409A of the Code between January 1, 2005 and December 31, 2008, based upon a good faith, reasonable interpretation of (A) Section 409A of the Code and (B) the final Treasury Regulations and other guidance issued by the IRS thereunder, to the extent applicable (clauses (A) and (B), together, the “409A Authorities”) and (ii) has been operated in compliance with the 409A Authorities since January 1, 2009, except, in either case, as would not reasonably be expected to have a Company Material Adverse Effect. Each Nonqualified Deferred Compensation Plan has been in documentary compliance with the 409A Authorities since January 1, 2009, except as would not reasonably be expected to have a Company Material Adverse Effect. The Company has no liability or obligation to provide any gross-up of the Tax imposed by Section 409A(a)(1)(B) of the Code.

(j) This Section 3.15 contains the sole and exclusive representations and warranties of the Company regarding Company Benefits Plans or ERISA matters, or liabilities or obligations, or compliance with Laws, relating thereto.

#### Section 3.16 Material Contracts.

(a) For purposes of this Agreement, a “Material Contract” shall mean any Contract to which the Company or any of its Subsidiaries is a party:

(i) that is a “material contract” (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC);

(ii) that contains (A) any covenant that limits, curtails or restricts (x) the ability of the Company or any of its Subsidiaries or any of their Affiliates to compete in any line of business, in any geographic location or

with any Person, (y) the Persons to whom the Company or any of its Subsidiaries may sell products or deliver services, or (z) the types of products or services that the Company or any of its Subsidiaries may sell or deliver or (B) any “non-solicitation”, “no hire” or similar provision which restricts the Company or any of its Subsidiaries from soliciting, hiring, engaging, retaining or employing such Person’s current or former employees in a manner or to an extent that would interfere in any material respect with the ordinary course operations of the business of the Company or its Subsidiaries, in each case other than any such Contracts (1) to purchase inventory and other products for immediate consumption to be used in the ordinary course of business (unless such Contract is material to the business or financial condition of the Company and its Subsidiaries, taken as a whole), (2) that may be cancelled without material liability to the Company or its Subsidiaries upon notice of thirty (30) days or less or (3) that are not material to the Company and its Subsidiaries, taken as a whole;

(iii) entered into after December 28, 2008 (A) relating to the disposition or acquisition (directly or indirectly) by the Company or any of its Subsidiaries of properties, assets or businesses (whether by merger, purchase or sale of stock or assets or otherwise) with a fair market value in excess of \$250,000, or (B) pursuant to which the Company or any of its Subsidiaries will acquire any material interest in any other Person or other business enterprise for an amount in excess, in the aggregate, of \$250,000, other than the Subsidiaries of the Company;

(iv) that relates to the formation, creation, operation, management or control of any legal partnership, strategic alliance or joint venture entity pursuant to which the Company has an obligation (contingent or otherwise) to make a material investment in or material extension of credit to any Person involving annual payments of at least \$250,000;

(v) that involves or relates to indebtedness (including any guarantee thereto) for borrowed money (whether incurred, assumed, guaranteed or secured by any asset) outside the ordinary course of business or in a principal amount in excess of \$250,000;

(vi) that is a mortgage, pledge, security agreement, deed of trust, capital lease or similar agreement (other than any lease of real property) that creates or grants a Lien on any material property or asset of the Company or any of its Subsidiaries, in each case involving annual payments of more than \$250,000;

(vii) that is a settlement, conciliation or similar agreement (x) with any Governmental Entity that imposes on the Company any material obligations after the date of this Agreement, or (y) which would require the Company or any of its Subsidiaries to pay consideration of more than \$250,000 after the date of this Agreement;

(viii) with any directors or executive officers of the Company (including employment agreements) or immediate family members;

(ix) with any labor union, including any Collective Bargaining Agreement;

(x) that contains (A) a standstill or similar agreement pursuant to which the Company or any of its Subsidiaries has agreed not to acquire assets or securities of a Person or (B) grants to any Person any right of first offer or right of first refusal to purchase, lease, sublease, use, possess or occupy all or a substantial part of the material assets of the Company or any of its Subsidiaries, taken as a whole;

(xi) that is a voting or registration rights agreement;

(xii) that is a financial derivatives master agreement or confirmation, or futures account opening agreement and/or brokerage statement, evidencing financial hedging or similar trading activities;

(xiii) that is a Contract that restricts or otherwise limits the payment of dividends or other distributions on equity securities;

(xiv) to the extent material to the business or financial condition of the Company and its Subsidiaries, taken as a whole, that is a Contract that (w) contains an exclusivity provision restricting the Company, (x) contains requirements of minimum purchases by the Company, (y) provides for the indemnification by

the Company of any indemnitee not in the ordinary course of business or (z) grants a right of first refusal or first negotiation to any third party;

(xv) that by its terms calls for aggregate payments by or to the Company or any of its Subsidiaries, of more than \$250,000 in any year, except for any such Contract (x) that is a lease of real property or (y) to purchase inventory and other products for immediate consumption to be used in the ordinary course of business;

(xvi) that contains a license granted to the Company or any of its Subsidiaries for any material Intellectual Property (other than in-licenses of commercially available, off-the-shelf or "click-wrap" Software that by its terms calls for aggregate payments by the Company or any of its Subsidiaries of more than \$250,000 in any year);

(xvii) that contains a License granted by the Company or any of its Subsidiaries to a third person, not in the ordinary course of business, pursuant to which such third person is authorized to use any Company owned, proprietary, Intellectual Property;

(xviii) any Contract, or group of Contracts with a Person (or group of Affiliated Persons), the termination or breach of which would have a Company Material Adverse Effect and is not disclosed pursuant to clauses (i) through (xvi) above; or

(xix) that contains a commitment or agreement to enter into any of the foregoing.

(b) Section 3.16 of the Company Disclosure Schedule contains a complete and accurate list of all Material Contracts to or by which the Company or any of its Subsidiaries is a party as of the date of this Agreement. As of the date hereof, true and complete copies of all Material Contracts have been (i) publicly filed with the SEC or (ii) made available to Parent, together with any and all amendments and supplements thereto and material "side letters" and similar documentation relating thereto.

(c) Each Material Contract listed on Section 3.16 of the Company Disclosure Schedule is (i) a valid and binding obligation of the Company or its Subsidiary party thereto and enforceable against the Company or its Subsidiary party thereto in accordance with its terms (except that (x) such enforcement may be subject to a Bankruptcy and Equity Exception and (y) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought) and, to the Company's Knowledge, except as set forth above or on Section 3.16(c) of the Company Disclosure Schedule, each other party thereto and (ii) in full force and effect, except in the case of clauses (i) and (ii) above, as do not and would not reasonably be expected to have a Company Material Adverse Effect. The Company and each of its Subsidiaries has performed its obligations required to be performed by it prior to the date of this Agreement under each Material Contract to which it is a party and no condition exists that, with notice or lapse of time or both, would constitute a default thereunder by the Company and its Subsidiaries party thereto, except in each case as do not and would not reasonably be expected to have a Company Material Adverse Effect. To the Company's Knowledge, (i) each other party to each Material Contract has performed its obligations required to be performed by it under such Material Contract, and (ii) no condition exists that, with notice or lapse of time or both, would constitute a default thereunder by any such other party thereto except in each case as do not and would not reasonably be expected to have a Company Material Adverse Effect. Since January 1, 2011 none of the Company or any of its Subsidiaries has received written notice of, any violation of or default under (or any condition which with the passage of time or the giving of notice would cause such a violation of or default under) any Material Contract to which it is a party or by which it or any of its properties or assets is bound, except for violations or defaults that do not and would not reasonably be expected to have a Company Material Adverse Effect. None of the Company or any of its Subsidiaries has received any written notice of termination or cancellation under any Material Contract.

Section 3.17 Intellectual Property; Software.

(a) Except as do not and would not reasonably be expected to have a Company Material Adverse Effect, (i) Section 3.17(a) of the Company Disclosure Schedule sets forth an accurate and complete list of all (A) patents

and patent applications, (B) trademark or service mark applications and registrations, and (C) copyright registrations and applications, in each case, owned or filed by the Company or any of its Subsidiaries, and (ii) either the Company or a Subsidiary of the Company owns, free and clear of all Liens (other than Permitted Liens), or has a license to use, all Intellectual Property, including Software, used in connection with the business of the Company and its Subsidiaries as currently conducted.

(b) Except as do not and would not reasonably be expected to have a Company Material Adverse Effect, (i) to the Knowledge of the Company as of the date of this Agreement, the conduct of the business as currently conducted by the Company and its Subsidiaries does not infringe, misappropriate or otherwise violate any Person's Intellectual Property, (ii) as of the date of this Agreement, there is no such claim pending or, to the Knowledge of the Company, threatened against the Company or its Subsidiaries, (iii) to the Knowledge of the Company as of the date of this Agreement, except as set forth on Section 3.17 of the Company Disclosure Schedule, no Person is infringing, misappropriating or otherwise violating any Intellectual Property owned by the Company, and (iv) no such claims are pending or threatened in writing against any Person by the Company or its Subsidiaries.

(c) The Company and its Subsidiaries have taken commercially reasonable steps to protect and preserve the confidentiality of all material trade secrets and other material confidential information owned by the Company and/or its Subsidiaries.

(d) The Company maintains control of copies of the Software included in the Intellectual Property which the Company or its Subsidiaries license from third Persons or otherwise use and documentation (including user guides) reasonably necessary to use such Software. The Company maintains the source code for all material proprietary Software developed or created by the Company and owned by the Company or any of its Subsidiaries ("Company Proprietary Software"). The Company Proprietary Software, and, to the Knowledge of the Company, the material Software included in the Intellectual Property which the Company or its Subsidiaries license from third Persons or otherwise use functions substantially in compliance with applicable written, published documentation and specifications, except as do not and would not reasonably be expected to have a Company Material Adverse Effect. As used in this Agreement, "Software" means all computer programs, including any and all software implementations of algorithms, models and methodologies whether in source code, object code or other form, software databases and compilations. Except as do not and would not reasonably be expected to have a Company Material Adverse Effect, the Company and its Subsidiaries own, lease or license all Software, hardware, databases, computer equipment and other information technology necessary for the operations of the Company's and its Subsidiaries' businesses as currently conducted.

Section 3.18 Real Properties; Personal Properties.

(a) Section 3.18(a) of the Company Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, of all real property owned by Company or its Subsidiaries that is primarily used or held for use in the operation of Company's business as currently conducted as of the date hereof.

(b) Section 3.18(b) of the Company Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, of all leases of real property under which Company or its Subsidiaries is a tenant or a subtenant and that is primarily used or held for use in the operation of Company's business as currently conducted as of the date hereof.

(c) As of the date of this Agreement, except as set forth on Section 3.18(c) of the Company Disclosure Schedule and except for those matters that do not and would not reasonably be expected to have a Company Material Adverse Effect: (i) the Company and each of its Subsidiaries has good, marketable and valid title to, or good and valid leasehold or sublease interests or other comparable contract rights in or relating to all real property of the Company and its Subsidiaries free and clear of all Liens, except for Permitted Liens and minor defects in title, recorded easements, restrictive covenants and similar encumbrances of record that, individually

and in the aggregate, do not and would not reasonably be expected to materially detract from the value of such property, (ii) the Company and each of its Subsidiaries has complied with the terms of all leases of real property of the Company and its Subsidiaries and all such leases are in full force and effect, enforceable in accordance with their terms against the Company or any Subsidiary party thereto and, to the Knowledge of the Company, the counterparties thereto, and (iii) neither the Company nor any of its Subsidiaries has received or provided any written notice of any event or occurrence that has resulted or would reasonably be expected to result (with or without the giving of notice, the lapse of time or both) in a default with respect to any such lease.

(d) The machinery, equipment, furniture, fixtures and other tangible personal property and assets owned, leased or used by the Company or any of its Subsidiaries (the “Assets”) are, in the aggregate, sufficient and adequate to carry on their respective businesses in all material respects as presently conducted, and, except as set forth on Section 3.18(d) of the Company Disclosure Schedule, the Company and its Subsidiaries are in possession of and have good title to, or valid leasehold interests in or valid rights under contract to use, such Assets that are material to the Company and its Subsidiaries, taken as a whole, free and clear of all Liens other than Permitted Liens.

(e) Except as set forth above or in Section 3.18(e) of the Company Disclosure Schedule, the Company and its Subsidiaries have good and valid title to all of the items of tangible personal property owned by the Company and its Subsidiaries (except as sold or disposed of subsequent to the date hereof in the ordinary course of business and not in violation of this Agreement), free and clear of any and all Liens, other than Permitted Liens.

(f) Section 3.18(f) of the Company Disclosure Schedule sets forth all leases of personal property (“Personal Property Leases”) involving annual payments in excess of \$250,000 relating to personal property used in the business of the Company or any of its Subsidiaries as currently conducted as of the date hereof, or to which the Company or any of its Subsidiaries is a party or by which the properties or assets of the Company or any of its Subsidiaries is bound.

(g) Each of the Personal Property Leases is in full force and effect and neither the Company nor any Subsidiary has received or given any written notice of any default or event that with notice or lapse of time, or both, would constitute a default by the Company or any Subsidiary under any of the Personal Property Leases and, to the Knowledge of the Company, no other party is in default thereof.

Section 3.19 Environmental Matters. Except as do not and would not reasonably be expected to have a Company Material Adverse Effect, and as set forth in Section 3.19 of the Company Disclosure Schedule:

(a) Since December 31, 2004, the Company and its Subsidiaries have been and are in compliance with all applicable Environmental Laws, including, but not limited to, obtaining, possessing and complying with all permits and other governmental authorizations required for their operations under applicable Environmental Laws;

(b) There is no pending or, to the Knowledge of the Company, threatened claim, lawsuit, or administrative proceeding against the Company or any of its Subsidiaries under or pursuant to any Environmental Law. Neither the Company nor any of its Subsidiaries has received written notice from any person, including but not limited to any Governmental Entity, alleging any current or past violation of any applicable Environmental Law or otherwise may be liable under any applicable Environmental Law, which violation or liability is unresolved. Neither the Company nor any Subsidiary is a party or subject to any administrative or judicial order or decree pursuant to any Environmental Law;

(c) Neither the Company nor any of its Subsidiaries has caused the release, spill or discharge of any Hazardous Substances, and with respect to real property that is currently, or, to the Knowledge of the Company, formerly, owned, leased or operated by the Company or any of its Subsidiaries, there have been no releases, spills or discharges of Hazardous Substances on or underneath any of such real property that would be reasonably likely to result in a liability or obligation on the part of the Company or any of its Subsidiaries; and

(d) The Company and each of its Subsidiaries have provided Parent with access to all material environmental assessments, audits, reports and similar material documentation related to environmental matters, including any related correspondence with Governmental Entities, that are in the possession or reasonable control of the Company or any of its Subsidiaries.

Section 3.20 Takeover Statutes.

(a) No “business combination,” “fair price,” “moratorium,” “control share acquisition,” “interested shareholder” or other similar state or federal anti-takeover statute or regulation (including the TBCA) (each a “Takeover Statute”) is applicable to the Company, the shares of Company Common Stock, the Merger, the Top-Up Option, the other Transactions or the transactions contemplated by the Support Agreement.

(b) Assuming that Parent conducts the Offer in accordance with the terms set forth in Section 1.1 and the Offer otherwise meets the requirements of Section 48-103-102(10)(B)(v) of the Tennessee Investor Protection Act, the Company’s Board of Directors has taken or will take (prior to the commencement of the Offer) such action as is necessary (including recommending acceptance of the Offer to the holders of the Company Common Stock) to assure that none of the Offer, the Merger, the Top-Up Option or the other Transactions will be a “takeover offer” under the Tennessee Investor Protection Act.

Section 3.21 Brokers and Finders’ Fees. Except for Evercore Group L.L.C. (“Evercore”), there is no investment banker, financial advisor, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries who is entitled to any fee, commission or reimbursement of expenses from the Company or any of its Subsidiaries in connection with the Transactions. The Company has made available to Parent a true, complete and correct copy of the Company’s engagement letter with Evercore (and any amendments, modifications or supplements thereto), which letter describes all fees payable to Evercore. In connection with the Transactions, all agreements under which any such fees or any expenses are payable and all indemnification or other agreements related to the engagement of Evercore.

Section 3.22 Opinion of Financial Advisor. The Board of Directors of the Company has received an opinion from Evercore Group L.L.C. to the effect that, as of the date of this Agreement and based upon and subject to the limitations, qualifications and assumptions set forth therein, the Offer Price or the Merger Consideration, as applicable, is fair, from a financial point of view, to the Company Shareholders (other than Parent, Merger Sub and any of their respective Affiliates) entitled to receive such consideration. The Company has made available a substantially complete draft copy of such opinion to Parent solely for informational purposes.

Section 3.23 Suppliers. Section 3.23 of the Company Disclosure Schedule sets forth the ten (10) largest suppliers of the Company for the twelve (12) month period ending on January 22, 2012 (“Material Suppliers”). To the Knowledge of the Company, since October 2, 2011 and as of the date hereof, there has not been any material adverse change in the business relationship of the Company or any of its Subsidiaries with any Material Supplier, and neither the Company nor any of its Subsidiaries has received any written communication or notice from any such Material Supplier to the effect that any such Material Supplier (a) has materially changed, modified, amended or reduced, or intends to materially change, modify, amend or reduce, its business relationship with the Company or any of its Subsidiaries in a manner inconsistent with the ordinary course of business, or (b) will fail to perform in any material respect, or intends to fail to perform in any material respect, its obligations under any of its Contracts with the Company or any of its Subsidiaries.

Section 3.24 Insurance. Section 3.24 of the Company Disclosure Schedule sets forth a true, complete and correct list of all insurance policies (including information on the premiums payable in connection therewith and the scope and amount of the coverage provided thereunder) maintained by the Company or any of its Subsidiaries (the “Policies”). Taken as a whole and in all material respects, the Policies (a) provide coverage for the operations conducted by the Company and its Subsidiaries as of the date hereof and (b) are in full force and effect. Neither the Company nor any of its Subsidiaries is in material breach or default, and neither the Company

nor any of its Subsidiaries has taken any action or failed to take any action which, with notice or the lapse of time, would constitute such a material breach or default, or permit termination or modification, of any of the Policies. No written notice of cancellation or termination has been received by the Company with respect to any of the Policies.

Section 3.25 Franchise Matters.

(a) Section 3.25 of the Company Disclosure Schedule sets forth a true and complete list of all Contracts to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or its or their properties is bound (other than any such agreements between a Person and its Subsidiaries or among its Subsidiaries) that grant or purport to grant to any Person the right to develop or operate a business under any of the Company's brands within one or more countries, states or other geographic areas, or at any specific location (each such rights, a "Franchise") (each such restaurant, a "Franchised Restaurant"), together with all material amendments thereto (collectively, all such Contracts and related documents are referred to herein as "Specified Agreements"). Except as, individually and in the aggregate, would not reasonably be expected to have a Company Material Adverse Effect, no party to a Specified Agreement has notified the Company or any of its Subsidiaries in writing that it plans to close and not reopen its Franchised Restaurant, terminate its Specified Agreement, sell its Franchised Restaurant, not renew its Specified Agreement (when due or otherwise), cease to meet the obligations under its Specified Agreement or cease to operate, leave or abandon its Franchised Restaurant.

(b) Except as may be expressly granted in any Specified Agreements, neither the Company nor any of its Subsidiaries is a party to any agreement as of the date hereof that grants a protected territory, exclusive territory, right of first refusal, option area development right or other territorial arrangement ("Territorial Rights") which (i) restrict the Company or any of its Subsidiaries in its or their right to own, operate or license others to own or operate, any business or line of business or (ii) grant to any Person the right to acquire additional Franchises or to expand any existing Territorial Rights.

Section 3.26 Quality and Safety of Food and Beverage Products. Since December 28, 2008, to the Knowledge of the Company, (a) there have been no recalls of any food or beverage product of the Company or any of its Subsidiaries, whether ordered by a Governmental Authority or undertaken voluntarily by the Company or any of its Subsidiaries and (b) none of the food or beverage products of the Company or any of its Subsidiaries have been adulterated, misbranded, mispackaged, or mislabeled in violation of applicable Law, or pose an inappropriate threat to the health or safety of a consumer when consumed in the intended manner, except in each case of (a) and (b), as would not reasonably be expected to have a Company Material Adverse Effect.

Section 3.27 No Other Representations and Warranties; Disclaimers.

(a) Except for the representations and warranties made by the Company in this Article III, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company or any of its Subsidiaries or their respective businesses, operations, assets, liabilities, condition (financial or otherwise) or prospects, and the Company hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, except for the representations and warranties made by the Company in this Article III, neither the Company nor any other Person makes or has made any representation or warranty to Parent, Merger Sub or any of their Affiliates or Representatives with respect to (i) any financial projection, forecast, estimate, budget or prospect information relating to the Company, any of its Subsidiaries or their respective businesses or operations or (ii) any oral or written information furnished or made available to Parent, Merger Sub or any of their Affiliates or Representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or the consummation of the Merger and the other Transactions.

(b) Notwithstanding anything contained in this Agreement to the contrary, the Company acknowledges and agrees that neither Parent, Merger Sub nor any other Person has made or is making any representations or



warranties whatsoever, express or implied, beyond those expressly made by Parent and Merger Sub in Section 1.3(a) and Article IV hereof, including any implied representation or warranty as to the accuracy or completeness of any information regarding Parent furnished or made available to the Company, or any of its Affiliates or Representatives. Without limiting the generality of the foregoing, the Company acknowledges and agrees that no representations or warranties are made with respect to any projections, forecasts, estimates, budgets or prospect information that may have been made available to the Company or any of its Affiliates or Representatives.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as set forth in the disclosure letter delivered by Parent to the Company immediately prior to the execution and delivery of this Agreement (the "Parent Disclosure Schedule") (it being agreed that disclosure of any item in any section or subsection of the Parent Disclosure Schedule shall be deemed disclosure with respect to any section of this Agreement or any other section or subsection of the Parent Disclosure Schedule to which the relevance of such disclosure is reasonably apparent on its face and that the mere inclusion of an item in such Parent Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had, would have or would reasonably be expected to have a Parent Material Adverse Effect), Parent and Merger Sub represent and warrant to the Company as follows:

Section 4.1 Corporate Organization. Each of Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization and has the requisite corporate power and authority to own, lease and operate all of its properties and assets and to carry on its business as it is now being conducted and as currently proposed by management to be conducted. Each of Parent and Merger Sub is duly licensed or qualified to do business, and is in good standing, in each jurisdiction where the nature of the business conducted by it or the character or location of the properties and assets owned or leased by it makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing do not and would not reasonably be expected to have a Parent Material Adverse Effect. Parent has delivered or made available to the Company true, complete and correct copies of the certificate of incorporation (the "Parent Charter") and bylaws (the "Parent Bylaws") of Parent and the charter and bylaws of Merger Sub, in each case as amended as of the date of this Agreement.

##### Section 4.2 Corporate Power and Authorization.

(a) Each of Parent and Merger Sub has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the Merger and the other Transactions. The execution, delivery and performance by Parent and Merger Sub of this Agreement and the consummation by Merger Sub of the Merger and the other Transactions have been duly and validly authorized by the Board of Directors of Parent and Board of Directors of Merger Sub, and no other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize this Agreement or to consummate the Merger or the other Transactions, subject, in the case of the Merger, to the filing of the Articles of Merger with the Secretary of State of the State of Tennessee in accordance with the TBCA. This Agreement has been duly executed and delivered by Parent and Merger Sub and, assuming due power and authority of, and due execution and delivery by, the Company, constitutes a valid and binding obligation of Parent and Merger Sub, enforceable against Parent and Merger Sub in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(b) The Board of Directors of Parent and the Board of Directors of Merger Sub, at a meeting duly called and held, have adopted resolutions declaring it advisable for Parent to enter into this Agreement, adopting this Agreement and approving the execution, delivery and performance of this Agreement by Parent and the

consummation by Parent of the Merger and the other Transactions. Parent (or its relevant Subsidiary), in its capacity as the sole shareholder of Merger Sub, has adopted resolutions approving the execution, delivery and performance of this Agreement by Merger Sub and the consummation by Merger Sub of the Merger and the other Transactions. Subject to changes made in connection with Parent's and Merger Sub's exercise of their rights to terminate this Agreement in accordance with its terms, such resolutions have not been subsequently rescinded, modified or withdrawn.

Section 4.3 No Conflicts. The execution and delivery of this Agreement by Parent and Merger Sub do not and the consummation by Parent and Merger Sub of the Merger and the other Transactions and the compliance by Parent and Merger Sub with any of the terms or provisions hereof will not (i) conflict with or violate any provision of the Parent Charter or Parent Bylaws or the charter or bylaws of Merger Sub or (ii) assuming that the authorizations, consents and approvals referred to in Section 4.4 are duly obtained, (x) violate, conflict with, result in the loss of any material benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, give rise to the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien, other than any Permitted Liens, upon any of the respective properties or assets of Parent or Merger Sub under, any Contract to which Parent, Merger Sub or any of their respective Subsidiaries, is a party, or by which they or any of their respective properties or assets is bound or affected or (y) conflict with or violate any Laws applicable to Parent or Merger Sub or any of their respective properties or assets, other than, in the case of clause (ii), any such violation, conflict, loss, default, right or Lien that does not and would not reasonably be expected to have a Parent Material Adverse Effect.

Section 4.4 Governmental Approvals. Other than in connection with or in compliance with (i) the TBCA, (ii) the Exchange Act, (iii) the Securities Act, (iv) the HSR Act, (v) the rules and regulations of the New York Stock Exchange, or (vi) such other Consents of, or Filings with, any Governmental Entity, the failure of which to obtain or make has not had and would not reasonably be expected to have a Parent Material Adverse Effect, no Consents of, or Filings with, any Governmental Entity are necessary in connection with the execution and delivery of this Agreement by Parent and Merger Sub and the consummation of the Merger and the other Transactions.

#### Section 4.5 Information Supplied.

(a) The information supplied in writing by Parent or Merger Sub for inclusion or incorporation by reference in the Schedule 14D-9 will, at the respective times the Schedule 14D-9, the Offer Documents and/or any amendments or supplements thereto are filed with the SEC or at the time they are first published, sent or given to the Company Shareholders, or on the Expiration Date, not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(b) Subject to the accuracy of the representations and warranties of the Company set forth in Section 3.8, the Offer Documents and any amendments or supplements thereto that will be provided to the Company Shareholders in connection with the Offer will, when filed with the SEC, comply as to form in all material respects with the applicable requirements of the Exchange Act and all other applicable Laws. The Offer Documents will, at the time the Offer Documents are filed with the SEC or at the time the Offer Documents are first sent to the Company Shareholders not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading; provided, however, that no representation or warranty is made by Parent or Merger Sub with respect to information supplied in writing by the Company or any of their directors, officers, employees, Affiliates, agents or other representatives for inclusion or incorporation by reference in the Offer Documents.

Section 4.6 Litigation. As of the date of this Agreement, there are no Proceedings pending, or, to the Knowledge of Parent, threatened in writing, against Parent or any of its Subsidiaries before any Governmental

Entity (other than insurance claims litigation or arbitration arising in the ordinary course of business), which, if determined or resolved adversely in accordance with the plaintiff's or claimant's demands, would reasonably be expected to have a Parent Material Adverse Effect. As of the date of this Agreement, there is no Order outstanding against Parent or any of its Subsidiaries which would reasonably be expected to have a Parent Material Adverse Effect.

Section 4.7 No Parent Vote Required. No vote or other action of the shareholders of Parent is required by Law, the Parent Charter or the Parent Bylaws or otherwise in order for Parent and Merger Sub to consummate the Merger and the other Transactions.

Section 4.8 Available Funds. Parent and Merger Sub's obligations hereunder are not subject to any conditions regarding Parent's, Merger Sub's or any other Person's ability to obtain financing for the Transactions. Parent and Merger Sub have as of the date hereof and will have as of the Acceptance Time and the Effective Time, sufficient cash (or the ability to draw funds down under its then-existing credit facilities) to pay all amounts to be paid by Parent and Merger Sub in connection with this Agreement and the Transactions, including Parent and Merger Sub's costs and expenses and the aggregate Merger Consideration on the terms and conditions contained in this Agreement, and there is no restriction on the use of such cash for such purpose.

Section 4.9 No Ownership of Company Common Stock. Except as disclosed in the Schedule 13D/A filed by Parent with the SEC on September 22, 2011, neither Parent nor any of its Subsidiaries beneficially owns, directly or indirectly, any shares of Company Common Stock or other securities convertible into, exchangeable for or exercisable for shares of Company Common Stock or any securities of any Subsidiary of the Company and neither Parent nor any of its Subsidiaries has any rights to acquire any shares of Company Common Stock except pursuant to this Agreement. There are no voting trusts or other agreements or understandings to which Parent or any of its Subsidiaries is a party with respect to the voting of the capital stock or other equity interest of the Company or any of its Subsidiaries.

Section 4.10 No Other Representations and Warranties; Disclaimers.

(a) Except for the representations and warranties made by Parent and Merger Sub in Section 1.3(a) and this Article IV, neither Parent, Merger Sub nor any other Person makes any express or implied representation or warranty with respect to Parent or any of its Subsidiaries or their respective businesses, operations, assets, liabilities, condition (financial or otherwise) or prospects, and each of Parent and Merger Sub hereby disclaim any such other representations or warranties. In particular, without limiting the foregoing disclaimer, except for the representations and warranties made by Parent and Merger Sub in Section 1.3(a) and this Article IV, neither Parent, Merger Sub nor any other Person makes or has made any representation or warranty to the Company or any of their Affiliates or Representatives with respect to (i) any financial projection, forecast, estimate, budget or prospect information relating to Parent, any of its Subsidiaries or their respective businesses or operations or (ii) any oral or written information furnished or made available to the Company or any of their Affiliates or Representatives in the course of their due diligence investigation of Parent, the negotiation of this Agreement or in the course of the consummation of the Merger and the other Transactions.

(b) Each of Parent and Merger Sub acknowledges and agrees that it (i) has had the opportunity to meet with the management of the Company and to discuss the business, assets and liabilities of the Company and its Subsidiaries, (ii) has had access to such books and records, facilities, equipment, contracts and other assets of the Company and its Subsidiaries which it and its Affiliates and Representatives have desired or requested to review, (iii) has had access to the data room maintained by the Company for purposes of the Transactions, (iv) has been afforded the opportunity to ask questions of and receive answers from officers of the Company, and (v) has conducted to its satisfaction its own independent investigation of the Company and its Subsidiaries, their respective businesses, assets, liabilities and the Transactions.

(c) Notwithstanding anything contained in this Agreement to the contrary, each of Parent and Merger Sub acknowledges and agrees that neither the Company nor any other Person has made or is making any

representations or warranties whatsoever, express or implied, beyond those expressly made by the Company in Article III hereof, including any implied representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to Parent, Merger Sub or any of their respective Affiliates or Representatives. Without limiting the generality of the foregoing, each of Parent and Merger Sub acknowledges and agrees that no representations or warranties are made with respect to any projections, forecasts, estimates, budgets or prospect information that may have been made available to Parent, Merger Sub or any of its Affiliates or Representatives.

## ARTICLE V

### CONDUCT OF BUSINESS

#### Section 5.1 Conduct of Business by the Company.

(a) From the date of this Agreement until the earlier of the Effective Time or the date, if any, on which this Agreement is validly terminated in accordance with Section 8.1, except (x) as prohibited or required by applicable Law or by any Governmental Entity, (y) as set forth in Section 5.1 of the Company Disclosure Schedule or (z) as otherwise contemplated, required or permitted by this Agreement, unless Parent shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed), the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course in all material respects and, to the extent consistent therewith, use its commercially reasonable efforts to (i) preserve intact in all material respects its business organization, (ii) preserve its assets, rights and properties in good repair and condition, (iii) retain the services of its current officers, employees and consultants and (iv) preserve the goodwill and relationship of the Company and each of its Subsidiaries with Franchisees, customers, suppliers, licensors, licensees, lessors and other Persons with which it has material business dealings; provided, however, that no action or failure to take action by the Company or any of its Subsidiaries with respect to any matter specifically requiring Parent's consent under any provision of Section 5.1(b) shall constitute a breach under this Section 5.1(a), unless such action or failure to take action would constitute a breach of such provision of Section 5.1(b).

(b) Without limiting the generality of the foregoing (except as provided therein), from the date of this Agreement until the earlier of the Effective Time or the date, if any, on which this Agreement is terminated pursuant to Section 8.1, except (x) as prohibited or required by applicable Law or by any Governmental Entity, (y) as set forth in Section 5.1 of the Company Disclosure Schedule or (z) as otherwise contemplated, required or permitted by this Agreement, unless Parent shall otherwise consent (which consent shall not be unreasonably withheld, conditioned or delayed as to matters reflected in clauses (x), (xv), (xvii), (xix) and (xxvi) of this Section 5.1(b)) in writing, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) amend or propose or agree to amend, in any material respect, the Company Charter or Company Bylaws;

(ii) (A) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock and/or property) in respect of any of its capital stock or set any record date therefor, except for dividends or distributions by any wholly-owned Subsidiary of the Company to the Company or to any other wholly-owned Subsidiary of the Company, (B) adjust, split, combine, subdivide or reclassify any of its capital stock or issue or propose or authorize the issuance of any other securities (including options, warrants or any similar security exercisable for, or convertible into, such other security) in respect of, in lieu of, or in substitution for, shares of its capital stock, except with respect to the capital stock or securities of any Subsidiary, in connection with transactions among the Company and its wholly-owned Subsidiaries or among the Company's wholly-owned Subsidiaries, (C) repurchase, redeem or otherwise acquire any shares of the capital stock of the Company or any of its Subsidiaries, or any other equity interests or any rights,

warrants or options to acquire any such shares or interests, except (1) for repurchases of shares of Company Common Stock in connection with the exercise of Company Options or in connection with the vesting or settlement of shares of Company Restricted Shares or other equity and equity-linked awards (including in satisfaction of any amounts required to be deducted or withheld under applicable Law), in each case outstanding as of the date of this Agreement or (2) with respect to the capital stock or securities of any Subsidiary, in connection with transactions among the Company and one or more of its wholly-owned Subsidiaries or among the Company's wholly-owned Subsidiaries;

(iii) issue, sell, grant, dispose of, pledge or otherwise encumber, or authorize or propose the issuance, sale, grant, disposition or pledge or other encumbrance of, any shares of its capital stock or other securities (including any options, warrants or any similar security exercisable for, or convertible into, such capital stock or similar security) or make any changes (by combination, merger, consolidation, reorganization, liquidation or otherwise) in the capital structure of the Company or any of its Subsidiaries, except for (A) the issuance of shares of Company Common Stock pursuant to Contracts in effect prior to the execution and delivery of this Agreement (true and complete copies of which have been provided to Parent prior to the date hereof), (B) issuance of shares of Company Common Stock in connection with the exercise of Company Options or the vesting or settlement of other equity or equity-linked awards, in each case outstanding as of the date of this Agreement, or (C) issuances by a wholly-owned Subsidiary of the Company of capital stock to such Subsidiary's parent, the Company or another wholly-owned Subsidiary of the Company;

(iv) enter into any agreement with respect to the voting of its capital stock;

(v) merge or consolidate with any other Person or acquire any equity interests in or material assets of any Person, business or division thereof, or make any investment in excess of \$500,000 in, any other Person, business or any division thereof (whether through the acquisition of stock, assets or otherwise);

(vi) sell, transfer, assign, abandon, lease, sublease, license, guarantee, subject to a Lien, except for a Permitted Lien, or otherwise dispose of or encumber, or authorize the sale, transfer, assignment, abandonment, lease, sublease, license, guarantee, lien, or other disposition or encumbrance of any material properties, rights, assets, product lines or businesses of the Company or any of its Subsidiaries (including capital stock or other equity interests of any Subsidiary) except (A) pursuant to Contracts in effect prior to the execution and delivery of this Agreement (true and complete copies of which have been provided to Parent prior to the date hereof) and ordinary course renewals thereof, (B) any such transaction involving assets of the Company or any of its Subsidiaries not in excess of \$1,000,000 or (C) sales, leases or licenses of inventory, equipment and other assets in the ordinary course of business;

(vii) (A) make any loans, advances or capital contributions to any other Person; (B) create, incur, redeem, repurchase, defease, prepay, or otherwise acquire or modify the terms of, any indebtedness for borrowed money in excess of \$1,000,000 or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligation of any Person for borrowed money, except for, in the case of each of clause (A) and clause (B), (1) transactions among the Company and its wholly-owned Subsidiaries or among the Company's wholly-owned Subsidiaries, (2) any draw-down of funds under the Amended and Restated Credit Agreement in the ordinary course of business, (3) letters of credit issued under the Amended and Restated Credit Agreement in the ordinary course of business, (4) indebtedness for borrowed money incurred to replace, renew, extend, refinance or refund any existing indebtedness on less favorable terms, in the aggregate, than such existing indebtedness (provided no such indebtedness provides for a prepayment penalty) or (5) indebtedness for borrowed money incurred pursuant to agreements in effect prior to the execution and delivery of this Agreement; (C) make or commit to make any capital expenditure in excess of \$50,000 individually or \$250,000 in the aggregate during any twelve (12) month period, other than capital expenditures set forth in the Company's capital budget for fiscal 2012, a true and complete copy of which was previously made available to Parent; or (D) cancel any material debts of any Person to the Company or any Subsidiary of the Company or waive any claims or rights of material value;

(viii) except as required pursuant to any Company Benefit Plan as in effect on the date of this Agreement or as required by applicable Law, (A) increase the compensation or other benefits payable or

provided to the Company's directors or officers; (B) except in the ordinary course of business, materially increase the compensation or benefits payable or provided to the Company employees other than the Company's officers (the ordinary course including, for this purpose, the employee salary and bonus review process and related adjustments substantially as conducted each year and promotions); (C) enter into any employment, change of control, severance or retention agreement with any employee of the Company (except (1) for an agreement with a non-officer employee who has been hired to replace a similarly situated non-officer employee who was party to such an agreement, (2) for renewals or replacements of existing agreements with current non-officer employees upon expiration of the term of the applicable agreement on substantially the same terms as the previous agreement or (3) for severance agreements entered into with non-officer employees in the ordinary course of business in connection with terminations of employment); (D) establish, adopt, enter into or amend any collective bargaining agreement, Company Benefit Plan or any other plan, trust, fund, policy or arrangement for the benefit of any current or former directors, officers or employees or any of their dependents or beneficiaries, except as is required to comply with Section 409A of the Code or other applicable Law; provided, that the Company shall provide a copy of any such amendment to Parent at least five Business Days prior to adoption thereof for Parent to review and approve (such approval not to be unreasonably withheld or delayed); (E) hire or offer employment to any individual who would be an officer of the Company, or terminate the employment of any of the Company's officers; or (F) except in the ordinary course of business, hire or offer employment to any individual (other than any individual who would be an officer of the Company), or terminate the employment of any of the Company's employees (other than the Company's officers);

(ix) other than the settlement, release, waiver or compromise of any pending or threatened claims, liabilities or obligations in connection with any shareholder litigation against the Company and/or its officers, directors, employees and Representatives relating to this Agreement or the Transactions (which matters, for the avoidance of doubt, are addressed exclusively in Section 6.14), settle, release, waive or compromise pending or threatened claims in an aggregate amount in excess of \$500,000, provided that any claim or series of related claims in an individual amount less than \$25,000 shall not be subject to this clause (~~ix~~)(A) or be included in the calculation of such aggregate amount, or (B) that entails (x) the incurrence of any obligation (other than the payment of money) to be performed by the Company or its Subsidiaries following the Effective Time that is, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, or (y) obligations that would impose any material restrictions on the business or operations of the Company or any of its Subsidiaries except as required by any Contract in effect prior to the execution and delivery of this Agreement (a true and complete copy of which was provided to Parent prior to the date hereof) in the ordinary course of business and consistent with past practice.

(x) (i) enter into a Contract that involves payments to or from the Company or any of its Subsidiaries in excess of \$250,000, except for any such Contract to purchase inventory and other products for immediate consumption to be used in the ordinary course of business (unless such Contract is material to the business or financial condition of the Company and its Subsidiaries, taken as a whole), or that would otherwise constitute a Material Contract hereunder had it been effective as of the date of this Agreement, or (ii) modify, amend or terminate any such Contract or any Material Contract or real property lease, in each case in a manner that would be material and adverse to the Company and its Subsidiaries, taken as a whole, (iii) waive, delay the exercise of, release or assign any material rights or claims under any Material Contract or real property lease outside the ordinary course of business or (iv) enter into any Contract or real property lease which contains a change of control or similar provision that would require a payment to the other party or parties thereto in connection with the Offer, the Merger or the other Transactions;

(xi) enter into or amend in any material manner any Contract, agreement or commitment with any former or present director, officer or employee of the Company or any of its Subsidiaries or with any Affiliate or associate (as defined under the Exchange Act) of any of the foregoing Persons except to the extent permitted under paragraph (viii) above;

(xii) sell, assign, convey, abandon, encumber, transfer, license or otherwise dispose of, or otherwise extend, amend or modify, any rights to any Intellectual Property material or necessary to carry on the Company's and its Subsidiaries' business (other than licenses to the Company's Subsidiaries);

(xiii) alter or amend in any material respect any existing accounting methods, principles or practices, except as may be required by (or, in the reasonable good faith judgment of the Company, advisable under) GAAP or applicable Law;

(xiv) make any material income Tax election except in the ordinary course of business and consistent with past practice;

(xv) settle or compromise any material income Tax claim or assessment, except (A) in the ordinary course of business and consistent with past practice or (B) to the extent of reserves established on the consolidated balance sheet of the Company as reflected in the most recent Company SEC Financial Statement;

(xvi) propose, adopt or enter into a plan of complete or partial liquidation, dissolution, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its Subsidiaries;

(xvii) intentionally defer the payment of any accounts payable beyond the date such payable is due without penalty, except where any such amount payable is being disputed in good faith;

(xviii) (a) issue any coupons or complimentary rights for dining other than in the ordinary course of business or (b) sell any coupons or gift certificates at less than eighty five percent (85%) of fair value/other than at such amounts as are in the ordinary business consistent with past practice;

(xix) materially increase or decrease the average restaurant, corporate or warehouse facility inventory of the Company or any of its Subsidiaries other than in the ordinary course of business or otherwise due to seasonality;

(xx) adopt, propose, effect or implement any "shareholder rights plan," "poison pill" or similar arrangement;

(xxi) fail to maintain in full force and effect material insurance policies covering the Company and its Subsidiaries and their respective properties, assets and businesses in a form and amount consistent with past practice in all material respects;

(xxii) change its fiscal year;

(xxiii) enter into any new line of business outside of its existing business;

(xxiv) implement or announce any material reductions in labor force, mass lay-offs or plant closings, early retirement programs, or new severance programs or policies concerning employees of the Company or any of its Subsidiaries (excluding routine employee terminations or terminations as determined in the sole discretion of the Company);

(xxv) enter into any "non-compete" exclusivity, non-solicitation or similar agreement that would restrict the businesses or operations of the Company, the Surviving Corporation or any of their Subsidiaries following the Effective Time or that would in any way restrict the businesses or operations of Parent or its Affiliates;

(xxvi) enter into, renew or modify any indemnification agreement with any indemnified Person, except for any agreement to provide indemnification in connection with any Contract to purchase inventory and other products for immediate consumption to be used in the ordinary course of business (unless such Contract is material to the business or financial condition of the Company and its Subsidiaries, taken as a whole);

(xxvii) (A) amend or modify the letter of engagement of Evercore or (B) engage any other financial advisor; or

(xxviii) authorize or commit or agree to take any of the foregoing actions.

## ADDITIONAL AGREEMENTS

Section 6.1 Shareholders Meeting; Company Board Recommendation.

(a) If the approval of this Agreement by the Company's shareholders is required by applicable Law, the Company shall prepare and, as soon as practicable following the Acceptance Time (and in any event, within ten (10) Business Days thereof), file with the SEC the proxy statement that will be provided to the Company Shareholders in connection with the solicitation of proxies for use at the Company Shareholder Meeting, if any (collectively, as amended or supplemented from time to time, the "Proxy Statement"), for the solicitation of proxies from the Company Shareholders for use at the Company Shareholder Meeting. The Parent and Merger Sub, as the case may be, shall furnish all information concerning Parent and Merger Sub (and their respective Affiliates, if applicable) as the Company may reasonably request in connection with the preparation and filing with the SEC of the Proxy Statement. Subject to applicable Law, the Company shall cause the Proxy Statement to be filed in definitive form with the SEC and to be disseminated to the Company Shareholders, in each case, as promptly as practicable following the filing thereof with the SEC and confirmation from the SEC that it will not comment on, or that it has no additional comments on, the Proxy Statement (and, in any event, within five (5) Business Days of such confirmation from the SEC). Each of the Company, Parent and Merger Sub shall promptly correct any information provided by it or any of its respective directors, officers, employees, Affiliates, agents or other representatives for use in the Proxy Statement if and to the extent that such information contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company shall take all steps necessary to cause the Proxy Statement as so corrected to be filed with the SEC and disseminated to the Company Shareholders, in each case as and to the extent required by applicable Laws. The Company shall provide Parent, Merger Sub and their counsel a reasonable opportunity to review and comment on the Proxy Statement prior to the filing thereof with the SEC, and the Company shall give reasonable and good faith consideration to any comments made by Parent, Merger Sub and their counsel (it being understood that Parent, Merger Sub and their counsel shall provide any comments thereon as soon as reasonably practicable). The Company shall provide in writing to Parent, Merger Sub and their counsel any comments or other communications, whether written or oral, the Company or its counsel may receive from the SEC or its staff with respect to the Proxy Statement promptly after such receipt, and the Company shall provide Parent, Merger Sub and their counsel a reasonable opportunity to review and comment on any response to any such comments of the SEC or its staff, and the Company shall give reasonable and good faith consideration to any comments made by Parent, Merger Sub and their counsel, including to confirm that the parties are treating the SEC's or its staff's review and comments consistently (it being understood that Parent, Merger Sub and their counsel shall provide any comments thereon as soon as reasonably practicable).

(b) If required by applicable Law in order to consummate the Merger, the Company, acting through the Company's Board of Directors, shall, as soon as practicable following the Acceptance Time (and the expiration of any subsequent offering period), in accordance with applicable Law and the Company Charter and Company Bylaws: (a) duly call, give notice of, convene and hold a meeting of the shareholders of the Company for the purpose of obtaining the Company Shareholder Approval (the "Company Shareholders Meeting"), and (b) subject to the ability of the Company to make a Recommendation Withdrawal pursuant to and in accordance with Section 6.2(a), include in the Proxy Statement the Company Board Recommendation. Unless such Company Board Recommendation shall have been modified or withdrawn pursuant to and in accordance with Section 6.2, the Company shall take all action that is both reasonable and lawful to solicit from its shareholders proxies in favor of the proposal to adopt and approve this Agreement and the Merger and shall take all other reasonable actions necessary or advisable to secure the vote or consent of the shareholders of the Company that are required by the NASDAQ rules or the TBCA. Notwithstanding anything to the contrary contained in this Agreement, (A) the Company may adjourn or postpone the Company Shareholders Meeting with Parent's consent (which consent shall not be unreasonably withheld, conditioned or delayed), as necessary to ensure that any required



supplement or amendment to the Proxy Statement is provided to the Company's shareholders within a reasonable amount of time in advance of the Company Shareholders Meeting, and (B) the Company shall not be required to call, give notice of or convene the Company Shareholders Meeting or mail the Proxy Statement, in each case prior to the No-Shop Period Start Date.

#### Section 6.2 No Solicitation.

(a) The Go-Shop Period. Notwithstanding anything to the contrary contained in this Agreement, during the period beginning on the date of this Agreement and continuing until 11:59 p.m. (New York City time) on March 6, 2012 (the "Go-Shop Period"), the Company and its Subsidiaries and their respective directors, officers, employees, Affiliates, investment bankers, attorneys, accountants and other advisors or representatives (collectively, "Representatives") shall have the right to: (i) initiate, solicit, facilitate and encourage (publicly or otherwise) any inquiry or the making of any proposals or offers that could constitute Acquisition Proposals, including by way of providing access to non-public information or the business, properties, assets or personnel of the Company or any of its Subsidiaries to any Person and its Representatives, its Affiliates and its prospective equity and debt financing sources pursuant to (but only pursuant to) a confidentiality agreement that contains terms limiting the use and disclosure of non-public information and imposing standstill obligations that, in each case, are not less favorable in the aggregate to the Company than those contained in the Confidentiality Agreement and that complies with the last sentence of this clause (a) (it being understood that such confidentiality agreement need not prohibit the making or amendment of an Acquisition Proposal privately, and that the Company may waive any such term in any existing confidentiality agreements) (an "Acceptable Confidentiality Agreement"); provided that the Company shall promptly make available to Parent and Merger Sub (through an electronic data site or otherwise), prior to or concurrently with providing such information to any such Person(s), any non-public information concerning the Company or its Subsidiaries that the Company intends to provide to any Person given such access that was not previously made available to Parent or Merger Sub, and (ii) engage or enter into, continue or otherwise participate in any discussions or negotiations with any Persons or groups of Persons and their Representatives and their prospective equity and debt financing sources with respect to any Acquisition Proposals or otherwise cooperate with or assist or participate in, or facilitate any such inquiries, proposals, discussions or negotiations or any effort or attempt to make any Acquisition Proposals. The Company agrees that it and its Subsidiaries will not enter into any confidentiality agreement or other agreement with any Person subsequent to the date hereof which prohibits the Company from providing any information to Parent and Merger Sub in accordance with this Section 6.2.

(b) No Solicitation or Negotiation. Except as expressly permitted by this Section 6.2 and except as may relate to any Excluded Party as set forth in Section 6.2(c) only for so long as they are Excluded Parties, the Company and its Subsidiaries and their respective officers and directors shall, and the Company shall cause its and its Subsidiaries' other Representatives to, (i) at 12:00 a.m. (New York City time) on the 31st calendar day after the date of this Agreement (the "No-Shop Period Start Date") immediately cease and terminate any solicitation, encouragement (including by way of providing access to non-public information or the business, properties, assets or personnel of the Company or any of its Subsidiaries to any Person and its Representatives, its Affiliates and its prospective equity and debt financing sources), discussions or negotiations (or any other actions permitted by Section 6.2(a)) with any Persons that may be ongoing with respect to any inquiry, proposal or Acquisition Proposal, and as promptly as practicable thereafter deliver a written notice to each such Person to the effect that the Company is ending all discussions and negotiations with such Person with respect to any inquiry, proposal or Acquisition Proposal, effective immediately, which notice shall also request such Person to return or destroy promptly all confidential information concerning the Company and its Subsidiaries, and (ii) from the No-Shop Period Start Date until the earlier of the Effective Time or the termination of this Agreement in accordance with Article VIII, not directly or indirectly (A) initiate, solicit, knowingly facilitate or knowingly encourage (publicly or otherwise) (including by way of providing access to non-public information or the business, properties, assets or personnel of the Company or any of its Subsidiaries to any Person and its Representatives, its Affiliates and its prospective equity and debt financing sources) any inquiries regarding, or the making, submission or announcement of any proposal or offer that constitutes, or would reasonably be

expected to lead to, an Acquisition Proposal, (B) engage or enter into, continue or otherwise participate in any discussions or negotiations with respect to, or provide any non-public information or data concerning the Company or its Subsidiaries or the business, properties, assets or personnel of the Company or any of its Subsidiaries to any Person relating to, or that would reasonably be expected to lead to, any Acquisition Proposal or otherwise cooperate with or assist or participate in, or knowingly facilitate such inquiries, proposals, discussions or negotiations, (C) grant to any Person any waiver, amendment or release under any standstill or confidentiality agreement or any Takeover Statute, other than (if the Board determines that the failure to take such action would be inconsistent with the Company directors' fiduciary duties under Applicable Law) a limited waiver, amendment or release under any standstill agreement for the sole purpose of allowing any Person or group of Persons to make an Acquisition Proposal or an offer that would reasonably be expected to lead to an Acquisition Proposal or (D) otherwise knowingly facilitate any such inquiries, proposals, discussion or negotiations or any effort or attempt by any Person to make an Acquisition Proposal. Not later than twenty-four (24) hours after the expiration of the Go-Shop Period, the Company shall certify to Parent and Merger Sub the number and identity of any Excluded Parties and, subject to the ability of the Company to make a Recommendation Withdrawal pursuant to and in accordance with this Section 6.2, the Company's Board of Directors shall publicly expressly reaffirm the Company Board Recommendation.

(c) Conduct Following No-Shop Period Start Date. Notwithstanding anything in this Agreement to the contrary but subject to the last sentence of this Section 6.2(c), at any time following the No-Shop Period Start Date and prior to the Acceptance Time, if the Company receives an Acquisition Proposal from any Person or group of Persons that did not result from a material breach of this Section 6.2 (i) the Company and its Representatives may contact such Person or group of Persons solely to clarify the terms and conditions thereof, (ii) the Company and its Representatives may provide non-public information and data concerning the Company and the Company Subsidiaries to such Person or group of Persons and their Representatives and their prospective equity and debt financing sources if the Company first receives from such Person an executed Acceptable Confidentiality Agreement; provided that the Company shall promptly make available to Parent and Merger Sub (through an electronic data site or otherwise), prior to or concurrently with providing such information to any such Person(s), any non-public information concerning the Company or its Subsidiaries that the Company made available to any such Person or group of Persons and their Representatives and their prospective equity and debt financing sources if such information was not previously made available to Parent or Merger Sub, and (iii) the Company and its Representatives may engage or participate in any discussions or negotiations with such Person regarding such Acquisition Proposal, if prior to taking any action described in clauses (ii) or (iii) above, (x) such Person first executes an Acceptable Confidentiality Agreement with the Company and the Company Board of Directors determines in good faith (after consultation with its financial advisor and outside counsel) that (A) the failure to take such action would be inconsistent with the Company directors' fiduciary duties under Applicable Law and (B) such Acquisition Proposal either constitutes a Superior Proposal or would reasonably be expected to result in a Superior Proposal, (y) the Company provides prompt notice to Parent of each such determination by the Company's Board of Directors and of its intent to provide such information or engage in such negotiations or discussions and (z) such Acquisition Proposal did not result from a material breach of this Section 6.2. For the avoidance of doubt, notwithstanding the occurrence of the No-Shop Period Start Date, the Company may continue to engage in the activities described in Section 6.2(a) with respect to any Excluded Parties, including with respect to any amended proposal that is submitted by any Excluded Parties following the No-Shop Period Start Date, and the restrictions in Section 6.2(b) shall not apply with respect thereto; provided that the provisions of Section 6.2(e) and (g) shall apply. Following the No-Shop Period Start Date and until the Acceptance Time or, if earlier, the termination of this Agreement, the Company shall notify Parent promptly (and, in any event within twenty-four (24) hours) of (x) any request for information, discussions or negotiations relating to an Acquisition Proposal or (y) any Acquisition Proposal that is received by the Company, its Subsidiaries or any of their Representatives, and, if the Company or any of its Representatives is still in negotiations with respect thereto, (i) the identity of the Person or group of Persons making such request or Acquisition Proposal, (ii) a copy of any Acquisition Proposal made in writing provided to the Company or any of its Subsidiaries (including any financing commitments relating thereto, which shall include any fee letters (it being understood that any such fee letter may be redacted to omit the numerical amounts provided therein)) and (iii) a written summary of the

material terms of any such Acquisition Proposal not made in writing. From and after the No-Shop Period Start Date, the Company shall keep Parent and its Representatives reasonably informed of any material changes in the status or terms of any Acquisition Proposal (whether made before or after the No-Shop Period Start Date, and whether solicited in accordance with this [Section 6.2](#) or unsolicited) on a current basis (and, in any event within twenty-four (24) hours of any such material changes).

(d) Definitions. For purposes of this Agreement:

(i) “Acquisition Proposal” means any bona fide inquiry, proposal or offer from any Person or group of Persons other than Parent or one of its subsidiaries for, in one transaction or a series of related transactions, (A) a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving an acquisition of the Company, (B) the acquisition in any manner, directly or indirectly, of twenty percent (20%) or more of the equity securities (or securities convertible into twenty percent (20%) or more of the equity securities) or assets (including capital stock of any Subsidiaries of the Company) of the Company or any of its Subsidiaries representing twenty percent (20%) or more of the consolidated assets of the Company (based on the fair market value thereof, as determined in good faith by the Board of Directors) or of the consolidated revenues, net income or operating cash flow of the Company, (C) any tender offer or exchange offer that results in or, if consummated, would result in any Person or Group of Persons, directly or indirectly, beneficially owning twenty percent (20%) or more of the equity securities (or securities convertible into twenty percent (20%) or more of the equity securities) of the Company or (D) any combination of the foregoing, in the case of each of clauses (A) through (D), other than the Merger.

(ii) “Excluded Party” means any Person or group of Persons (including, with respect thereto, their Representatives, their Affiliates and their prospective equity and debt financing sources) from whom the Company or any of its Representatives has received during the Go-Shop Period a written Acquisition Proposal that the Board of Directors of the Company determines in its good faith judgment prior to the No-Shop Period Start Date, after consultation with the Company’s financial advisor and outside counsel, is bona fide and is, or would reasonably be expected to result in, a Superior Proposal; provided that any such Person or group of Persons shall cease to be an “Excluded Party” if such Person or group ceases to be engaged in active discussions concerning an acquisition of the Company.

(iii) “Superior Proposal” means a bona fide written Acquisition Proposal (with the percentages set forth in the definition of such term changed from 20% to 50%) that did not result from a breach of [Section 6.2](#) and that the Board of Directors of the Company has determined in its good faith judgment, after consultation with its financial advisor and outside counsel, is (i) reasonably likely to be, and reasonably capable of being, consummated in accordance with its terms, and (ii) if consummated, would be more favorable to the Company’s stockholders from a financial point of view than the Offer, the Merger and the other Transactions (including written and complete amendments to the terms and conditions of this Agreement proposed in response to such Acquisition Proposal or otherwise by Parent that, if accepted by the Company, would be binding upon Parent and Merger Sub), taking into account and without limitation, (a) all financial considerations, (b) the identity of the Person making such Acquisition Proposal, (c) the anticipated timing, conditions and prospects for completion of such Acquisition Proposal, (d) the other terms and conditions of such Acquisition Proposal and the implications thereof on the Company, including all relevant legal, regulatory and financial aspects of such Acquisition Proposal and the Person making the proposal, and (e) any other aspects of such Acquisition Proposal deemed relevant by the Board of Directors of the Company.

(e) No Change in Recommendation or Alternative Acquisition Agreement. Except as set forth in this [Section 6.2\(e\)](#), the Board of Directors of the Company shall not:

(i) (A) change, withhold, withdraw, qualify or modify (or resolve or publicly propose to change, withhold, withdraw, qualify or modify), in a manner adverse to Parent, the Company Board Recommendation, (B) fail to include the Company Board Recommendation in the Schedule 14D-9 or the

Proxy Statement, (C) adopt, approve, authorize, declare advisable or recommend to propose to adopt, approve, authorize or declare advisable (whether publicly or otherwise) any Acquisition Proposal or (D) take formal action, make any recommendation or public statement in connection with, or fail to recommend against, any Acquisition Proposal subject to Regulation 14D under the Exchange Act in any solicitation or recommendation statement made on Schedule 14D-9 relating thereto within ten (10) Business Days after the commencement of such Acquisition Proposal (any such action, a “Recommendation Withdrawal”); or

(ii) except if it concurrently terminates this Agreement pursuant to Section 8.1(d)(ii) and immediately prior to or concurrently with such termination pays to Parent or its designees in immediately available funds any fees required to be paid pursuant to Section 8.3, approve or recommend, or resolve or publicly propose to approve or recommend, or cause or permit the Company or any of its Subsidiaries to enter into, any letter of intent, memorandum of understanding, acquisition agreement, merger agreement or similar definitive agreement relating to any Acquisition Proposal (other than an Acceptable Confidentiality Agreement pursuant to Section 6.2(a), or Section 6.2(c)) (an “Alternative Acquisition Agreement”).

Notwithstanding anything to the contrary set forth in this Agreement, prior to the Acceptance Time, but not after, so long as none of the Company, its Subsidiaries or their Representatives have breached in any material respect this Section 6.2, the Board of Directors of the Company may, if the Board determines that the failure to take such action would be inconsistent with the Company directors’ fiduciary duties under Applicable Law: (x) effect a Recommendation Withdrawal in response to an Acquisition Proposal that the Board of Directors of the Company determines in good faith (after consultation with its financial advisor and outside counsel) is a Superior Proposal (including any Superior Proposal made by an Excluded Party) made after the date hereof (giving effect to all of the binding written adjustments, if any, offered to Parent pursuant to Section 6.2(g)), (y) subject to prior or concurrent payment of the Termination Fee, terminate this Agreement under Section 8.1(d)(ii) if the Board of Directors of the Company determines in good faith (after consultation with its financial advisor and outside counsel) that the Acquisition Proposal that is the subject of the Alternative Acquisition Agreement is a Superior Proposal or (z) effect a Recommendation Withdrawal in response to an Intervening Event. For purposes of this Agreement, “Intervening Event” means any event, fact, development or occurrence that affects the business, assets or operations of the Company that is unknown to, and is not reasonably foreseeable by, the Board of Directors of the Company as of the date of this Agreement, that becomes known to the Board of Directors of the Company after the date of this Agreement; provided, however, that in no event shall the receipt, existence or terms of an Acquisition Proposal or any matter relating thereto or consequence thereof constitute an Intervening Event.

(f) Certain Permitted Disclosure. Nothing contained in this Section 6.2 shall be deemed to prohibit the Company or the Board of Directors of the Company from (i) complying with its disclosure obligations under United States federal or state law with regard to an Acquisition Proposal, including taking and disclosing to its shareholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act (or any similar communication to shareholders) or (ii) making any “stop-look-and-listen” communication to the shareholders of the Company pursuant to Rule 14d-9(f) promulgated under the Exchange Act (or any similar communications to the shareholders of the Company); provided that (x) this Section 6.2(f) shall not permit the Board of Directors of the Company to make a Recommendation Withdrawal or take any other actions contemplated by this Section 6.2 except, in each case, to the extent permitted by, and subject to the terms and conditions of, Section 6.2, and (y) in any such disclosure or communication, the Company publicly states that there has been no change in the Company Board Recommendation.

(g) Notice. The Company shall not be entitled to effect a Recommendation Withdrawal with respect to a Superior Proposal or an Intervening Event or to terminate this Agreement under Section 8.1(d)(ii) unless (i) the Company has provided a written notice to Parent and Merger Sub at least three (3) Business Days in advance (the “Notice Period”), which notice in the case of (A) a Superior Proposal (a “Notice of Superior Proposal”) shall specify that the Company intends to take such action and include copies of all relevant documents relating to

such Superior Proposal (including copies of the then-current form of acquisition agreement, together with copies of any commitment letters or similar material documents with respect to any financing for such Superior Proposal), or if either the Superior Proposal or financing terms were not made in writing, a description of the material terms and conditions of the Superior Proposal or financing, as applicable, that is the basis of such action (including the identity of the Person making such proposal), or (B) an Intervening Event (a “Notice of Intervening Event”) shall describe in reasonable detail such Intervening Event; (ii) if requested by Parent and Merger Sub, the Company shall, and shall direct its financial advisor and outside counsel to, during the Notice Period, negotiate with Parent and Merger Sub and their Representatives in good faith to make amendments to the terms and conditions of this Agreement; (iii) following the end of the Notice Period, the Company Board of Directors shall have determined in good faith after consultation with its financial advisor and outside counsel, taking into account any written and complete amendments to the terms and conditions of this Agreement proposed by Parent and Merger Sub that, if accepted by the Company, would be binding upon Parent and Merger Sub in response to the Notice of Superior Proposal, the Notice of Intervening Event or otherwise, that (1) the Superior Proposal giving rise to the Notice of Superior Proposal continues to constitute a Superior Proposal or (2) such changes would not change the determination of the Company’s Board of Directors of the need for a Recommendation Withdrawal in response to such Intervening Event, as applicable. In the event of any material revisions to such Superior Proposal or material changes related to such Intervening Event, the Company shall be required to deliver a new written notice to Parent and Merger Sub and to comply with the requirements of this Section 6.2(g) with respect to such new written notice, except that the deadline for such new written notice shall be reduced to two (2) Business Days.

Section 6.3 Access to Information. Upon reasonable advance notice, the Company shall, and shall cause each of its Subsidiaries to, afford the Representatives of Parent reasonable access during normal business hours to its and its Subsidiaries’ properties, books, records, Contracts, legal counsel, financial advisors, accountants, consultants and personnel, and shall furnish, and shall cause to be furnished, as promptly as practicable to Parent, all other information concerning the Company and its Subsidiaries’ business, properties and personnel as Parent may reasonably request for purposes of diligence, integration planning and facilitating the transfer of the ownership of the Company; provided, however that (a) the Company may (after consulting outside legal counsel) reasonably restrict the foregoing access to the extent that any applicable Law, Governmental Entity or attorney-client privilege concerns requires it or its Subsidiaries to restrict access to any properties or information; (b) the Company may reasonably restrict the foregoing access to the extent required by Contracts to which the Company or its respective Subsidiaries is a party; and (c) the Company uses reasonable efforts to seek consent to provide such information and access or otherwise provides such information and access in redacted form. In conducting any inspection of any properties of the Company and its respective Subsidiaries, Parent and its Representatives shall not (i) interfere with the business conducted at such property or (ii) damage any property or any portion thereof. Prior to the Acceptance Time, Parent and its Representatives shall not have the right to conduct environmental testing or sampling at any of the facilities or properties of the Company or any of its Subsidiaries. All information obtained pursuant to this Section 6.3 shall continue to be governed by the Confidentiality Agreement which shall remain in full force and effect in accordance with its terms.

Section 6.4 Consents, Approvals and Filings.

(a) Upon the terms and subject to the conditions set forth in this Agreement, the parties shall, and shall cause their respective Subsidiaries to, use reasonable best efforts (i) to cause the conditions set forth in Annex B and Article VII to be satisfied as promptly as practicable, (ii) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements which may be imposed on such party or its Subsidiaries with respect to the Offer, the Merger and the other Transactions and, subject to the conditions set forth in Annex B and Article VII hereof, to consummate the Offer, the Merger and the other Transactions, as promptly as practicable, and (iii) to obtain as promptly as practicable any Consent of, or any exemption or waiver by, any Governmental Entity, including any Consents under Antitrust Laws, and any other third-party Consent which is required to be obtained by the parties or their respective Subsidiaries in connection with the Offer, the Merger and the other Transactions, and to comply with the terms and conditions of any such Consent. The parties

shall cooperate with the reasonable requests of each other in seeking to obtain as promptly as practicable any such Consent. Notwithstanding anything to the contrary herein, the Company shall not be required prior to the Effective Time to pay any consent or similar fee, "profit sharing" or other similar payment or other consideration (including increased rent or other similar payments or any amendments, supplements or other modifications to (or waivers of) the existing terms of any Contract), or the provision of additional security (including a guaranty) to obtain the Consent of any Person under any Contract.

(b) Neither the Company nor Parent shall, and each of them shall cause its Affiliates not to, after the date hereof directly or indirectly acquire, purchase, lease or license (or agree to acquire, purchase, lease or license), by merging with or into or consolidating with, or by purchasing a substantial portion of the assets of or equity in, or by any other manner, any business or any corporation, partnership, association or other business organization or division or part thereof, or any securities or collection of assets, if doing so would reasonably be expected to: (i) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any Consent, or approach of any Governmental Entity necessary to consummate the Offer, the Merger and the other Transactions or the expiration or termination of any applicable waiting period; (ii) materially increase the risk of any Governmental Entity entering an Order prohibiting the consummation of the Offer, the Merger and the other Transactions; (iii) materially increase the risk of not being able to remove any such Order on appeal or otherwise or (iv) prevent or materially impede or delay the consummation of the Offer, the Merger and the other Transactions.

(c) In furtherance of the foregoing, the parties shall as promptly as practicable following the date of this Agreement make all filings and notifications with all Governmental Entities that may be or may become reasonably necessary, proper or advisable under this Agreement and applicable Law to consummate and make effective the Offer, the Merger and the other Transactions, including: (i) not later than ten (10) Business Days following the date of this Agreement, the Company and Parent each making an appropriate filing of a notification and report form pursuant to the HSR Act with the Federal Trade Commission ("FTC") and the Antitrust Division of the United States Department of Justice ("DOJ") with respect to the Offer, the Merger and the other Transactions and requesting early termination of the initial waiting period under the HSR Act; (ii) the Company and Parent each making any other filing that may be required under any other Antitrust Laws or by any Antitrust Authority; and (iii) the Company and Parent making any other filing that may be required under any applicable Law or by any Governmental Entity with jurisdiction over enforcement of any such Law. Each of the Company and Parent agrees to use reasonable best efforts to supply as promptly as practicable any additional information and documentary material that may be reasonably requested by a Governmental Entity pursuant to the HSR Act or other applicable Law.

(d) The Company and Parent shall (i) furnish each other and, upon request, any Governmental Entity, any information or documentation concerning themselves, their Affiliates, directors, officers, securityholders and debt financing sources, information or documentation concerning the Offer, the Merger and the other Transactions and such other matters as may be requested and (ii) make available their respective personnel and advisers to each other and, upon request, any Governmental Entity, in connection with (A) the preparation of any statement, filing, notice or application made by or on their behalf to any Governmental Entity in connection with the Offer, the Merger or the other Transactions or (B) any review or approval process.

(e) Subject to applicable Law relating to the sharing of information, each of the Company and Parent shall promptly notify the other of any communication it or any of its Affiliates receives from any Governmental Entity relating to the matters that are the subject of this Agreement, and prior to submitting any substantive written communication, correspondence or filing by such party or any of its Representatives, on the one hand, to any Governmental Entity, or members of the staff of any Governmental Entity, on the other, subject to Section 6.3, the submitting party shall permit the other party and its counsel a reasonable opportunity to review in advance, and consider in good faith the views of the other party provided in a timely manner, in connection with any such communication. Subject to Section 6.3 and the terms and conditions of the Confidentiality Agreement, the Company and Parent shall coordinate and cooperate fully with each other in exchanging such information and

providing such assistance as the other party may reasonably request in connection with the foregoing (including in seeking early termination of any applicable waiting periods under the HSR Act). To the extent practicable under the circumstances, none of the parties to this Agreement shall agree to participate in any substantive meeting with any Governmental Entity in respect of any filings, investigation (including any settlement of the investigation), litigation, or other inquiry unless it consults with the other party in advance and, where permitted, allows the other party to participate. Neither party shall be required to comply with any of the foregoing provisions of this Section 6.4(e), to the extent that such compliance would be prohibited by applicable Law. The parties further covenant and agree not to voluntarily extend any waiting period associated with any Consent of any Governmental Entity or enter into any agreement with any Governmental Entity not to consummate the Merger and the other Transactions, except with the prior written consent of the other party hereto.

(f) Each of the Company and Parent may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 6.4 as “Antitrust Counsel Only Material.” Such materials and the information contained therein shall be given only to the outside antitrust counsel of the recipient and will not be disclosed by such outside counsel to employees, officers or directors of the recipient unless express permission is obtained in advance from the source of the materials (the Company or Parent, as the case may be) or its legal counsel. Notwithstanding anything to the contrary in this Section 6.4, materials provided to the other party or its outside counsel may be redacted (1) to remove references concerning valuation, (2) as necessary to comply with contractual arrangements, (3) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns and (4) to remove references concerning pricing and other competitively sensitive terms from an antitrust perspective in the Contracts of the Company, Parent and their respective Subsidiaries.

(g) Notwithstanding anything herein to the contrary, in no event shall Parent or its Affiliates or the Company or its Affiliates be required to agree to take or enter into any action required by any Governmental Entity which is not conditioned upon the Closing.

#### Section 6.5 Employee Matters.

(a) Until the first anniversary of the Effective Time (the “Benefits Continuation Period”), Parent shall, and shall cause the Surviving Corporation and its Affiliates to, provide, for those employees of the Company and its Subsidiaries who continue as employees of the Surviving Corporation or any of its Affiliates during all or a portion of the Benefits Continuation Period (the “Continuing Employees”), compensation (including base salary, bonus and other incentive compensation opportunities) and employee benefits (excluding severance) that in the aggregate with respect to each Continuing Employee shall not be any less favorable than the compensation and employee benefits provided by (i) in the case of salaried Continuing Employees, Parent (or, in the event of any assignment of rights under this Agreement to American Blue Ribbon Holdings, LLC (“ABRH”) pursuant to Section 9.7, the compensation and employee benefits provided ABRH) to similarly situated employees of Parent and its Subsidiaries (or, in the event of any assignment of rights under this Agreement to ABRH pursuant to Section 9.7, similarly situated employees of ABRH and its subsidiaries) and (ii) in the case of hourly Continuing Employees, the Company or the applicable Subsidiary to such Continuing Employee immediately prior to the Acceptance Time. Nothing herein shall be deemed to be a guarantee of employment for any current or former employee of the Company or any of its Subsidiaries, or, other than as provided in any applicable employment agreement or other Contract, to restrict the right of Parent or the Surviving Corporation or any of its Affiliates to terminate the employment of any such Continuing Employee.

(b) Parent shall, and shall cause the Surviving Corporation and its Affiliates, to (i) waive any applicable pre-existing condition exclusions and waiting periods with respect to participation and coverage requirements in any replacement or successor welfare benefit plan of Parent or the Surviving Corporation or any of its Affiliates that a Continuing Employee is eligible to participate in following the Effective Time to the extent such exclusions or waiting periods were inapplicable to, or had been satisfied by, such Continuing Employee immediately prior to the Effective Time under the analogous Company Benefit Plan in which such Continuing

Employee participated, (ii) provide each Continuing Employee with credit for any co-payments and deductibles paid prior to the Effective Time (to the same extent such credit was given under the analogous Company Benefit Plan prior to the Effective Time) in satisfying any applicable deductible or out-of-pocket requirements and (iii) recognize service prior to the Effective Time with the Company or any of its Subsidiaries for purposes of eligibility to participate, vesting, determination of level of benefits and benefits accrual to the same extent such service was recognized by the Company or any of its Subsidiaries under the analogous Company Benefit Plan in which such Continuing Employee participated immediately prior to the Effective Time; provided, however, that the foregoing shall not apply to the extent it would result in any duplication of benefits for the same period of service; provided, further, that neither the Parent nor the Surviving Corporation nor any of its Affiliates shall be obligated to provide credit for years of service for benefit accrual purposes under any defined benefit pension plan maintained by Parent or the Surviving Corporation or any of its Affiliates prior to the date on which the Continuing Employee actually becomes a participant in such plan (it being understood that Parent and the Surviving Corporation and its Affiliates shall in all cases provide credit for years of service for benefit accrual purposes in accordance with the terms and conditions of each such defined benefit pension plan as in effect immediately prior to the Effective Time).

(c) Notwithstanding any other provision of this Agreement to the contrary, Parent shall, and shall cause the Surviving Corporation and any of its Affiliates to, provide certain Continuing Employees whose employment terminates during the Benefits Continuation Period with retention benefits at levels no less than and pursuant to the terms set forth in Section 6.5(c) of the Company Disclosure Schedule.

(d) Nothing contained in this Agreement, whether express or implied, (i) shall be treated as an amendment or other modification of any Company Benefit Plan, (ii) subject to the requirements of this Section 6.5, shall limit the right of Parent or the Surviving Corporation or any of its Affiliates to amend, terminate or otherwise modify any Company Benefit Plan following the Closing Date or (iii) subject to the requirements of this Section 6.5, shall limit the right of Parent or the Surviving Corporation or any of its Affiliates to terminate the employment of any Continuing Employee following the Closing Date. Notwithstanding anything to the contrary set forth in this Agreement, but without limiting any existing rights of the Continuing Employees under any Company Benefit Plans, no provision of this Section 6.5 shall be deemed to create any third-party beneficiary rights.

Section 6.6 Expenses. Except as otherwise provided in Section 8.3, whether or not the Merger is consummated, all Expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such Expenses. As used in this Agreement, "Expenses" includes all out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a party and its Affiliates) incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the Transactions.

#### Section 6.7 Directors' and Officers' Indemnification and Insurance.

(a) From and after the Effective Time, Parent shall, and shall cause the Company or the Surviving Corporation (as the case may be) to, to the fullest extent permitted by Law (including to the fullest extent authorized or permitted by any amendments to or replacements of the TBCA adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors), indemnify, defend and hold harmless (and advance expenses from time to time as incurred to the fullest extent permitted by Law, provided the Person to whom expenses are advanced complies with the provisions of Section 48-18-504 of the TBCA and provides statements and reasonable documentation therefor) the present and former directors and officers of the Company, any Person acting as director, officer, trustee, fiduciary, employee or agent of another entity or enterprise (including any Company Benefit Plan) at the request of the Company (each an "Indemnified Party") from and against any and all actual, documented costs or expenses (including reasonable attorneys' fees, expenses and disbursements), judgments, fines, losses, claims, damages, penalties, liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative, regulatory or investigative, arising out of, relating to or in connection with any



circumstances, developments or matters in existence, or acts or omissions occurring or alleged to occur prior to or at the Effective Time, including the approval of this Agreement and the Merger and the other Transactions or arising out of or pertaining to the Merger and the other Transactions, whether asserted or claimed prior to, at or after the Effective Time; provided that the Person to whom expenses are advanced provides written affirmation of the Indemnified Party's good faith determination that any applicable standard of conduct required by the TBCA has been met. Any determination required to be made with respect to whether an Indemnified Party's conduct complies with the standards set forth under applicable Law, the Company Charter, the Company Bylaws or a written Contract between an Indemnified Party and the Company or one of its Subsidiaries, as the case may be, shall be made by independent special legal counsel selected by the Board of Directors of the Surviving Corporation or a committee thereof in the manner prescribed by Section 48-18-506 of the TBCA, the fees of which counsel shall be paid by the Surviving Corporation.

(b) An Indemnified Party shall notify the Surviving Corporation in writing promptly upon learning of any claim, action, suit, proceeding, investigation or other matter in respect of which such indemnification may be sought. The Surviving Corporation shall have the right, but not the obligation, to assume and control the defense of any act or omission covered under this Section 6.7 (each, a "Claim") with counsel selected by the Surviving Corporation, which counsel shall be reasonably acceptable to the applicable Indemnified Party; provided, however, that such Indemnified Party shall be permitted to participate in the defense of such Claim at his or her own expense; and provided, further, that if the Surviving Corporation assumes the defense then the Surviving Corporation shall use its reasonable best efforts to conduct a vigorous defense of such matter. Notwithstanding anything to the contrary in this Agreement, neither Parent nor the Surviving Corporation shall, and Parent shall cause the Surviving Corporation not to, settle or compromise or consent to the entry of any judgment or otherwise seek termination with respect to any claim, action, suit, proceeding or investigation for which indemnification may be sought under this Section 6.7 unless such settlement, compromise, consent or termination includes an unconditional release of all Indemnified Parties from all liability arising out of such claim, action, suit proceeding or investigation, and does not include an admission of fault or wrongdoing by any Indemnified Party, without the prior written consent of the Indemnified Party.

(c) Subject to the following sentence, the Company or the Surviving Corporation (or any successor), as the case may be, shall, and Parent shall cause the Company or the Surviving Corporation (or any successor), as the case may be, to purchase, at no expense to the beneficiaries, a six (6) year extended reporting period endorsement with respect to directors' and officers' liability insurance and fiduciary liability insurance having terms and conditions at least as favorable to the Indemnified Parties as the Company's currently existing directors' and officers' liability insurance and fiduciary liability insurance (a "Reporting Tail Endorsement") and maintain this endorsement in full force and effect for its full term. To the extent purchased after the date of this Agreement and prior to the Effective Time, such insurance policies shall be placed through such broker(s) and with such insurance carriers as may be specified by Parent and as are reasonably acceptable to the Company; provided that such insurance carrier has at least an "A" rating by A.M. Best with respect to directors' and officers' liability insurance and fiduciary liability insurance. Notwithstanding the first sentence of this Section 6.7(c), but subject to the second and last sentence of this Section 6.7(b), the Company shall be permitted at its sole and exclusive option to purchase a Reporting Tail Endorsement prior to the Effective Time. Notwithstanding any of the foregoing, (i) in no event shall Parent or the Surviving Corporation be required to (or the Company be able to) expend for such policy an aggregate amount in excess of 300% of the annual premium currently payable by the Company, it being understood that if the premiums payable for such insurance coverage exceeds such amount, Parent and the Surviving Corporation shall be obligated to (or the Company may only) obtain a policy with the greatest coverage available for a cost equal to such amount.

(d) Following the Effective Time, the Surviving Corporation shall, and Parent shall cause the Surviving Corporation to, maintain in effect the provisions in the Company Charter and the Company Bylaws as of the date of this Agreement providing for indemnification, advancement and reimbursement of expenses and exculpation of Indemnified Parties, as applicable, with respect to the facts or circumstances occurring at or prior to the Effective Time, to the fullest extent permitted from time to time under applicable Law, which provisions shall

not be amended in a manner that would adversely affect the rights thereunder of the Indemnified Parties, except as required by applicable Law.

(e) If Parent or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, Parent shall cause proper provisions to be made prior to the consummation of any transaction of the type described in clause (i) or (ii) of this sentence so that the successors and assigns of Parent or the Surviving Corporation, as the case may be, shall assume all of the obligations set forth in this [Section 6.7](#).

(f) From and after the Effective Time, Parent and the Surviving Corporation shall not, directly or indirectly, amend, modify, limit or terminate the advancement and reimbursement of expenses, exculpation, indemnification provisions of the agreements listed in [Section 6.7\(f\)](#) of the Company Disclosure Schedule between the Company and any of the Indemnified Parties, or any such provisions contained in the Surviving Corporation charter or bylaws.

(g) This [Section 6.7](#) is intended for the irrevocable benefit of, and to grant third-party rights to, the Indemnified Parties and shall be binding on all successors and assigns of Parent and the Surviving Corporation. The obligations of Parent under this [Section 6.7](#) shall not be terminated or modified in such a manner as to adversely affect any Indemnified Party unless (i) such termination or modification is required by applicable Law or (ii) the affected Indemnified Party shall have consented in writing to such termination or modification. It is expressly agreed that each Indemnified Party shall be a third-party beneficiary of this [Section 6.7](#), and entitled to enforce the covenants contained in this [Section 6.7](#). If any Indemnified Party makes any claim for indemnification or advancement of expenses under this [Section 6.7](#) that is denied by Parent and/or the Surviving Corporation, and a court of competent jurisdiction determines that the Indemnified Party is entitled to such indemnification, then Parent or the Surviving Corporation shall pay such Indemnified Party's costs and expenses, including legal fees and expenses, incurred in connection with pursuing such claim against Parent and/or the Surviving Corporation. The rights of the Indemnified Parties under this [Section 6.7](#) shall be in addition to, and not in substitution for, any rights such Indemnified Parties may have under the Company Charter and the Company Bylaws, the certificate of incorporation and bylaws (or comparable organizational documents) of any of the Company's Subsidiaries or the charter or bylaws of the Surviving Corporation or under any applicable Contracts, insurance policies or Laws and Parent shall, and shall cause the Surviving Corporation to, honor and perform under all indemnification agreements entered into by the Company or any of its Subsidiaries.

(h) Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or any of its respective Subsidiaries for any of their respective directors, officers or other employees, it being understood and agreed that the indemnification provided for in this [Section 6.7](#) is not prior to or in substitution for any such claims under such policies.

[Section 6.8 Public Announcements](#). The initial press release concerning this Agreement and the Transactions shall be a joint press release approved in advance by the Company and Parent. Following such initial press release and prior to the Effective Time, Parent and the Company shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the Merger and the other Transactions and shall not issue any such press release or make any such public statement prior to such consultation, except as such party may reasonably conclude may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system; provided, however, that the restrictions set forth in this [Section 6.8](#) shall not apply to any release or public statement (a) made or proposed to be made by the Company in accordance with [Section 6.2](#) or (b) in connection with any dispute between the parties regarding this Agreement, the Merger or the other Transactions.

**Section 6.9 Notification.** The Company shall promptly notify Parent, and Parent shall promptly notify the Company, of (a) any notice or other communication received by such party from any Governmental Entity in connection with the Merger and the other Transactions or from any Person alleging that the consent of such Person is or may be required in connection with the Merger and the other Transactions, if the subject matter of such communication or the failure of such party to obtain such consent would reasonably be expected to have a Company Material Adverse Effect or a Parent Material Adverse Effect, (b) any matter that would reasonably be expected to lead to the failure to satisfy any of the conditions to Closing in Annex B or Article VII or any material breach of any representation, warranty, covenant or agreement contained in this Agreement and (c) any action, suits, claims, investigations or proceedings commenced or, to such party's Knowledge, threatened in writing against, relating to or involving or otherwise affecting such party or any of its Subsidiaries, in each case which relates to the Merger or the other Transactions. This Section 6.9 shall not constitute a covenant or agreement for purposes of Item 5 of Annex B.

**Section 6.10 State Takeover Laws.** The Company and its Board of Directors shall each use reasonable best efforts to ensure that no Takeover Statute is or becomes applicable to this Agreement, the Support Agreement, the Merger, the other Transactions or the transactions contemplated by the Support Agreement. If any Takeover Statute becomes applicable to this Agreement, the Support Agreement the Merger or the other Transactions, the Company and its Board of Directors shall each use reasonable best efforts to ensure that the Merger and the other Transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and the Support Agreement and otherwise to minimize the effect of such Law on this Agreement, the Merger and the other Transactions.

**Section 6.11 Delisting.** Each of the parties agrees to cooperate with the others in taking, or causing to be taken, all actions necessary to delist the Company Common Stock from the NASDAQ and terminate its registration under the Exchange Act; provided that such delisting and termination shall not be effective until after the Effective Time.

**Section 6.12 Section 16(b).** The Company and its Board of Directors shall take all steps reasonably necessary to cause the Transactions and any other dispositions of equity securities of the Company (including derivative securities) and acquisitions of equity securities of Parent (including derivative securities) in connection with the Transactions by each individual who is a director or executive officer of the Company or Parent to be exempt under Rule 16b-3 promulgated under the Exchange Act.

**Section 6.13 Financing Cooperation.**

(a) Prior to the Effective Time, the Company shall provide to Parent and Merger Sub and their Affiliates, and shall cause each of its Subsidiaries to provide, and shall use its commercially reasonable efforts to cause its Representatives, including senior management, legal, non-legal and accounting advisors to provide, promptly following Parent's request: all information (including such pertinent and customary information, audited and unaudited financial statements, pro forma financial statements, audit reports and other financial data, financial information and other information relating to the business, operations and financial projections of the Company and its Subsidiaries), access, cooperation, assistance, corporate action (subject to occurrence of the Effective Time and to be effective on the Closing Date) and other action, in each case, to the extent reasonably available to the Company, its Subsidiaries or any of their Representatives, as may be reasonably requested in writing by Parent to consummate any bank loans and/or offerings of debt securities of the Surviving Corporation or any parent company thereof; provided that such requested cooperation does not unreasonably interfere with the ongoing operations of the Company and its Subsidiaries.

(b) Parent shall promptly, upon request by the Company, reimburse the Company for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) actually incurred by the Company or any of its Subsidiaries in connection with the cooperation of the Company and its Subsidiaries contemplated by this Section 6.13 and shall indemnify and hold harmless the Company, its Subsidiaries and their respective

Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with the arrangement of such financing and any information (other than information, with the exception of any financial projections, furnished by or on behalf of the Company or its Subsidiaries) used in connection therewith (other than to the extent such losses arise from the gross negligence or willful misconduct of the Company or any of its Subsidiaries or their Representatives).

(c) For the avoidance of doubt, the obtaining or consummation of any such financing is not a condition to Parent's or Merger Sub's obligation to close the Transactions.

Section 6.14 Shareholder Litigation. The Company shall provide Parent with the opportunity (but Parent shall not be obligated) to participate, at Parent's sole expense, in the defense and/or settlement of any shareholder litigation against the Company and/or its directors and/or executive officers relating to the Transactions or this Agreement, whether commenced prior to or after the execution and delivery of this Agreement, and the Company shall not settle or offer to settle any such litigation without the prior written consent of Parent, which shall not be unreasonably withheld, conditioned or delayed.

## ARTICLE VII

### CONDITIONS

Section 7.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of the Company, Parent and Merger Sub to effect the Merger are subject to the satisfaction or, to the extent permitted by applicable Law, waiver on or prior to the Closing Date of the following conditions:

(a) Company Shareholder Approval. The Company Shareholder Approval shall have been obtained, if and to the extent required under applicable Law, and, if the Company Shareholder Approval is not required under applicable Law, at least one (1) month shall have passed since the date a copy of this Agreement was mailed to the Company Shareholders (to the extent required by Section 48-21-105(e) of the TBCA).

(b) Purchase of Company Common Stock. Parent or Merger Sub shall have accepted for payment and paid for shares of Company Common Stock pursuant to the Offer in accordance with the terms of this Agreement.

(c) Statutes and Injunctions. No (i) temporary restraining order or preliminary or permanent injunction or other Order by any federal or state court or other tribunal of competent jurisdiction (any "Restraint") preventing consummation of the Merger shall be in effect or (ii) applicable Law prohibiting consummation of the Merger shall be in effect.

(d) HSR Act. The early termination or expiration of the waiting period required under the HSR Act shall have occurred.

Section 7.2 Frustration of Closing Conditions. None of the Company, Parent or Merger Sub may rely on the failure of any condition set forth in this Article VII to be satisfied if such failure was principally caused by such party's breach of any material provisions of this Agreement, such party's failure to act in good faith or such party's failure to perform fully its obligations under Section 6.4.

## ARTICLE VIII

### TERMINATION

Section 8.1 Termination. This Agreement may be terminated and the Merger and the other Transactions may be abandoned at any time prior to the Effective Time, whether before or after obtaining the Company Shareholder Approval (with any termination by Parent also being an effective termination by Merger Sub):

(a) by mutual written consent of Parent and the Company;

(b) by either Parent or the Company, if:

(i) the Acceptance Time shall not have occurred on or prior to the close of banking business New York City time on the Termination Date; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b)(i) shall not be available to any party if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations hereunder, and any such material breach or violation or failure has been the principal cause of or directly resulted in the failure of the Acceptance Time to occur on or before the Termination Date;

(ii) any Governmental Entity of competent jurisdiction shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the Transactions, including the Merger, and such Order or other action shall have become final and non-appealable; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b)(ii) shall not be available to any party if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations hereunder, and any such material breach or violation or failure has been the principal cause of or directly resulted in such Order or other action permanently restraining, enjoining or otherwise prohibiting any of the Transactions, including the Merger;

(iii) the Offer (as it may have been extended pursuant to Section 1.1) expires as result of the non-satisfaction of any Offer Condition or is terminated or withdrawn pursuant to its terms in accordance with this Agreement without any shares of Company Common Stock being purchased thereunder and Parent has not extended, and the Company has not otherwise requested that Parent and Merger Sub extend, the Offer in accordance with Section 1.1(e); provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b)(iii) shall not be available to any party if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations hereunder, and any such material breach or violation or failure has been the principal cause of or directly resulted in the failure of any Offer Condition or any shares of Company Common Stock to be purchased; or

(c) by Parent, if:

(i) prior to the Acceptance Time, the Company (A) shall have breached any of the covenants or agreements contained in this Agreement to be complied with by the Company such that the closing condition set forth in Section 5 of Annex B of this Agreement would not be satisfied or (B) there exists a breach of any representation or warranty of the Company contained in this Agreement such that the closing condition set forth in Section 4 of Annex B of this Agreement would not be satisfied, and, in the case of each of clauses (A) and (B), such breach or condition is not curable or, if curable, is not cured by the earlier to occur of (x) the Termination Date or (y) the date that is thirty (30) days following the Company's receipt of Parent's written notice of such breach, which notice shall specify in reasonable detail the nature of such breach; provided that the Company shall use reasonable best efforts to cure such breach as promptly as practicable; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(c)(i) shall not be available to Parent if its action or failure to act constitutes a material breach or violation of any of its covenants, agreements or other obligations hereunder, and any such material breach or violation or failure constitutes a Parent Material Adverse Effect;

(ii) prior to the Acceptance Time, (A) the Board of Directors of the Company or any committee thereof shall have effected a Recommendation Withdrawal or (B) the Company enters into an Alternative Acquisition Agreement; or

(iii) prior to the Acceptance Time, there shall have occurred a Company Material Adverse Effect.

(d) by the Company, if:

(i) (A) Parent shall have breached any of its representations or warranties contained in this Agreement or (B) Parent shall have failed to perform all obligations, covenants or agreements required to be performed by them under this Agreement, in each case, which breach or failure to perform (1) gives rise to a Parent Material Adverse Effect, (2) is not curable or, if curable, is not cured by the earlier to occur of (x) the

Termination Date or (y) the date that is thirty (30) days following Parent's receipt of the Company's written notice of such breach, which notice shall specify in reasonable detail the nature of such breach; and provided, further, that Parent shall use reasonable best efforts to cure such breach as promptly as practicable; and (3) would reasonably be expected to prevent or delay the Acceptance Time beyond the Termination Date; or

(ii) prior to the Acceptance Time, (A) immediately prior to or concurrently with the termination of this Agreement the Company, subject to complying with the terms of this Agreement, including Section 6.2, enters into one or more Alternative Acquisition Agreements with respect to a Superior Proposal and (B) the Company immediately prior to or concurrently with such termination pays to Parent or its designees any fees required to be paid pursuant to Section 8.3;

Section 8.2 Effect of Termination. In the event of any termination of this Agreement as provided in Section 8.1, the obligations of the parties shall terminate and there shall be no liability on the part of any party with respect thereto, except for the confidentiality provisions of Section 6.2(g) and the provisions of Section 3.27, Section 4.8, Section 6.5, this Section 8.2, Section 8.3 and Article IX, each of which shall survive the termination of this Agreement and remain in full force and effect; provided, however, that neither Parent nor the Company shall be released from any liabilities or damages arising out of any breach of any representation or warranty, covenant or agreement under this Agreement) or fraud, prior to such termination (which Parent and Merger Sub acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and may include, in the case of the Company, to the extent proven, the benefit of the bargain lost by the Company's Shareholders, which shall be deemed in such event to be damages of the Company).

### Section 8.3 Termination Fee.

(a) If Parent or the Company terminates this Agreement pursuant to Section 8.1(c)(ii) or Section 8.1(d)(ii), the Company shall pay to Parent a termination fee of \$6,740,000; provided, however, that in the event that this Agreement is terminated pursuant to Section 8.1(c)(ii)(B) or Section 8.1(d)(ii) and either (x) such termination occurs on or before the No-Shop Period Start Date, or (y) the Company enters into a definitive agreement with an Excluded Party with respect to a Superior Proposal in accordance with Section 6.2 on or before the Acceptance Time, then the Company shall pay, or cause to be paid, to Parent an amount equal to \$3,370,000 instead of \$6,740,000.

(b) If Parent or the Company terminates this Agreement pursuant to Section 8.1(b)(iii), Section 8.1(c)(i) or Section 8.1(b)(i), and (i) if prior to the date of such termination (but after the date hereof) an Acquisition Proposal is publicly announced or is otherwise communicated to the Board of Directors of the Company, and (ii) within twelve (12) months after the date of such termination, the Company enters into a definitive agreement with respect to or otherwise consummates any Acquisition Proposal, the Company shall pay to Parent a termination fee of \$6,740,000 no later than two (2) Business Days after the execution of such definitive agreement or consummation of such Acquisition Proposal, as the case may be; provided, that solely for purposes of this Section 8.3(b), the term Acquisition Proposal shall have the meaning ascribed thereto in Section 6.2(d), except that all references to twenty percent (20%) shall be changed to fifty percent (50%).

(c) If Parent or the Company terminates this Agreement pursuant to Section 8.1(c)(i), then the Company shall reimburse Parent for any Expenses incurred by it, Merger Sub or any of their Affiliates or permitted assignees, in an aggregate amount not to exceed \$2,000,000 ("Expense Reimbursement"), no later than two (2) Business Days after the date of such termination.

(d) The parties agree and understand that in no event shall the Company be required to pay any termination fee pursuant to this Section 8.3 (any such amount, the "Termination Fee") on more than one occasion. Notwithstanding anything to the contrary in this Agreement, (i) if Parent receives the Termination Fee and/or Expense Reimbursement from the Company pursuant to this Section 8.3, such payment shall be the sole and

exclusive remedy of Parent and Merger Sub against the Company and its Subsidiaries and their respective former, current or future officers, directors, partners, shareholders, managers, members, Affiliates and Representatives and none of the Company, any of its Subsidiaries or any of their respective former, current or future officers, directors, partners, shareholders, managers, members, Affiliates or Representatives shall have any further liability or obligation relating to or arising out of this Agreement or the Transactions and (ii) if Parent or Merger Sub receives any Expense Reimbursement, and thereafter Parent is entitled to receive the Termination Fee under this Section 8.3, the amount of such Termination Fee shall be reduced by the aggregate amount of such Expense Reimbursement. The parties acknowledge that the agreements contained in this Section 8.3 are an integral part of the Transactions, and that, without these agreements, the parties would not enter into this Agreement, and that any amounts payable pursuant to this Section 8.3 do not constitute a penalty.

Section 8.4 Procedure for Termination. Termination of this Agreement prior to the Effective Time shall not require the approval of the shareholders of the Company. A terminating party shall provide written notice of termination to the other parties specifying the Section or Sections pursuant to which such party is terminating the Agreement. If more than one provision in Section 8.1 is available to a terminating party in connection with a termination, a terminating party may rely on any or all available provisions in Section 8.1 for any termination.

Section 8.5 Waiver. At any time prior to the Effective Time, each party hereto may (a) extend the time for the performance of any of the obligations or other acts of any other party hereto or (b) to the extent permitted by applicable Law waive compliance with any of the agreements of any other party or any conditions to its own obligations; provided, that any such extension or waiver shall be binding upon a party only if such extension or waiver is set forth in a writing executed by such party.

## ARTICLE IX

### GENERAL PROVISIONS

Section 9.1 Non-Survival of Representations, Warranties, Covenants and Agreements. The parties agree that the terms of the Confidentiality Agreement shall survive any termination of this Agreement pursuant to Section 8.1. None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Effective Time, except for those covenants and agreements contained in this Article IX and otherwise contained herein and therein that by their terms apply or are to be performed in whole or in part after the Acceptance Time and this Article IX.

Section 9.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, (b) on the first (1st) Business Day following the date of dispatch if delivered by a recognized next-day courier service or (c) on the third (3rd) Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

If to Parent or Merger Sub, to:  
c/o Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attention: General Counsel  
Facsimile: (904) 438-6857

with a copy to (which shall not constitute notice):

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attention: Michael J. Aiello  
Facsimile No.: (212) 310-8007

If to the Company, to:

O'Charley's Inc.  
3038 Sidco Drive  
Nashville, Tennessee 37204  
Attention: General Counsel  
Facsimile: (615) 782-5031

with a copy to (which shall not constitute notice):

Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201  
Attention: J. Page Davidson  
Facsimile No.: (615) 742-2753

Section 9.3 Interpretation; Construction.

(a) When a reference is made in this Agreement to a Section, clause, Annex, Exhibit or Schedule, such reference shall be to a Section or clause of or Annex or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The phrases "the date of this Agreement," "the date hereof" and terms of similar import, shall be deemed to refer to February 5, 2012. Whenever the content of this Agreement permits, the masculine gender shall include the feminine and neuter genders, and a reference to singular or plural shall be interchangeable with the other.

(b) References to any Person include the successors and permitted assigns of that Person. References to any statute are to that statute, as amended from time to time, and to the rules and regulations promulgated thereunder. References to "\$" and "dollars" are to the currency of the United States. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. The words "hereby," "herein," "hereof," "hereunder" and words of similar import refer to this Agreement as a whole (including any Schedules delivered herewith) and not merely to the specific section, paragraph or clause in which such word appears. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(c) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(d) No summary of this Agreement or any Exhibit attached hereto or Schedule delivered herewith prepared by or on behalf of any party shall affect the meaning or interpretation of this Agreement or any such Exhibit or Schedule.

Section 9.4 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, including by facsimile, each of which shall be deemed to be an original but all of which shall constitute one and the same instrument. This Agreement shall become effective when each party has received counterparts thereof signed and delivered (by electronic communication, facsimile or otherwise) by all of the other parties.



Section 9.5 Entire Agreement; No Third-Party Beneficiaries.

(a) This Agreement, the Company Disclosure Schedule, the Parent Disclosure Schedule, the Exhibits and Annexes attached hereto and the Confidentiality Agreement constitute the entire agreement, and supersede all prior agreements, understandings, representations and warranties, both written and oral, among the parties with respect to the subject matter hereof and thereof. Each party hereto agrees that, except for the representations and warranties contained in this Agreement, neither Parent and Merger Sub, nor the Company makes any other representations or warranties, and each hereby disclaims any other representations or warranties, express or implied, or as to the accuracy or completeness of any other information made by, or made available by, itself or any of its Representatives, with respect to, or in connection with, the negotiation, execution or delivery of this Agreement or the Transactions, notwithstanding the delivery or disclosure to the other or the other's Representatives of any documentation or other information with respect to any one or more of the foregoing.

(b) This Agreement shall be binding upon and inure solely to the benefit of each party except for: (i) only following the Effective Time, the right of the Company's shareholders to receive (x) the Merger Consideration in respect of shares of Company Common Stock pursuant to Section 2.8, (y) the aggregate consideration payable in respect of Company Options pursuant to Section 2.13 and (z) the aggregate consideration payable in respect of Company Restricted Shares pursuant to Section 2.13, and (ii) the right of the Indemnified Parties to enforce the provisions of Section 6.7 only.

(c) The representations and warranties in this Agreement are the product of negotiations among the parties and are for the sole benefit of the parties. Any inaccuracies in such representations and warranties are subject to waiver by the parties in accordance with Section 9.9 without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties of risks associated with particular matters regardless of the Knowledge of any of the parties. Consequently, Persons other than the parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

Section 9.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Merger or the other Transactions are not affected in any manner materially adverse to any party. Notwithstanding the foregoing, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the Merger and the other Transactions are consummated as originally contemplated to the greatest extent possible.

Section 9.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other parties, and any attempt to make any such assignment without such consent shall be null and void; provided, however, that Parent and Merger Sub are expressly permitted to assign their rights under this Agreement to any Affiliate or to ABRH (including by way of a transfer of shares of capital stock of Merger Sub), and any such Person shall be entitled to assume Parent's and/or Merger Sub's obligations under this Agreement, provided that no such assignment and assumption shall release Parent and/or Merger Sub from any of its obligations under this Agreement. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 9.8 Modification or Amendment. Subject to the provisions of applicable Laws, at any time prior to the Effective Time, the parties hereto may modify or amend this Agreement, by written agreement executed and delivered by duly authorized officers of the respective parties.

Section 9.9 Extension; Waiver. The conditions to each of the parties' obligations to consummate the Merger and the other Transactions are for the sole benefit of such party and may be waived by such party in whole or in

part to the extent permitted by applicable Laws. At any time prior to the Effective Time, the parties may, to the extent permitted by applicable Law, (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights, nor shall any single or partial exercise by any party to this Agreement of any of its rights under this Agreement preclude any other or further exercise of such rights or any other rights under this Agreement.

Section 9.10 Governing Law and Venue; Waiver of Jury Trial; Specific Performance.

(a) Except to the extent that the TBCA is mandatorily applicable to this Agreement and any of the Transactions, this Agreement (and all claims, controversies and causes of action relating thereto or arising therefrom or in connection therewith, whether in contract, tort or otherwise) shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and enforced in accordance with the Laws of the State of Delaware without regard to the conflicts of laws rules thereof.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE MERGER OR THE OTHER TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10.

(c) The parties acknowledge and agree that irreparable harm would occur and that the parties would not have any adequate remedy at Law (i) for any actual or threatened breach of the provisions of this Agreement, or (ii) in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that, except where this Agreement is validly terminated in accordance with Section 8.1, the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches or threatened breaches of this Agreement and to specifically enforce the terms and provisions of this Agreement) and any other agreement or instrument executed in connection herewith. Each of the parties hereby agrees (i) that it shall not oppose the granting of such relief by reason of there being an adequate remedy at law, (ii) that it hereby irrevocably waives any requirement for the security or posting of any bond in connection with such relief, (iii) that such relief may be granted without the requirement that the party seeking such relief offer proof of actual damages and (iv) that the prevailing party in any such action or proceeding shall be entitled to reimbursement of all costs and expenses associated with seeking such relief, including all attorneys' fees. The parties hereby further acknowledge and agree that such relief shall include the right of the Company to cause Parent and Merger Sub to consummate the Offer, the Merger and the other Transactions, in each case, if the conditions set forth in Section 7.1 and Annex B have been satisfied or waived (other than conditions which by their nature cannot be satisfied until Closing, but subject to the satisfaction or waiver of those conditions at Closing). The parties further agree that (x) by seeking the remedies provided for in this Section 9.10(c), a party shall not in any respect waive its right to seek any other form of relief, at law or in equity, that may be available to a party under this Agreement, including monetary damages in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 9.10(c) are not

available or otherwise are not granted and (y) nothing contained in this Section 9.10(c), shall require any party to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 9.10(c) before exercising any termination right under Section 8.1 (and pursuing damages after such termination), nor shall the commencement of any Action pursuant to this Section 9.10(c), or anything contained in this Section 9.10(c), restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 8.1 or pursue any other remedies under this Agreement that may be available then or thereafter; provided, however, that except as otherwise expressly provided in clause (iv) of this Section 9.10(c), in no event shall any party be entitled to monetary damages in the event of an order of specific performance to close the Transactions, provided that such closing occurs.

(d) Each of the parties hereto (i) irrevocably consents to the service of the summons and complaint and any other process in any action or proceeding relating to the Transactions, on behalf of itself or its property, in accordance with Section 9.2 or in such other manner as may be permitted by Law, of copies of such process to such party, and nothing in this Section 9.10(d) shall affect the right of any party to serve legal process in any other manner permitted by Law, (ii) irrevocably and unconditionally consents and submits itself and its property in any action or proceeding to the exclusive general jurisdiction of the state courts of the State of Delaware or, if unavailable, the federal court in Delaware in the event any dispute arises out of this Agreement or the Transactions, or for recognition and enforcement of any judgment in respect thereof, (iii) agrees that it shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (iv) agrees that any actions or proceedings arising in connection with this Agreement or the Transactions shall be brought, tried and determined only in the state courts of the State of Delaware or, if unavailable, the federal court in Delaware, (v) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same and (vi) agrees that it shall not bring any action relating to this Agreement or the Transactions in any court other than the aforesaid courts. Each of Parent, Merger Sub and the Company agrees that a final judgment in any action or proceeding in such court as provided above shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

Section 9.11 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including penalties and interest) incurred in connection with the Merger shall be paid by Parent and Merger Sub when due, and Parent and Merger Sub shall indemnify the Company against liability for any such taxes.

Section 9.12 Definitions. As used in this Agreement, the following terms and those set forth in the Index of Defined Terms, when used in this Agreement, and the Exhibits, Schedules, and other documents delivered in connection herewith, shall have the meanings specified in this Section 9.12 or on the corresponding page number of the Index of Defined Terms:

“Affiliate” of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, and “control” has the meaning specified in Rule 405 under the Securities Act.

“Amended and Restated Credit Agreement” means the Fourth Amended and Restated Credit Agreement, dated as of October 17, 2011, by and among the Company, as borrower, Wells Fargo Bank, National Association, as administrative agent, the lenders party thereto, Bank of America, N.A., as Syndication Agent, Regions Bank as Documentation Agent, and Wells Fargo Securities, LLC, Regions Bank and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arrangers and Joint Book Managers.

“Antitrust Authorities” shall mean the FTC, the DOJ, the attorneys general of the several states of the United States of America and any other Governmental Entity having jurisdiction with respect to the Transactions pursuant to applicable Antitrust Laws.

“Antitrust Laws” shall mean the Sherman Act of 1890, as amended; the Clayton Act of 1914, as amended; the Federal Trade Commission Act of 1914, as amended; the HSR Act, and all other federal, state and foreign Laws or Orders in effect from time to time that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

“Business Day” means a day except a Saturday, a Sunday or other day on which the SEC or commercial banks in the City of New York are authorized or required by Law to be closed.

“Capitalization Representation” means the representations and warranties contained in (i) the second, sixth and seventh sentences of Section 3.2(a), (ii) Section 3.2(b) and (iii) Section 3.2(c).

“Code” means the Internal Revenue Code of 1986, as amended.

“Company Material Adverse Effect” means any event, change, effect, development or occurrence that, individually or in the aggregate, has or would be reasonably expected to have a material adverse effect on the business, results of operations or financial condition of the Company and its Subsidiaries, taken as a whole; provided, however, that (subject to the next proviso) no event, change, effect, development or occurrence, shall be deemed (individually or in the aggregate) to constitute, nor shall any of the foregoing be taken into account in determining whether there has been, a Company Material Adverse Effect as described in clause (a) of this definition, to the extent that such event, change, effect, development or occurrence results from, arises out of, or relates to: (i) any general United States or global economic conditions, (ii) any conditions generally affecting the restaurant industry, (iii) any decline in the market price or trading volume of Company Common Stock (it being understood that the foregoing shall not preclude Parent from asserting that the facts or occurrences giving rise to or contributing to such decline that are not otherwise excluded from the definition of Company Material Adverse Effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect), (iv) any regulatory, legislative or political conditions or securities, credit, financial, debt or other capital markets conditions, or the economy in each case in the United States or any foreign jurisdiction, (v) any failure, in and of itself, by the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the foregoing shall not preclude Parent from asserting that the facts or occurrences giving rise to or contributing to such failure that are not otherwise excluded from the definition of Company Material Adverse Effect should be deemed to constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect), (vi) the public announcement or pendency of this Agreement, the Merger and the other Transactions, the taking of any action required or specifically contemplated by this Agreement or the identity of, or any facts or circumstances relating to, Parent, Merger Sub, ABRH or their respective Subsidiaries, including the impact of any of the foregoing on the relationships, contractual or otherwise, of the Company or any of its Subsidiaries with customers, suppliers, officers or employees (provided, however, that the exceptions in this clause (vi) shall not apply to any representation or warranty contained in Section 3.4 (or any portion thereof) or Section 3.5 (or any portion thereof) to the extent that the purpose of such representation or warranty (or any portion thereof) is to address the consequences resulting from the execution and delivery of this Agreement, the consummation of the Merger or the other Transactions or the performance of obligations or the satisfaction of conditions under this Agreement), (vii) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, change or proposal of any rule, regulation, ordinance, order, protocol or any other Law of or by any Governmental Entity, (viii) any change in applicable Law, regulation or GAAP (or authoritative interpretations thereof), (ix) any geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of this Agreement, (x) any taking of any action at the written request of Parent or Merger Sub, (xi) any reduction in the credit rating of the Company or any of its Subsidiaries to the extent attributable to the expected consummation of the Merger (it being understood and agreed that the foregoing shall not preclude Parent and Merger Sub from asserting that the facts or occurrences giving rise to or contributing to such change that are not otherwise excluded from the definition of Company Material Adverse Effect should be deemed to

constitute, or be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect) or (xii) any hurricane, earthquake, flood or other natural disasters, acts of God or any change resulting from weather conditions; provided, however, that with respect to clauses (i), (ii), (iv), (vii), (viii), (ix) or (xii), any such event, change, effect, development or occurrence shall be taken into account only to the extent it is disproportionately adverse to the Company and its Subsidiaries, taken as a whole, when compared to other similarly situated Persons operating in the geographies and industry in which Company and its Subsidiaries operate.

“Company Ownership Plan” means the CHUX Ownership Plan.

“Company Stock Plans” means the Company’s 2008 Equity and Incentive Plan, the Company’s 2000 Stock Incentive Plan and the Company Ownership Plan.

“Confidentiality Agreement” means the confidentiality agreement dated November 23, 2011 between the Company and Parent, as the same may be further amended, supplemented or otherwise modified by the parties.

“Environmental Laws” shall mean all applicable foreign, federal, state and local laws, regulations, rules and ordinances relating to pollution or protection of the environment and natural resources, including, without limitation, laws relating to exposure to releases or threatened releases of Hazardous Substances into the environment.

“Fundamental Representations” means the representations and warranties of the Company contained in Section 3.1, Section 3.2 (other than the Capitalization Representations), Section 3.3, Section 3.4(i) and (ii)(y), Section 3.20, Section 3.21 and Section 3.22.

“GAAP” means generally accepted accounting principles in the United States.

“Group” means “group” within the meaning of Section 13(d) of the Exchange Act.

“Hazardous Substances” means any chemicals, materials, substances or wastes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “contaminants,” “pollutants,” “toxic pollutants,” or words of similar meaning and regulatory effect under any applicable Environmental Law including, without limitation, petroleum and asbestos.

“Intellectual Property” means all intellectual property rights throughout the world, including rights in or arising from: (a) patents, patent applications, and the invention and discoveries therein; (b) processes, formulae, know-how and other technology, (c) trade secrets or proprietary confidential information; (d) copyrights and works of authorship (including copyrights in Software, data, databases, applications, code, systems, networks, website content, documentation and related items), and all registrations, renewals and applications for the foregoing; (e) trademarks, service marks, trade names, brand names, logos, emblems, signs, insignia, trade dress and other source indicators, and the goodwill of the business appurtenant thereto, and all applications, registrations and renewals in connection with the foregoing; and (f) Internet domain names.

“Knowledge” means the actual knowledge of the persons set forth in Section 9.12 of the Company Disclosure Schedule and Section 9.12 of the Parent Disclosure Schedule, respectively.

“Laws” means, any United States, federal, state or local or any foreign law (in each case, statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, statute, regulation (domestic or foreign). Order or other similar requirement enacted, issued, adopted, promulgated, entered into or applied by a Governmental Entity.

“NASDAQ” means The NASDAQ Stock Market LLC.

“Order” means any order, writ, injunction, ruling, decree, judgment, award, injunction, settlement or stipulation issued, promulgated, made, rendered or entered into by or with any Governmental Entity (in each case, whether temporary, preliminary or permanent).

“ordinary course of business” means the usual and ordinary course of normal day-to-day operations of the business, consistent (in scope, manner, amount and otherwise) with the Company’s and its Subsidiaries’ past practices through the date of this Agreement.

“Parent Material Adverse Effect” means any event, change, effect, development or occurrence that, individually or in the aggregate, prevents or materially impedes or delays, or is reasonably likely to prevent or materially impede or delay, the consummation by Parent or Merger Sub of the Offer, the Merger or any of the other Transactions on a timely basis or the performance by Parent or Merger Sub of their respective covenants and obligations hereunder.

“Permitted Lien” means (i) any Liens for Taxes not yet due and payable or which are being contested in good faith by appropriate proceedings and with respect to each of which adequate reserves have been taken on the most recent consolidated balance sheet of the Company or notes thereto included in the Company SEC Financial Statements, (ii) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s or other similar liens arising in the ordinary course of business, (iii) pledges or deposits in connection with workers’ compensation, unemployment insurance and other social security legislation, (iv) gaps in the chain of title evident from the records of the applicable Government Entity maintaining such records, easements, rights-of-way, covenants, restrictions and other encumbrances of record as of the date of this Agreement that, in the aggregate, are not material in amount and that do not, in any case, materially detract from the value or the use of the property subject thereto, (v) easements, rights-of-way, covenants, restrictions and other encumbrances incurred in the ordinary course of business that, individually and in the aggregate, are not material in amount and that do not, in any case, materially detract from the value or the use of the property subject thereto, (vi) statutory landlords’ liens and liens granted to landlords under any lease, (vii) nonexclusive licenses to Intellectual Property granted in the ordinary course of business, (viii) any purchase money security interests, equipment leases or similar financing arrangements arising in the ordinary course of business, (ix) any Liens which are disclosed on the most recent consolidated balance sheet of the Company or notes thereto included in the Company SEC Financial Statements and (x) any Liens for amounts not in excess of \$100,000 individually or in the aggregate.

“Person” means any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Proceeding” means any suit, action, proceeding, arbitration, mediation, audit, hearing, inquiry or, to the Knowledge of the Person in question, investigation (in each case, whether civil, criminal, administrative, investigative, formal or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity.

“Subsidiary” when used with respect to any party means any corporation, partnership or other organization, whether incorporated or unincorporated, (i) of which at least a majority of the securities or other interests having by their terms voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly beneficially owned or controlled by such party or by any one or more of its Subsidiaries or (ii) that would be required to be consolidated in such party’s financial statements under generally accepted accounting principles as adopted (whether or not yet effective) in the United States.

“Tax” means income, gross receipts, franchise, sales, use, ad valorem, property, payroll, withholding, excise, severance, transfer, employment, estimated, alternative or add-on minimum, value added, stamp,

occupation, premium, environmental or windfall profits taxes, and other taxes, charges, fees, levies, imposts, customs, duties, licenses or other assessments, together with any interest and any penalties (including penalties for failure to file or late filing of any return, report or other filing, and any interest in respect of such penalties and additions, additions to tax or additional amounts imposed by any and all federal, state, local, foreign or other taxing authority).

“Tax Return” means any statement, report, return, information return or claim for refund relating to Taxes, including, if applicable, any combined or consolidated return for any group of entities that includes the Company or any of its Subsidiaries.

“Taxing Authority” means, with respect to any Tax, the Governmental Entity that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such Governmental Entity.

“Transactions” means the transactions contemplated by this Agreement, including the Offer, the Merger and the Top-Up Option, or the Support Agreement.

Section 9.13 Parent Guarantee. Parent agrees to take all action necessary to cause Merger Sub (and, to the extent rights under this Agreement are assigned to ABRH or any other permitted assignee pursuant to Section 9.7, ABRH or such assignee, as applicable) to perform all of its respective agreements, covenants and obligations under this Agreement. Parent unconditionally guarantees to the Company the full and complete performance by Merger Sub of its respective obligations under this Agreement and shall be liable for any breach of any representation, warranty, covenant or obligation of Merger Sub under this Agreement. Parent hereby waives diligence, presentment, demand of performance, filing of any claim, any right to require any proceeding first against Merger Sub protest, notice and all demands whatsoever in connection with the performance of its obligations set forth in this Section 9.13. For the avoidance of doubt, the liability of Parent hereunder shall be direct and immediate and not conditional or contingent upon the pursuant of any remedies against Merger Sub (and, to the extent rights under this Agreement are assigned to ABRH or any other permitted assignee pursuant to Section 9.7, ABRH or such assignee, as applicable) or any other Person, and Parent hereby waives any right to require that an action be brought against any such Person.

[Signature Page Follows]

IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

**FIDELITY NATIONAL FINANCIAL, INC.**

By: /s/ Brent B. Bickett  
Name: Brent B. Bickett  
Title: Executive Vice President, Corporate Finance

**FRED MERGER SUB INC.**

By: /s/ Brent B. Bickett  
Name: Brent B. Bickett  
Title: Authorized Person

**O'CHARLEY'S INC.**

By: /s/ David W. Head  
Name: David W. Head  
Title: President and Chief Executive Officer



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Annex A

**SUPPORT AGREEMENT**

Please see attached.

Annex B

**CONDITIONS TO THE OFFER**

Notwithstanding any other provisions of the Offer or this Agreement, neither Parent nor Merger Sub shall be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act, pay for any tendered shares of Company Common Stock, unless:

1. There shall have been validly tendered and not validly withdrawn prior to the expiration of the Offer (as it may have been extended pursuant to Section 1.1(e) of the Agreement) the minimum number of shares of Company Common Stock, which when added to the shares of Company Common Stock already owned by Parent and its Subsidiaries represents the number of shares of Company Common Stock required to approve the Agreement, the Merger and the other Transactions pursuant to the Company Charter, the Company Bylaws and the TBCA at the Acceptance Time determined on a fully-diluted basis (the number of shares of Company Common Stock on a "fully-diluted basis" shall equal the number of shares of Company Common Stock then issued and outstanding, plus the number of shares of Company Common Stock which the Company may be required to issue as of such date pursuant to options (whether or not then vested or exercisable), rights, convertible or exchangeable securities (only to the extent then convertible or exchangeable into shares of Company Common Stock) or similar obligations then outstanding) (such number of shares, the "Minimum Condition");

2. The waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired (the "Regulatory Condition");

3. There shall be no (i) Restraint preventing consummation of the Transactions or (ii) applicable Law prohibiting consummation of the Transactions;

4. (i) The representations and warranties of the Company set forth in this Agreement (other than the Fundamental Representations) shall be true and correct in all respects (without giving effect to any materiality or Company Material Adverse Effect qualifier therein), as of the date of this Agreement and as of the Acceptance Time as though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date), except to the extent that breaches thereof, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Company Material Adverse Effect; (ii) each of the Fundamental Representations shall be true and correct in all material respects, as of the date of this Agreement and as of the Acceptance Time as though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date); (iii) each of the Capitalization Representations shall be true and correct in all respects (other than inaccuracies that do not and would not result in an increase in the amounts payable by Parent, Merger Sub, the Company, the Surviving Corporation or any of their respective Subsidiaries pursuant to this Agreement of more than \$625,000 in the aggregate), as of the date of this Agreement and as of the Acceptance Time as though made on or as of such date (or, in the case of representations and warranties that address matters only as of a particular date, as of such date); and (iv) there shall not have occurred any Company Material Adverse Effect since the date of this Agreement.

5. The Company shall have performed or complied in all material respects with all agreements and covenants required to be performed by it under this Agreement at or prior to the Acceptance Time.

6. The Company shall have furnished Parent with a certificate dated as of the date of the Acceptance Time signed on its behalf by its Chief Executive Officer or Chief Financial Officer to the effect that the conditions set forth in items (4) and (5) of this Annex B have been satisfied;

7. The Agreement shall not have been validly terminated in accordance with its terms.

The foregoing conditions are for the sole benefit of Parent and Merger Sub, may be asserted by either Parent or Merger Sub, regardless of the circumstances giving rise to any such conditions (provided, that nothing

herein shall relieve any party hereto from any obligation or liability such party has under the Agreement), and, except for the Minimum Condition, may be waived by Parent or Merger Sub in whole or in part at any time and from time to time, subject to the terms of the Agreement and applicable Law. The failure by Parent or Merger Sub at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, the waiver of such right with respect to any particular facts or circumstances shall not be deemed a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

The capitalized terms used in this Annex B shall have the meanings set forth in the Agreement to which it is annexed, except that the term “Agreement” shall be deemed to refer to the agreement to which this Annex B is annexed.

Annex C

**FORM OF PROMISSORY NOTE FOR TOP-UP OPTION**

PROMISSORY NOTE

[DATE]

FOR VALUE RECEIVED, the undersigned FRED MERGER SUB INC., a Tennessee corporation ("Purchaser"), promises to pay to O'CHARLEY'S INC., a Tennessee corporation, 3038 Sidco Drive, Nashville, Tennessee 37204, in no event more than one (1) year after issuance, the principal sum of [ ] (\$[ ]), together with simple interest from the date hereof on the principal amount from time to time unpaid at a per annum rate of 1.5%. Purchaser will pay such interest at maturity, except that all accrued but unpaid interest shall be due and payable at the stated or accelerated maturity hereof or upon the prepayment in full hereof. This note may be prepaid in whole or in part at any time, without premium, penalty or prior notice.

No failure by the holder to take action with respect to any default hereunder shall affect its subsequent rights to take action with respect to the same or any other default. In the event of default Purchaser agrees to pay all reasonable costs of collection, including reasonable attorneys' fees, to the extent allowed by law.

All payments to the holder hereof shall be made at the address set forth above or at such other address as the holder hereof shall specify in writing to Purchaser.

This note shall be governed by and construed in accordance with the laws (other than the conflict of law rules) of the State of Delaware.

Purchaser and all endorsers and guarantors of this note hereby waive presentment, demand, notice of nonpayment and protest except as provided in this note.

Purchaser accepts and agrees that this note is a full recourse promissory note. This note and the obligations of the Purchaser hereunder are also secured by a Security Agreement of even date herewith executed by the Purchaser in favor of O'Charley's Inc., a copy of which is attached as Exhibit A hereto and subject to the terms and conditions thereof.

This note shall be nonnegotiable and nontransferable.

*[The remainder of this page is left blank intentionally.]*

IN WITNESS WHEREOF, the undersigned Purchaser has caused this note to be executed by its duly authorized officer.

PURCHASER:

FRED MERGER SUB INC.

By: \_\_\_\_\_

Name:

Title:

**CONFIDENTIALITY AGREEMENT**

This Confidentiality Agreement (this "Agreement") is entered into to be effective as of this 23<sup>rd</sup> day of November, 2011, by and between O'Charley's Inc., a Tennessee corporation (the "Company"), and American Blue Ribbon Holdings, LLC, a Delaware limited liability company ("ABRH"), and Fidelity National Financial, Inc., a Delaware corporation ("FNF"). ABRH and FNF are each referred to herein as an "Interested Party" and collectively as the "Interested Parties."

A. FNF has expressed an interest in preliminarily exploring a possible negotiated transaction or business combination with the Company (each, a "Transaction") and expects that the Transaction may involve ABRH. Each of FNF and Newport Global Opportunities Fund, LP ("Newport") owns an approximate 45% equity interest in Fidelity Newport Holdings, LLC ("FNH"), which is the sole member of ABRH. Each party acknowledges that the other party has made no decision to pursue a Transaction.

B. In connection with the parties' analyses and possible negotiation of, and due diligence in connection with, such a possible Transaction, the Interested Parties have requested and the Company may request in the future certain oral and written information concerning the other party.

C. All information relating to the Company and the Interested Parties, respectively, and their respective affiliates (the term "affiliate" is used in this Agreement as such term is defined under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (whether in written or oral form, electronically stored or otherwise), including, without limitation, (i) data, reports, projections, interpretations, forecasts, and records (including, without limitation, information regarding all facilities, businesses, products, services, agreements, employees, processes, trade secrets, such portion of any notes or other materials relating to ideas or technology, supplies, cost and pricing data, files, marketing plans or advertising materials, and customer or shareholder data), and proposed terms of any business plan, strategy, transaction, or business combination, and (ii) memoranda, notes, analyses, compilations, studies, and other documents prepared by any person based on, containing, or otherwise reflecting any of the foregoing (collectively, the "Information") is confidential and the continued confidentiality thereof is of great value to such party.

NOW, THEREFORE, as a condition to being furnished with the Information, and for and in consideration of the premises and the mutual covenants herein contained, the Company and each Interested Party hereby agrees, and agrees to cause its respective officers, directors, members, managers, employees, or other affiliates, agents, or representatives (including, without limitation, accountants, investment bankers and attorneys, but excluding any potential financing source unless the Company shall have given its prior written consent to such disclosure to such potential financing source) who need to know such Information for the purpose of evaluating a possible Transaction and who have received such Information from the Interested Party or the Company pursuant

to this Agreement (such necessary persons being collectively called "Representatives"), to treat all Information in accordance with and to otherwise comply with the following:

1. All Information furnished to or otherwise received or prepared by the receiving party or its Representatives (whether on or after the date hereof and regardless of the manner in which it is received, but including any discussions between Representatives of FNF and the Company on or after November 7, 2011) will be used by the receiving party and its Representatives solely for the purpose of evaluating a possible Transaction between the parties, will not be discussed with or disclosed to other persons without the furnishing party's prior written consent (which, in the case of the Company, may be given by Evercore Partners on behalf of the Company), and will be kept confidential by the receiving party and its Representatives, it being understood and agreed to by the parties that such Representatives will be informed of the confidential nature of the Information and the restrictions on the use thereof contained in this Agreement, will be directed by the receiving party not to disclose to any other person any Information relating to the furnishing party or otherwise take any action that, if taken by the receiving party, would result in a breach of the terms hereof by the receiving party; provided, however, that, notwithstanding the foregoing, neither Interested Party nor any of its Representatives shall disclose to or discuss the Information with any of Newport, FNH, ABRH or ABRH's subsidiaries (the "Restricted Group"), or any of the Restricted Group's officers, employees, agents or representatives other than the members of the board of managers of FNH, the chief executive officer, chief financial officer, general counsel and finance director of ABRH, Stewart Massie from Newport and any agent or representative who is also representing FNF in the Transaction. Each party agrees to be responsible for all such actions taken by its Representatives. Each party hereby confirms that it and its Representatives will (i) take any reasonable action necessary or appropriate to protect the secrecy of and avoid disclosure and unauthorized use of the Information, including, without limitation, by taking at least those measures that such party takes to protect its own most highly confidential information; (ii) take any reasonable action necessary or appropriate to prevent the use of any information about the other party in a way that could violate any antitrust or other applicable law; and (iii) promptly notify the disclosing party in the event of such party's or any of its Representatives' unauthorized use or disclosure of the Information, or violation of the terms and conditions of this Agreement.

2. In the event that any of the parties hereto is requested or required (by depositions, interrogatories, requests for information or documents, subpoenas, civil investigative demands, or similar processes) to disclose or produce any Information furnished by the furnishing party or its Representatives, it is agreed that the party so requested or required to disclose or produce any Information will provide the furnishing party with prompt written notice thereof. Subject to consultation with its legal counsel that compliance with its obligations under this Section would not materially prejudice the position or defense of the party so requested or required to disclose or produce Information, such party shall also (i) provide the furnishing party copies, if possible, and, if not possible, a description, of the Information requested or required to be disclosed or produced so that the furnishing party may seek an appropriate protective order or waive compliance with the provisions of this Agreement (and if the furnishing party seeks such an order, the party requested or required to disclose or produce the Information agrees to provide such commercially reasonable efforts to cooperate with the furnishing party, at

the furnishing party's sole expense), and (ii) consult with the furnishing party as to whether the furnishing party intends to take legally available steps to resist or narrow such request. It is further agreed that if, in the absence of a protective order or the receipt of a waiver hereunder, the party so requested or required to disclose or produce Information is nonetheless, after consultation with its legal counsel, compelled to disclose or produce Information provided by the furnishing party, such party may disclose or produce only that portion of such Information to any governmental judicial, executive, legislative or regulatory authority as its counsel believes is legally required; provided, however, that the party so requested or required to disclose or produce Information shall give the furnishing party written notice of the Information to be so disclosed or produced as far in advance of its disclosure or production as is reasonably practicable and shall use its reasonable efforts to obtain, to the extent practicable, an order or other reliable assurance that confidential treatment will be accorded to such Information so required to be disclosed or produced.

3. The term, "Information", does not include any information that the receiving party can establish: (i) is or becomes generally available to or known by the public (other than as a result of a violation of this Agreement directly or indirectly by the receiving party or its Representatives); (ii) is or becomes available to the receiving party on a non-confidential basis from a source other than the furnishing party or its Representatives; provided, that such source is not and was not bound by a confidentiality agreement with, or other obligation of secrecy or of a fiduciary nature to, the furnishing party of which the receiving party has knowledge after due inquiry; or (iii) has already been, or is hereafter, independently acquired or developed by the receiving party without violating this Agreement or any other confidentiality agreement with, or other obligation of secrecy to, the furnishing party.

4. If a party hereby determines not to proceed with a Transaction, it will promptly inform the other party of that decision. In that case, or at any time upon the request of the furnishing party, the receiving party will return promptly to the furnishing party, or at the furnishing party's election destroy, all copies, extracts, or other reproductions in whole or in part of the Information in the possession of the receiving party or its Representatives; provided that the receiving party may (in lieu of returning the same) destroy or cause to be destroyed any Information consisting of memoranda, notes, analyses, compilations, studies, or other documents prepared by the receiving party for its use based on, containing, or otherwise reflecting any Information relating to the furnishing party. Such return or destruction shall not extend to Information on back-up servers that are not accessible in the ordinary course of business, and of Information required to be retained pursuant to law or document retention policy. In any case, such Information shall be retained in strict confidence in accordance with the terms of this Agreement. Any destruction required by this Section 4 shall, if requested, be certified in writing to the furnishing party by an authorized officer of the receiving party within 30 calendar days of the request for such certification from the furnishing party. Notwithstanding the return or destruction of Information, each party and its Representatives shall continue to be bound by their obligations of confidentiality hereunder, including without limitation not using Information for any purpose.

5. Without the prior written consent of the other party or, subject to the immediately following sentence, except as required by applicable law, regulation, legal or regulatory process or the requirements of any stock



exchange or trading market on which shares of either of the parties to this Agreement are traded, no party will, and each party will direct its Representatives not to, disclose to any person (other than their respective Representatives) the fact that any investigations, discussions, or negotiations are taking place concerning a possible Transaction between the parties or that any Information has been requested or received, or any of the terms, conditions, or other facts with respect to any such possible Transaction, including the status thereof, or that this Agreement has been entered into; provided, however, that, neither Interested Party nor any of its Representatives shall disclose to or discuss any of the foregoing with any of the Restricted Group or any of the Restricted Group's officers, employees, agents or representatives other than the members of the board of managers of FNF, the chief executive officer, chief financial officer, general counsel and finance director of ABRH, Stewart Massie from Newport and any agent or representative who is also representing FNF in the Transaction. In the event that any party determines that it is required by applicable law, regulation, legal or regulatory process or any stock exchange or trading market requirements to make any such disclosure, such party will, to the extent reasonably practicable, so advise the other parties, including with respect to the contents of such disclosure. The term, "person", as used throughout this Agreement will be interpreted broadly to include, without limitation, any corporation, company, partnership, or other entity, group or individual, or governmental or regulatory authority.

6. Except where FNF is acting in its capacity as an equity owner in the direction of ABRH, each Interested Party hereby represents that it is not party to, and will not enter into, any arrangement or understanding (oral or written) with any other party that such other party will refrain from making a proposal, or otherwise entering into discussions with the Company, regarding a possible Transaction with the Company or any subsidiary thereof.

7. Each of the parties understands and acknowledges that the other party and its Representatives are not making any representation or warranty, express or implied, as to the accuracy or completeness of any furnished Information, and neither the furnishing party nor any of its members, managers, directors, officers, employees, shareholders, owners, affiliates, Representatives, or agents has or will have any liability to the receiving party or any other person resulting from any reliance upon or use of, or otherwise with respect to, any furnished Information. Only those representations or warranties made expressly in a definitive agreement, when, as, and if it is executed, and subject to such limitations and restrictions as may be specified in such agreement, will have any legal effect.

8. Each of the parties also understands and agrees that neither party is or will be under any legal obligation of any kind whatsoever with respect to any Transaction by virtue of this Agreement or any other written or oral expression, except, in the case of this Agreement, for the matters specifically agreed to herein.

9. Each of the Interested Parties, on the one hand, and the Company, on the other hand, agree that for a period of 12 months from the date of this Agreement, it will not, directly or indirectly, (a) induce or attempt to induce any employee of the other party holding one of the titles set forth on Annex A attached hereto (the "Covered Employees") to leave the employ of such party or in any way interfere with the relationship between

the other party and any such Covered Employee, or (b) employ any person who is a Covered Employee of the other party, without in case of either (a) or (b) such other party's prior written consent. It is understood and agreed that the foregoing provisions shall not apply in respect to any Covered Employee of the other party who responds to a general solicitation or through a search firm seeking qualified candidates or who has terminated employment with the other party, in each case, without specific inducement by the soliciting or hiring party.

10. Each Interested Party agrees that, for a period of 12 months from the date of this Agreement, unless specifically invited in writing by the Company and except, in the case of clauses (a) (i) through (iv), any offer or proposal that is directed and disclosed solely to the Chairman or the board of directors of the Company, neither the Interested Party, nor any of its affiliates or (acting on its behalf) its Representatives, will in any manner, directly or indirectly, (a) effect or seek, offer, or propose (whether publicly or otherwise) to effect, or cause or participate in or in any way advise, assist, or encourage any other person (including, without limitation, any holder of securities or other interests in the Company, or any of its subsidiaries or any successor entity) to effect or seek, offer, or propose (whether publicly or otherwise) to effect or participate in, (i) any acquisition of any interest (including, without limitation, any beneficial, indirect or derivative interest) in any securities, indebtedness, businesses, or assets of the Company, or any of its subsidiaries, other than FNF's beneficial ownership of securities of the Company disclosed in FNF's Schedule 13D/A filed with the Securities and Exchange Commission on September 22, 2011, (ii) any tender or exchange offer, merger, or other business combination involving the Company or any of its subsidiaries, (iii) any recapitalization, restructuring, reorganization, liquidation, dissolution, or other extraordinary transaction with respect to the Company, or any of its subsidiaries, (iv) any plan of reorganization with respect to the Company, or any of its subsidiaries, or (v) any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission) or consents to vote or seek to advise or influence any person in respect of any voting securities of the Company; (b) otherwise act, alone or in concert with others including, without limitation, any holder of securities or other interests in the Company, or any of its subsidiaries (including by providing financing for another party), to seek to control, advise, change or influence, in any manner, the management, board of directors, governing instruments, policies, or affairs of the Company, or to take any of the foregoing actions; (c) form, join, or in any way participate in a "group" (as defined under the Exchange Act) in connection with any of the foregoing actions; (d) make any public disclosure regarding any of the foregoing; (e) publicly disclose any intention, plan or arrangement inconsistent with the foregoing; or (f) enter into any discussions or arrangements with any third party (including, without limitation, any holder of securities or other interests in the Company, or any of its subsidiaries) with respect to any of the foregoing. Each Interested Party also agrees not to, and to cause its affiliates and (acting on its behalf) its Representatives not to, seek or request permission to do any of the foregoing or request that the Company (including any director, officer or employee thereof) or any of its Representatives amend, waive or terminate any provision of this Section 10 (including this sentence).

Notwithstanding the foregoing provisions of this Section 10, in the event that the Company publicly announces that it (or its board of directors) has approved or entered into an agreement with respect to a tender offer or exchange offer, a business combination, merger, liquidation or similar extraordinary transaction in respect of the Company which provides for the acquisition of more than 50% of the voting securities or assets of

the Company, the Company shall immediately inform each Interested Party of such event, and the Interested Parties and their respective affiliates shall not be prohibited thereafter from proposing or commencing a tender or exchange offer, or proposing a business combination, merger or similar extraordinary transaction, in each case for 100% (and not less than 100%) of the outstanding common stock or assets of the Company.

11. In addition to and without limiting the other provisions of this Agreement, until the earlier of (i) the consummation of a Transaction between the parties, and (ii) 12 months from the date hereof, each Interested Party agrees that it will not, and will cause its Representatives acting on its behalf not to, directly or indirectly, initiate, solicit or maintain contact with any officer, director, employee, shareholder, affiliate or supplier of the Company or any of its subsidiaries regarding the Company or any of its subsidiaries or their respective business operations, assets, prospects or finances, in connection with the Interested Party's evaluation of a possible Transaction between the parties, except with the prior written consent of the Company. It is understood and agreed that Evercore Partners will arrange for all contacts for due diligence and other purposes for the Interested Parties, as appropriate. All (i) communications regarding a possible Transaction; (ii) requests for additional Information; (iii) requests for facility tours or management meetings; and (iv) discussions or questions regarding procedures, will be submitted or directed, unless otherwise instructed by Evercore Partners, only to a member of the Company team at Evercore Partners. Each Interested Party acknowledges and agrees that the Company may establish procedures and guidelines (the "Procedures") for the submission of proposals with respect to a possible Transaction. Each Interested Party acknowledges and agrees that (a) the Company and its Representatives are free to conduct the process leading up to a Transaction, if any, as the Company and its Representatives, in their sole discretion, determine (including, without limitation, by negotiating with any third party and entering into a preliminary or definitive agreement) without prior notice to the Interested Party or any other person; (b) the Company reserves the right, in its sole discretion, to change the Procedures relating to the consideration of a possible Transaction at any time without prior notice to the Interested Party or any other person, to reject any and all proposals made by the Interested Party or any of its Representatives regarding a possible Transaction, and to terminate discussions and negotiations with the Interested Party at any time and for any reason; and (c) neither the Company nor any of its Representatives nor any third party with whom the Company may enter into any agreement for or complete any transaction, shall have any liability to any Interested Party or its Representatives arising out of or relating to a Transaction or such transaction or any obligation of any kind whatsoever with respect thereto, by virtue of this Agreement. Notwithstanding the foregoing, but subject to the requirements of Section 10, the Interested Parties may contact and communicate on a confidential basis directly with Philip J. Hickey, Jr., the chairman of the board of directors of the Company.

12. Each party acknowledges that it is aware (and each party's Representatives who have knowledge of a possible Transaction between the parties hereto have been or will be advised) of restrictions imposed under securities laws on persons with material, nonpublic information about a company.

13. Each party acknowledges and agrees that the other party would be irreparably harmed by a breach by the party or its Representatives of this Agreement and that money damages would not be an adequate remedy for any actual or threatened breach of this Agreement. Accordingly, any party agrees to the granting of specific performance of this Agreement and injunctive and other equitable relief as a remedy for any such actual or threatened breach, without proof of actual damages, and each party further agrees to waive, and to use its reasonable best efforts to cause its Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement but shall be in addition to all other remedies available at law or equity to the parties. Each of the parties agrees that it will not oppose the granting of such relief on the basis that the other party has an adequate remedy at law.

14. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in the jurisdiction in which enforcement is sought. Accordingly, if any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Notwithstanding the foregoing, if such provision, covenant or restriction could be more narrowly drawn so as not to be invalid, prohibited or unenforceable, it shall be so narrowly drawn to the maximum extent valid and enforceable, without invalidating the remaining provisions of this Agreement.

15. It is further understood and agreed that no failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

16. Each party reserves the right, in its sole and absolute discretion, to reject any or all proposals with respect to a possible Transaction, to decline to furnish further Information, and to terminate discussions and negotiations with respect to a possible Transaction at any time. The exercise by any party of the rights referred to in this Section shall not affect the enforceability of any provision of this Agreement.

17. This Agreement is for the sole benefit of the parties and their successors and permitted assigns; provided that this Agreement may not be assigned by an Interested Party. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee without giving effect to the principles of conflicts of law thereof or of any other jurisdiction. Each party agrees to personal jurisdiction in any action brought in any Federal or State court within the County of Davidson, State of Tennessee, having subject matter jurisdiction over the matters arising under this Agreement. Any suit, action or proceeding arising out of or relating to this Agreement shall only be instituted in the County of Davidson, State of Tennessee. Each party waives any objection which it may have now or hereafter to the laying of the venue of such action or proceeding and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding. The

obligations under this Agreement shall terminate and cease to have any force or effect on the earlier of: (i) two years from the date hereof, or (ii) the date of any consummation of the Transaction between the parties.

18. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but both of which together shall constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed to be effective as of the day and year first above written.

O'Charley's Inc.

By: /s/ Philip J. Hickey, Jr.  
Name: Philip J. Hickey, Jr.  
Title: Chairman

Fidelity National Financial, Inc.

By: /s/ Goodloe Partee  
Name: Goodloe Partee  
Title: Senior Vice President, Legal

American Blue Ribbon Holdings, LLC

By: /s/ Anita Adams  
Name: Anita Adams  
Title: Chief Financial Officer

**Annex A**  
**Covered Employees**

**The Company**

O'Charley's Inc.:

Chief Executive Officer  
Chief Financial Officer  
Chief Information Officer  
Chief Supply Chain Officer  
Chief Human Resources Officer  
Vice President and Corporate Controller  
General Counsel

O'Charley's Concept:

President  
Vice President of Operations  
Vice President of Marketing  
Vice President of Culinary Operations  
Vice President of R&D  
Regional Vice Presidents (4)

Ninety Nine Restaurants Concept:

President  
Vice President of Operations  
Vice President of Marketing  
Vice President of Culinary Operations  
Regional Vice Presidents (2)

Stoney River Legendary Steaks Concept

President  
Vice President of Operations

**The Interested Parties**

ABRH

Chief Executive Officer  
Chief Financial Officer  
General Counsel  
Finance Director