

## **RUBY TUESDAY, INC. CATEGORICAL STANDARDS FOR DIRECTOR INDEPENDENCE**

A director of Ruby Tuesday, Inc. (the "Company") does not qualify as independent unless the board of directors affirmatively determines that such person has no material relationship with the Company. To assist the board in this determination, the New York Stock Exchange Listed Company Manual provides in the commentary to Section 303A.02 that "a board may adopt and disclose categorical standards to assist it in making determinations of independence." Determinations of independence are made annually in conjunction with the board's approval of director nominees for inclusion in the proxy statement. If a director is considered for appointment between these annual determinations, the board shall make an independence determination prior to his or her appointment. Each director shall notify the board of any change in circumstances during the year that may impact the independence determination. Upon receiving such notification, the board will reevaluate its prior determination as soon as practicable.

For the purposes of determining director independence, any relationship described below shall be presumed material if it existed within the preceding three years:

- (a) the director was an employee of the Company or an immediate family member of the director was an executive officer of the Company;
- (b) the director or an immediate family member of the director received more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other deferred compensation for prior service (provided that such compensation was not contingent in any way on continued service);
- (c) the director was affiliated with or employed by the Company's present or former external auditor (or had an immediate family member who was affiliated with or employed in a professional capacity by such external auditor);
- (d) the director (or a director's immediate family member) was an executive officer of a company in which an executive officer of the Company served on the compensation committee of the board of directors;
- (e) the director was an employee or executive officer, or an immediate family member of the director was an executive officer, of another company that made payments to or received payments from the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues for the most recently ended fiscal year for which total revenue information is available;
- (f) the director, or an immediate family member of the director who resides in the same home as the director, was employed as an executive officer of a non-profit organization, foundation or university to which the Corporation made discretionary contributions (excluding for this purpose matching funds paid by the Company as a result of contributions by the Company's directors or employees) that, in any fiscal year exceeded the greater of \$1 million or 2% of the entity's consolidated gross revenues for the most recently ended fiscal year for which total revenue information is available; or
- (g) the director, or an immediate family member of the director, is or has been a director or executive officer of another company that is indebted to the Company, or to which the Company is indebted, if the total amount of either company's indebtedness for borrowed money to the other is or was 2% or more of the other company's total consolidated assets.

As used in these standards, the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than a domestic employee) who shares such person's home; provided, that any such persons who no longer have any such relationship as a result of legal separation or divorce, or death or incapacitation, shall not be considered immediate family members.

These standards shall be deemed to be automatically updated to reflect any changes made to the NYSE listing standards and interpreted in the same manner as such rules.

The board specifically believes that a relationship between the Company and an entity where a director is solely a non-management director is not material. In addition, any other relationship not described in (a) through (g) above will be presumed not to be material unless: (i) the relationship was not entered into on terms substantially similar to those that would be offered to non-affiliated persons of entities in comparable circumstances; or (ii) the board determines that the relationship should be considered material after exercising its judgment in light of all applicable facts and circumstances.