

DineEquity, Inc  
Form DEF 14A  
April 13, 2010

Table of Contents

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.        )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**DineEquity, Inc.**

---

(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5)

Edgar Filing: DineEquity, Inc - Form DEF 14A

Total fee paid:

- Fee paid previously with preliminary materials.
  - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
    - (1) Amount Previously Paid:
    - (2) Form, Schedule or Registration Statement No.:
    - (3) Filing Party:
    - (4) Date Filed:
-

Table of Contents

**DineEquity, Inc.**

April 12, 2010

Dear Fellow Shareholders:

Please join us at our Annual Meeting of Shareholders on May 18, 2010, where we will ask you to vote on the election of four Class I directors and the ratification of the selection of our independent registered public accounting firm, Ernst & Young LLP. The meeting will take place at our offices located at 450 N. Brand Boulevard, Glendale, California 91203.

In addition to the formal items of business at our Annual Meeting, we will review the major Company developments over the past year and share with you some of our plans for the future. You will have an opportunity to ask questions and express your views to the board of directors and senior management of the Company. In addition, representatives of Ernst & Young LLP are expected to be present.

Whether or not you are able to attend the Annual Meeting in person, it is important that your shares be represented. You can vote your shares using the Internet or a toll-free telephone number, or by completing and returning the enclosed proxy card by mail. Instructions on each of these voting methods are outlined in the enclosed Proxy Statement. Please vote as soon as possible. The enclosed Proxy Statement is being first sent or given to shareholders on or about April 16, 2010.

We look forward to seeing you on May 18<sup>th</sup>.

Sincerely yours,

Julia A. Stewart  
Chairman and Chief Executive Officer

---

Table of Contents

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 18, 2010**

To the Shareholders of DineEquity, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Meeting" or the "Annual Meeting") of DineEquity, Inc., a Delaware corporation (the "Company"), will be held at the Company's offices located at 450 N. Brand Boulevard, Glendale, California 91203, on Tuesday, May 18, 2010, at 9:00 a.m., Pacific Daylight Time, for the following purposes:

- (1) To elect four Class I directors;
- (2) To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2010; and
- (3) To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on April 6, 2010, the record date for the Meeting, are entitled to notice of, and to vote at, the Meeting and any adjournment thereof. A list of such shareholders will be available for examination at the principal executive offices of the Company located at 450 N. Brand Boulevard, Glendale, California 91203, at least ten days prior to the Meeting.

To assure that your interests will be represented, whether or not you plan to attend the Meeting, please complete, sign and date the accompanying proxy card and promptly return it in the pre-addressed envelope provided, which requires no postage if mailed in the United States, or you may vote your shares using the Internet or a toll-free telephone number. Instructions for voting using the Internet or by toll-free telephone number are included on the proxy card.

All shareholders are cordially invited to attend the Meeting in person. If you attend the Meeting, you may vote in person if you wish, even if you have previously returned your proxy card.

By Order of the Board of Directors,

Rebecca R. Tilden  
Secretary

April 12, 2010  
Glendale, California

---

Table of Contents

**Table of Contents**

	<b>Page</b>
<u>Voting on Matters before the Annual Meeting</u>	<u>1</u>
<u>Where to Find More Information about DineEquity, Inc.</u>	<u>3</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>4</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>7</u>
<u>Proposal 1. Election of Four Class I Directors</u>	<u>8</u>
<u>Information Concerning Nominees and Members of the Board of Directors</u>	<u>8</u>
<u>Board of Directors and Corporate Governance</u>	<u>10</u>
<u>Board Committees and their Functions</u>	<u>15</u>
<u>Nominating and Corporate Governance Committee</u>	<u>16</u>
<u>Compensation of Directors</u>	<u>17</u>
<u>Compensation Discussion and Analysis</u>	<u>18</u>
<u>Compensation Policies and Practices As They Relate to the Company's Risk Management</u>	<u>30</u>
<u>Executive Compensation</u>	<u>30</u>
<u>Potential Payments upon Termination or Change in Control</u>	<u>35</u>
<u>Director Compensation</u>	<u>36</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>39</u>
<u>Report of the Audit and Finance Committee</u>	<u>39</u>
<u>Independent Auditor Fees</u>	<u>42</u>
<u>Proposal 2. Ratification of Selection of Independent Public Accountants</u>	<u>42</u>
<u>Proposals of Shareholders</u>	<u>43</u>
<u>Other Business</u>	<u>43</u>

---

Table of Contents

**Voting on Matters before the Annual Meeting**

**Q: What am I voting on?**

**A:** There are two items that shareholders are asked to vote on at the Annual Meeting:

**Proposal 1:** The election of four Class I directors.

**Proposal 2:** The ratification of the appointment of Ernst & Young LLP as the Company's independent public accountants for the fiscal year ending December 31, 2010.

**Q: Who is entitled to vote?**

**A:** Only shareholders of record at the close of business on April 6, 2010 (the "Record Date") will be entitled to receive notice of, and to vote at, the Meeting. As of the Record Date, there were outstanding 17,914,937 shares of Common Stock, par value \$.01 per share (the "Common Stock"), and 35,000 shares of Series B Convertible Preferred Stock ("Preferred Stock"). The holders of Common Stock are entitled to one vote per share and the holders of the Preferred Stock are entitled to one vote for each share of Common Stock issuable upon conversion of the Preferred Stock as of the Record Date (15.65 votes per share). Shareholders of record of the Common Stock and the Preferred Stock may vote their shares either in person or by proxy. The presence in person or by proxy of 9,231,344 shares will constitute a quorum at the Meeting.

**Q: How do I cast my vote?**

**A:** If you hold your shares as a registered shareholder, you can vote in person at the Annual Meeting or you can vote by mail, telephone or on the Internet. For directions to the Annual Meeting, please contact the Corporate Secretary by writing or by telephone at DineEquity, Inc., 450 N. Brand Boulevard, Glendale, CA 91203, Telephone: (818) 240-6055.

If your stock is held through a broker or bank, you will receive voting instructions from your broker or bank describing how to vote your stock. The availability of telephone or Internet voting will depend upon the bank's or broker's voting processes.

Without your instructions, your broker or bank is permitted to use its discretion and vote your shares on certain routine matters (such as Proposal 2 ratification of auditors) but is not permitted to use its discretion and vote your shares on non-routine matters (such as Proposal 1 election of directors). Prior to this year, election of directors was considered a routine matter and your broker or bank was permitted to use its discretion to vote your shares on the election of directors. Accordingly, we urge you to give your broker or bank instructions on voting your shares on Proposals 1 and 2. Shares that are not permitted to be voted by your broker or banker are called "broker non-votes".

Whichever method you use, each valid proxy received in time will be voted at the Annual Meeting by the persons named on the proxy card in accordance with your instructions. To ensure that your proxy is voted, it should be received by the close of business on May 17, 2010.

If you submit a proxy card without giving instructions, your shares will be voted as recommended by the Board of Directors.

BNY Mellon Shareowner Services has been engaged as the independent inspector of election to tabulate shareholder votes at the Meeting.

**Q: How does the Board of Directors recommend voting?**

**A:** The Board of Directors recommends voting **FOR** Howard M. Berk, Daniel J. Brestle, Caroline W. Nahas and Gilbert T. Ray to serve as Class I directors.

The Audit and Finance Committee of the Board of Directors recommends voting **FOR** ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm.

**Q: How will my stock be voted on other business brought up at the Annual Meeting?**

**A:** By signing and submitting your proxy card or voting your shares using the Internet or the toll-free telephone number, you authorize the persons named on the proxy card to use their



Table of Contents

discretion in voting on any other matter brought before the Annual Meeting. The Company does not know of any other business to be considered at the Annual Meeting.

**Q: Can I change my vote or revoke my proxy?**

**A:** Yes. You can change your vote or revoke your proxy at any time before it is voted at the Annual Meeting by executing a later-voted proxy by telephone, mail or the Internet or by voting by ballot at the Meeting.

**Q: Will abstentions or broker non-votes affect the voting results?**

**A:** Assuming a quorum is present, directors will be elected by a plurality of the votes cast in the election of directors. Abstentions and broker non-votes will have no direct impact on the election of directors. Other matters submitted for shareholder approval will be decided by the vote of the holders of a majority of the stock represented and entitled to vote at the Meeting. Abstentions and broker non-votes will be counted and will have the same effect as "no" votes on such matters.

**Q: What is the date of distribution of this Proxy Statement and the proxies solicited hereby?**

**A:** We are sending this Proxy Statement and the proxies to our shareholders beginning on or about April 16, 2010.

**Q: Who will bear the costs of this proxy solicitation?**

**A:** The Board of Directors of the Company is soliciting your proxy for use at the Annual Meeting, and at any adjournment thereof. The Company will bear the cost of this proxy solicitation, including the reimbursement of banks and brokers for their reasonable expenses of sending out proxy materials to the beneficial owners of our Common Stock. In addition, officers of the Company may solicit proxies in person or by mail, telephone, e-mail or fax.



Table of Contents

**Where to Find More Information about DineEquity, Inc.**

**Documents Filed with the Securities and Exchange Commission ("SEC")**

This Proxy Statement is accompanied by the Company's 2009 Annual Report, which includes the Company's consolidated financial statements for the fiscal year ending December 31, 2009.

You can obtain any of the documents that we file with the SEC (including a copy of our 2009 Annual Report on Form 10-K) by contacting us or the SEC (see below for information on contacting the SEC). To obtain documents from us, please direct requests in writing or by telephone to:

DineEquity, Inc.  
450 N. Brand Boulevard  
Glendale, California 91203  
Phone: (818) 240-6055  
Attention: Corporate Secretary

We will send you the requested documents without charge, excluding exhibits. If you would like to request documents from us, including any documents we may subsequently file with the SEC prior to the Meeting, please do so by May 7, 2010, so that you will receive them before the Meeting. Alternatively, you may view these documents at the Investor Info section of our website at <http://www.dineequity.com>.

The Company files and furnishes annual, quarterly and current reports and other information, including proxy statements, with the SEC. You may read and copy any reports or other information that we file with or furnish to the SEC at:

SEC's Public Reference Room  
Station Place  
100 F Street, N.E.  
Washington, DC 20549

You may also receive copies of these documents upon payment of a duplicating fee, by writing to the SEC's Public Reference Room. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room in Washington D.C. and other locations. Our SEC filings are also available to the public on the SEC's website ([www.sec.gov](http://www.sec.gov)).

**Additional Information**

There are a number of other sources for additional information on DineEquity, Inc., including:

The DineEquity, Inc. website. Our website at <http://www.dineequity.com> provides ongoing information about the Company and its performance along with copies of the charters of our board committees, and our corporate governance guidelines and ethics policies. In addition, the Investor Info section of the web site includes links to the Company's filings with the SEC and recordings of recent investor conference calls with management. Please note that information contained on our website does not constitute part of this Proxy Statement.

**The Company's Proxy Statement, Proxy Card and the 2009 Annual Report may be viewed online at <http://bnymellon.mobular.net/bnymellon/din>.**

**IMPORTANT NOTE:**

## Edgar Filing: DineEquity, Inc - Form DEF 14A

You should rely only on the information contained in this Proxy Statement to vote on the proposals at the Annual Meeting. We have not authorized anyone to provide you with information that is different from what is contained in this Proxy Statement. This Proxy Statement is dated April 12, 2010. You should not assume that the information contained in this Proxy Statement is accurate as of any date other than such date, and the mailing of this Proxy Statement to shareholders shall not create any implication to the contrary.

Table of Contents**Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth the only persons who, to the knowledge of management, owned beneficially on March 15, 2010, or on such other date indicated in the accompanying footnotes, more than 5% of the outstanding shares of any class of the Company's voting securities.

<b>Name and Address</b>	<b>Shares Owned</b>	<b>Percent of Class</b>
Southeastern Asset Management, Inc. Longleaf Partners Small-Cap Fund, and Mr. O. Mason Hawkins Southeastern Asset Management, Inc. 6410 Poplar Avenue, Suite 900 Memphis, Tennessee 38119	3,217,500(1)	18.1%
MSD Capital, L.P. MSD SBI, L.P 645 Fifth Avenue, 21st Floor New York, New York 10022	2,512,356(2)	14.1%
FMR LLC Fidelity Management & Research Company Edward C. Johnson 3d 82 Devonshire Street Boston, Massachusetts 02109	1,870,602(3)	10.5%
Keeley Asset Management Corp 401 South LaSalle Street Chicago, Illinois 60605	1,283,651(4)	7.2%
BlackRock, Inc. 40 East 52 Street New York, New York 10022	1,271,860(5)	7.2%
Dimensional Fund Advisor LP Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	1,036,399(6)	5.8%
Nicholas Company, Inc. 700 North Water Street Milwaukee, Wisconsin 53202	1,022,255(7)	5.8%

(1)

In a Schedule 13D, dated December 5, 2008, jointly filed by Southeastern Asset Management, Inc., Longleaf Partners Small-Cap Fund and Mr. O. Mason Hawkins, such persons report that, as of such date, Southeastern Asset Management, Inc. possessed sole power to vote or to direct the vote with respect to 127,000 of these shares, shared power to vote or to direct the vote with respect to 2,978,100 of these shares and no power to vote or direct the vote with respect to 112,400 of these shares, sole power to dispose or direct the disposition of 239,400 of these shares and shared power to dispose or direct the disposition of 2,978,100 of these shares; Longleaf Partners Small-Cap Fund possessed shared power to vote or to direct the vote and shared power to dispose or to direct the disposition of 2,978,100 of these shares; and Mr. Hawkins possessed no power to vote or to direct the vote and no power to dispose or to direct the disposition of any of these shares.

## Edgar Filing: DineEquity, Inc - Form DEF 14A

### Table of Contents

- (2) In a Schedule 13D dated September 19, 2008, MSD Capital, L.P. and MSD SBI, L.P. jointly reported that, as of September 18, 2008, they possessed shared power to vote or direct the vote and shared power to dispose or direct the disposition of these shares.
- (3) In Amendment No. 3 to Schedule 13G dated February 12, 2010, FMR LLC, Fidelity Management & Research Company and Edward C. Johnson 3d jointly reported as follows: as of December 31, 2009, FMR LLC and Edward C. Johnson 3d possess sole power to dispose of 1,770,102 shares and FMR LLC has the sole power to vote and to dispose of 100,500 shares. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC, is the beneficial owner of 1,770,102 shares as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940 (the "Fidelity Funds"). Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Fidelity Funds' boards of Trustees.
- (4) In Amendment No. 2 to Schedule 13G dated February 5, 2010, Keeley Asset Management Corp., Keeley Small Cap Value Fund, and John L. Keeley, Jr. jointly reported that, as of December 31, 2009, Keeley Asset Management Corp. possessed the power to vote or direct the vote with respect to 1,254,311 shares and no power to vote or direct the vote with respect to the remainder of these shares, and sole power to dispose or to direct the disposition of all 1,283,651 shares; Keeley Small Cap Value Funds possessed no power to vote or direct the vote and no power to dispose or to direct the disposition of any of these shares; and John L. Keeley, Jr. possessed no power to vote or direct the vote and no power to dispose or to direct the disposition of any of these shares.
- (5) In an Amendment to Schedule 13G dated January 20, 2010, BlackRock, Inc. ("BlackRock") amended the most recent Schedule 13G filing made by BlackRock and the most recent Schedule 13G filing, if any, made by Barclays Global Investors, NA and certain of its affiliates (the "BGI Entities") and reported as follows: on December 1, 2009, BlackRock completed its acquisition of the BGI Entities from Barclays Bank PLC. As a result, BGI and certain of its affiliates are now included as subsidiaries of BlackRock for purposes of Schedule 13G filings. As of December 31, 2009, BlackRock possessed sole power to vote or direct the vote and sole power to dispose or to direct the disposition of all these shares.
- (6) In a Schedule 13G dated February 10, 2010, Dimensional Fund Advisors LP ("Dimensional") reported as follows: Dimensional possessed sole dispositive power with respect to all of these shares and sole voting power with respect to 1,008,379 shares. Dimensional, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the "Funds"). In its role as investment adviser or manager, Dimensional possesses voting and/or investment power over the securities of the Company that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Company held by the Funds. However, all securities reported in this schedule are owned by the Funds. Dimensional disclaims beneficial ownership of such securities.
- (7) In a Schedule 13G dated February 11, 2010, Nicholas Company, Inc., Nicholas Fund, Inc. and Albert O. Nicholas reported as follows: Nicholas Company Inc. has the sole power to dispose of these shares as the investment adviser to Nicholas Fund, Inc. Nicholas Fund, Inc. has the sole power to vote these shares. Albert O. Nicholas is the Chief Executive Officer, Chairman, Director and majority shareholder of Nicholas Company, Inc. in which capacity he exercised dispositive power over the securities reported on the Schedule 13G by Nicholas Company, Inc. Mr. Nicholas disclaims beneficial ownership of all the securities reported in the Schedule 13G by Nicholas Company, Inc.

## Edgar Filing: DineEquity, Inc - Form DEF 14A

### Table of Contents

The following table sets forth as of March 15, 2010 the beneficial ownership of the Company's Common Stock, including shares as to which a right to acquire ownership exists within the meaning of Rule 13-d3(d)(1) under the Securities Exchange Act of 1934, as amended, within 60 days of March 15, 2010, of each director, each nominee for election as director, each named executive officer ("NEO"), as such term is used in the Compensation Discussion and Analysis beginning on page 18 below, and all directors and executive officers of the Company, as a group.

Name and Address*(1)	Shares Owned(2)(3)	Percent of Class
Howard M. Berk	10,000(4)	*
Daniel J. Brestle	5,000	*
H. Frederick Christie	51,200(5)	*
Richard J. Dahl	48,700(6)	*
Frank Edelstein	42,866	*
Michael S. Gordon	78,200(7)	*
Larry Alan Kay	51,344(8)	*
Caroline W. Nahas	41,200	*
Gilbert T. Ray	19,200	*
Patrick W. Rose	56,100	*
Julia A. Stewart	410,092(9)	2.3%
John F. Tierney	36,984	*
Michael J. Archer	67,311	*
Jean M. Birch	32,311	*
Richard C. Celio	64,061	*
Greggory Calvin	20,198	*
All directors and executive officers as a group (17 persons)	1,072,311	6.0%

\*

Represents less than 1% of the outstanding Common Stock.

(1)

The address for each of the directors and NEOs is:

DineEquity, Inc.  
450 N. Brand Boulevard  
Glendale, California 91203

(2)

Applicable percentage of ownership is based upon 17,765,598 shares of Common Stock outstanding as of March 15, 2010, and the relevant number of shares of Common Stock issuable upon exercise of stock options or other awards which are exercisable or have vested or will be exercisable or will vest within 60 days of March 15, 2010.

Table of Contents

- (3) Share amounts for each of the directors, each nominee for election as director, each NEO and for all directors and executive officers as a group include shares subject to options that are exercisable within 60 days of March 15, 2010, as follows:

Name	Shares
Howard M. Berk	
Daniel J. Brestle	
H. Frederick Christie	22,500
Richard J. Dahl	12,500
Frank Edelstein	14,166
Michael S. Gordon	22,500
Larry Alan Kay	15,000
Caroline W. Nahas	17,500
Gilbert T. Ray	2,000
Patrick W. Rose	22,500
Julia A. Stewart	252,000
John F. Tierney	11,667
Michael J. Archer	
Jean M. Birch	
Richard C. Celio	36,667
Greggory Kalvin	6,667
All directors and executive officers as a group (17 persons)	459,001

- (4) The amount for Mr. Berk does not include 2,512,356 shares of the Company's Common Stock owned by MSD SBI, L.P. MSD Capital, L.P. is the general partner of MSD SBI, L.P. and may be deemed to beneficially own securities owned by MSD SBI, L.P. Mr. Berk is a partner of MSD Capital, L.P. and may be deemed to beneficially own securities owned by MSD Capital, L.P. Mr. Berk disclaims beneficial ownership of the shares owned by MSD SBI, L.P. and MSD Capital, L.P.
- (5) Includes 2,000 shares of Common Stock held by the Keogh Plan Trust and 4,000 shares of Common Stock held by the Christie Family Trust.
- (6) Includes 22,200 shares of Common Stock held by the Richard J. Dahl Revocable Living Trust dated 01/20/1995 of which Mr. Dahl serves as Trustee.
- (7) Includes 41,700 shares of Common Stock held by the Mikel Gordon Trust DTD 1/29/1988 for which Mr. Gordon serves as Trustee.
- (8) Includes 12,644 shares of Common Stock held by the IRA Trustee for the benefit of Mr. Kay.
- (9) Includes 66,010 shares of Common Stock held by the Julia Stewart Trust of which Ms. Stewart is sole Trustee and sole beneficiary and 563 shares of Common Stock held in the DineEquity, Inc. 401(k) Plan.

**Section 16(a) Beneficial Ownership Reporting Compliance**

The Company's directors and executive officers and the beneficial holders of more than 10% of the Common Stock are required to file reports with the SEC of changes in their ownership of Company stock. Based on its review of such reports and other information furnished by the directors and executive officers, the Company believes that all such filing requirements were met during 2009, except that Ms. Stewart reported four transactions late and Mr. Celio reported one transaction late.

Table of Contents

**Proposal 1. Election of Four Class I Directors**

The Board of Directors of the Company is divided into three classes of directors. Class I directors currently serve until the Annual Meeting in 2010, Class II directors serve until the Annual Meeting in 2011 and Class III directors serve until the Annual Meeting in 2012 (in each case, until their respective successors are duly elected and qualified). At the Meeting, four Class I directors will be elected for three-year terms. Shares represented by the enclosed Proxy, if returned duly executed, or voted via the Internet or telephone, and unless instructions to the contrary are indicated thereon, will be voted for the nominees listed below.

The Board of Directors, upon recommendation of the Nominating and Corporate Governance Committee, has designated the four nominees listed below for election as Class I directors of the Company for terms expiring in 2013. Your Proxy will be voted as specified thereon or, if no instructions are given, for the Board's nominees; however, the persons designated to vote Proxies reserve full discretion to vote the shares represented by the Proxies for the election of the remaining nominees and any substitute nominee or nominees designated by the Board of Directors in the event the nominee who would otherwise receive the votes is unavailable or unable to serve as a candidate for election as a director. The Board of Directors has no reason to believe that any of the nominees will be unavailable or unable to serve if elected.

Frank Edelstein, who has served on the Company's Board of Directors since 1987, will retire from the Board upon the conclusion of the Annual Meeting in accordance with the Board retirement policy. Following the Annual Meeting, the number of directors will be ten.

The Board of Directors believes that each of the nominees and the continuing directors is well qualified to serve on the Board, and each of the nominees brings his or her particular business, industry and financial experience and expertise to the Board. The Board believes that the backgrounds and qualifications of all of the directors, considered as a group, provide a complementary blend of experience, knowledge and abilities.

**Information Concerning Nominees and Members of the Board of Directors**

Nominees Terms to Expire 2010 (Class I)

Howard M. Berk (age 45). Mr. Berk has served on the Company's Board of Directors since February 2009. Since 2002, Mr. Berk has been a Partner at MSD Capital, L.P., a private investment firm. From 1998 to 2002, Mr. Berk was Managing Director of TG Capital Corp., an investment group that manages the capital of a single family and acquires and invests in both public and private companies. From 1995 to 1998, Mr. Berk was with The Stenbeck Group, acquiring and managing businesses in multiple countries. Prior to that, he was with Goldman, Sachs & Co., where he worked in the Principal Investment area as well as the Mergers and Acquisitions department. Mr. Berk's qualifications to sit on our Board include his experience in dealing with public company boards of directors from a public investor perspective and his experience in finance and managing and investing private capital.

Daniel J. Brestle (age 64). Mr. Brestle has served on the Company's Board of Directors since July 2009. Mr. Brestle most recently served as Vice Chairman and President of Estee Lauder Companies Inc. North America, a position he retired from in June 2009 after spending more than 30 years in leadership positions within the Lauder organization and its family of brands. During his tenure, he held numerous positions including Chief Operating Officer and Group President of Lauder's high growth specialty brands. Prior to these positions, he was President of the Estee Lauder, Clinique and Prescriptives brands. Prior to Estee Lauder, Mr. Brestle held various positions of increasing responsibility in distribution, manufacturing and operations at Johnson & Johnson and served in the United States Air Force. Mr. Brestle has served on the board of Airborne Inc. since October 2009 and served on the board of Abercrombie & Fitch from 2005 to 2007. Mr. Brestle's qualifications to sit on our Board include his experience in senior management at a multi-national consumer products public

Table of Contents

company, including experience in operations, manufacturing, marketing and brand-building, and his experience on the boards of directors of public companies.

Caroline W. Nahas (age 61). Ms. Nahas has served on the Company's Board of Directors since 1992. She has held the position of Managing Director, Southern California, of Korn/Ferry International or similar positions since May 1998. She served as a member of the Executive Committee of Korn/Ferry International from December 1995 until August 1998. Ms. Nahas serves as a director of Whittier Holdings, Inc., UCLA Anderson School of Management-Board of Visitors and United Way of Greater Los Angeles. She previously served as a director of the Los Angeles Chamber of Commerce and Town Hall Los Angeles. Ms. Nahas' qualifications to sit on our Board include her experience in a senior executive position with a professional services firm, her expertise in executive recruiting, human resources and compensation matters and other for profit and not for profit board experience.

Gilbert T. Ray (age 65). Mr. Ray has served on the Company's Board of Directors since 2004. He is a retired partner of O'Melveny & Myers LLP. Mr. Ray currently is a member of the boards of Advanced Auto Parts, Inc., DiamondRock Hospitality Company, Seasons Series Fund and SunAmerica Series Trust, Towers Watson & Company (including its predecessor, Watson Wyatt Worldwide), Sierra Monolithics, Inc., Automobile Club of Southern California, St. John's Health Center Foundation and The John Randolph Haynes and Dora Haynes Foundation. Mr. Ray's qualifications to sit on our Board include his experience as a corporate lawyer and counselor and experience in compensation and corporate governance issues as a result of his service on the boards of directors of public and private companies and non-profit organizations.

Continuing Directors Terms to Expire 2011 (Class II)

Michael S. Gordon (age 74). Mr. Gordon has served on the Company's Board of Directors since 1987. In April 2006, he assumed the position of Vice Chairman of First Q Capital LLC. He served as Chairman of StoneCreek Capital, Inc. (formerly The Gordon+Morris Group, Inc.) from January 2002 through March 2006. He served on the board of BSSI, Inc. from September 2004 until October 2007. Mr. Gordon is a member of the boards, and has served as Chairman of the boards, of the Orange County Performing Arts Center and the Pacific Symphony and is a member of the board of the Community Foundation of the Jewish Federation of Orange County. Mr. Gordon's qualifications to sit on our Board include his experience in corporate finance, private equity and investment management and his experience on the boards of directors of private companies and non-profit organizations.

Larry Alan Kay (age 63). Mr. Kay has served on the Company's Board of Directors since 1987. Mr. Kay served as the Board's Lead Director from May 2006 through December 2009. He served as Chairman of the Board from January 2003 until May 2006. From 1978 through 1993, Mr. Kay was employed by the Company in a variety of capacities, including General Counsel and Executive Vice President Administration, from 1987 through 1993. Mr. Kay has served as Chief Executive Officer and Managing Member of BSG Technologies, LLC since 2008. Mr. Kay was a private consultant and investor from 1994 until 2008. He served as Publisher of Fi: The Magazine of Music & Sound, and President and Chief Executive Officer of Fi, L.L.C. from October 1995 until May 1998. He serves as director of Design Center Solutions, Inc. dba Bridgeway Media Group and is an honorary board member of the New Century Chamber Orchestra. Mr. Kay's qualifications to sit on our Board include his experience as the Company's Chairman and Lead Director, his experience as a consultant and private investor, his prior experience in senior management of the Company and his service on the boards of directors of private companies and non-profit organizations.

Julia A. Stewart (age 54). Ms. Stewart serves as Chairman and Chief Executive Officer of DineEquity, Inc. She has served on the Company's Board of Directors since December 2001 and became Chairman in May 2006. She has served as the Company's Chief Executive Officer and President since May 2002 and had served as the Company's President and Chief Operating Officer from December 2001 until May 2002. Ms. Stewart served as President, Domestic Division, of



Table of Contents

Applebee's International, Inc. from October 1998 to August 2001. Ms. Stewart has served on the Board of Directors of Avery Dennison Corporation since January 2003. She is a board member of the non-profit boards of UCLA Anderson School of Management-Board of Visitors, the Children's Bureau and the California Science Center Foundation. Ms. Stewart's qualifications to sit on our Board include her experience as the Company's Chairman and Chief Executive Officer, her extensive experience in the restaurant industry and her experience on the boards of directors of a public company and non-profit organizations.

Continuing Directors Terms to Expire 2012 (Class III)

H. Frederick Christie (age 76). Mr. Christie has served on the Company's Board of Directors since 1992. He is an independent consultant and has served on the Boards of Directors of Ducommun, Incorporated since 1985, Southwest Water Co. since 1995 and AECOM Technology Corp since 1990. Beginning in 1972, he has served as a director or trustee of various mutual funds operated by Capital Research and Management Company. Mr. Christie also served as a director of Valero L.P. from 2002 until 2005. From 1987 to 1990, he served as President and Chief Executive Officer of The Mission Group. He is Chairman Emeritus of the Natural History Museum of Los Angeles County and Vice Chairman of the Chadwick School. Mr. Christie's qualifications to sit on our Board include his experience in senior management of public companies, including service as chairman, chief executive officer, president, chief operating officer and chief financial officer, and experience on the boards of directors of public companies and non-profit organizations.

Richard J. Dahl (age 58). Mr. Dahl currently serves as the Company's Lead Director, a position he has held since January 2010. He has served on the Company's Board of Directors since February 2004. He has served as Chairman of the Board of International Rectifier Corporation since May 2008. Previously Mr. Dahl served on the Board of Directors and as President and Chief Operating Officer of Dole Food Company, Inc. from July 2004 through July 2007. He had previously served as Vice President, then Senior Vice President and Chief Financial Officer, of Dole Food Company, Inc. during the period July 2002 through July 2004. He served on the board of directors and was President and Chief Operating Officer of Bank of Hawaii Corporation from 1994 until 2002. He is a member of the boards of directors of International Rectifier Corporation, Idacorp, Inc. and its principal subsidiary, Idaho Power Company, and Pacific Health Research Institute. Mr. Dahl's qualifications to sit on our Board include his experience in senior management of public companies, including service as chairman, president, chief operating officer and chief financial officer, his experience on the board of directors of public companies, including service as chairman of the audit committees of two public companies, including DineEquity, Inc., and his experience as a certified public accountant.

Patrick W. Rose (age 68). Mr. Rose has served on the Company's Board of Directors since 1992. He is a private investor. Mr. Rose served as Chairman of the Board, President and Chief Executive Officer of Bumble Bee Seafoods, Inc. from June 1985 to August 1988. He served as Chairman of the Board, President and Chief Executive Officer of Van Camp Seafood, Inc., from March 1992 to August 1997. He served on the board of directors of Birds Eye Foods, Inc. from 2003 until December 2009 and has served as United States Commissioner to the Inter-American Tropical Tuna Commission since 2003. Mr. Rose has also served as Chairman of the Board of Chart House Enterprises, Inc. Mr. Rose's qualifications to sit on our Board include his experience in senior management of private companies, including service as chairman, chief executive officer, president and chief operating officer, his experience in marketing and his experience on the boards of directors of private companies.

**Board of Directors and Corporate Governance**

**Corporate Governance Guidelines.** The Company has adopted corporate governance guidelines which can be found in the Corporate Governance section of our website, <http://www.dineequity.com>. In addition, printed copies of the Company's corporate governance guidelines are available at no charge

## Edgar Filing: DineEquity, Inc - Form DEF 14A

### Table of Contents

upon request from the Corporate Secretary, DineEquity, Inc., 450 N. Brand Boulevard, Glendale, CA 91203, (818) 240-6055.

**Director Attendance at Annual Meetings.** All directors are expected to attend the Company's Annual Meeting. All of the directors attended the Company's 2009 Annual Meeting.

**Director Independence.** The NYSE rules require listed companies to have a board of directors with at least a majority of independent directors. The Company's board of directors has had a majority of independent directors since it went public in 1991.

Under the NYSE rules, a director qualifies as "independent" upon the Board affirmatively determining that he or she has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a material relationship with the Company). Based upon a review of the directors' backgrounds and business activities, the Board has determined that directors Howard M. Berk, Daniel J. Brestle, H. Frederick Christie, Richard J. Dahl, Frank Edelstein, Michael S. Gordon, Larry Alan Kay, Caroline W. Nahas, Gilbert T. Ray, and Patrick W. Rose have no other material relationship with the Company and therefore that they qualify as independent. In making its determination, the Board considered Mr. Berk's position as a partner of MSD Capital, L.P. and the fact that MSD Capital, L.P. may be deemed to beneficially own 2,512,356 shares of the Company's Common Stock. The Company's Chief Executive Officer, Julia A. Stewart, does not qualify as an independent director.

Both the Sarbanes-Oxley Act of 2002 (the "Sarbanes Act") and the NYSE rules require the Board to have an audit committee comprised solely of independent directors, and the NYSE rules also require the Board to have a compensation committee and a nominating and corporate governance committee, each of which is comprised solely of independent directors. The Company is in compliance with these requirements.

Under the Sarbanes Act, members of an audit committee must have no affiliation with the Company, other than their Board seat, and receive no compensation from the Company except for service as a director and committee member. Every member of the Board's Audit and Finance Committee meets this independence standard.

The charters of all three of the Company's Board Committees can be found in the Corporate Governance section of our website, <http://www.dineequity.com>, and are also available at no charge upon written request to the Corporate Secretary, DineEquity, Inc., 450 N. Brand Boulevard, Glendale, CA 91203.

**Audit Committee Financial Experts.** Rules promulgated by the SEC under the Sarbanes Act require the Company to disclose annually whether the audit committee has one or more "audit committee financial experts," as defined by the SEC. The Board has determined that Mr. Dahl qualifies as an audit committee financial expert and is independent, as defined in the NYSE rules.

**Code of Ethics for Chief Executive and Senior Financial Officers.** The Board has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer and principal accounting officer, as required by the SEC. The Code of Ethics for the Chief Executive Officer and Senior Financial Officers can be found in the Corporate Governance section of our website, <http://www.dineequity.com>, and is also available at no charge upon written request to the Corporate Secretary, DineEquity, Inc., 450 N. Brand Boulevard, Glendale, CA 91203.

**Non-Management Directors.** The NYSE rules require that the non-management directors of a listed company meet regularly in executive sessions. The Company's non-management directors meet separately at each regular meeting of the Board and most committee meetings. The Lead Director, Richard J. Dahl, is not a member of management and presides during executive sessions of the Board.

Table of Contents

Interested parties may express their concerns to the Company's non-management directors by contacting the Chairman of the Nominating and Corporate Governance Committee, care of the Corporate Secretary, DineEquity, Inc., 450 N. Brand Boulevard, Glendale, California 91203. Interested parties may also submit their communications electronically to directors@dinequity.com. The Corporate Secretary will forward all such communication to the director(s) indicated to receive the communication, or if no recipient is indicated, to the Lead Director.

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

Ms. Stewart has served as both the Chairman and Chief Executive Officer of the Company since May 2006. Because the Chairman is a member of management, the Board considers it useful and appropriate to designate a Lead Director to coordinate the activities of the independent directors. The presence of a Lead Director provides additional assurance as to the independence of the Board's oversight of management. Richard J. Dahl has served as the Lead Director since January 2010. Before Mr. Dahl, Larry Alan Kay served as Lead Director beginning in May 2006. The Board has adopted specific responsibilities of the Lead Director, which include:

presiding over executive sessions of the independent directors;

coordinating and developing the agenda for executive sessions of the independent directors;

assuming the lead role on behalf of the independent directors to communicate to the Chairman any feedback from executive session;

serving as principal liaison between the independent directors and the Chairman on Board issues;

calling meetings of the independent directors;

coordinating with the Chairman the schedule of Board meetings and the agenda, time allocation and quality, quantity, appropriateness and timeliness of information provided for each Board meeting;

recommending, after consulting with the Chairman wherever appropriate, the retention of outside advisors and consultants who report directly to the Board on Board issues; and

serving as interim Chairman in the event of a vacancy in that position.

The Board believes that the combined role of Chairman and Chief Executive Officer together with an independent Lead Director having the responsibilities outlined above provides the appropriate balance between strategy development and independent oversight of senior management.

**The Board's Role in Risk Oversight.** The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's strategic, financial and operational risks. The Company's Compensation Committee oversees the management of risks relating to the Company's compensation policies and practices. The Audit and Finance Committee oversees the management of risks associated with accounting, auditing, financial reporting and internal controls over financial reporting. The Audit and Finance Committee also assists the Board in its oversight of the integrity of the Company's

Table of Contents

financial statements, the Company's compliance with legal and regulatory requirements, the qualifications and independence of the Company's auditors and the performance of the Company's independent auditors and the Company's internal audit function. The Audit and Finance Committee is responsible for reviewing and discussing the guidelines and policies governing the process by which senior management and the internal auditing department assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Nominating and Corporate Governance Committee oversees risks associated with the independence of the Board of Directors. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

**Communications with the Board.** Shareholders may communicate with the Board of Directors, care of the Corporate Secretary, DineEquity, Inc., 450 N. Brand Boulevard, Glendale, California 91203. Shareholders may also submit their communications electronically to directors@dinequity.com. The Corporate Secretary will forward all such communication to the director(s) indicated to receive the communication, or if no recipient is indicated, to the Lead Director.

**Senior Management Evaluation.** In consultation with the other independent directors, the Chairmen of the Compensation Committee and the Nominating and Corporate Governance Committee annually evaluate the performance of the Company's CEO.

**Corporate Ethics Hotline.** The Company maintains an ethics hotline, to allow any employee to express a concern or lodge a complaint, confidentially and anonymously, about any potential violation of the Company's Code of Conduct that is of concern.

**Board Retirement Policy.** &nbsp;nbsp;