

**TEXAS ROADHOUSE, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “Board,” “we,” “us” or “our”) of Texas Roadhouse, Inc. (the “Company”), acting on the recommendation of its Nominating and Corporate Governance Committee (“NCGC”), has developed and adopted the following flexible guidelines to provide the framework of our corporate governance. These guidelines are not intended to, nor do they, replace our legal obligations, as set forth in the Company’s Certificate of Incorporation and Bylaws, the charters of our committees and applicable laws and regulations. These guidelines will be reviewed by the NCGC as necessary, but not less frequently than annually, and we may approve modifications to or deviations from these guidelines as we deem appropriate. The most current version of these guidelines will be posted on our website, [www.texasroadhouse.com](http://www.texasroadhouse.com), in the Investors section.

**1. COMPOSITION OF THE BOARD**

1.1 **Size.** The Company’s Bylaws provide that the number of directors may be between one and 15. The current number of directors is set at six, which we believe is appropriate given the size and complexity of our business and the breadth of professional expertise of our current directors. We periodically evaluate whether a larger or smaller number of directors would be preferable.

1.2 **Independence.** A majority of our directors will be independent under the rules of NASDAQ Stock Market and the Securities and Exchange Commission.

1.3 **Director Qualifications.** A director must have integrity, maturity of judgment and a record of professional accomplishment in his or her chosen field. Directors must be committed to representing the best interests of the Company and its stockholders and be willing and able to devote sufficient time to their duties and responsibilities as board members.

1.4 **Selection Process.** The Board has three classes of directors, and one class of directors is elected each year by the stockholders at the annual meeting of stockholders. We propose a slate of nominees to the stockholders for election to the Board. Candidates to fill new positions created by expansion and vacancies are considered by the NCGC and recommended to us.

Stockholders may propose nominees for consideration by submitting the names and supporting information to the Corporate Secretary of the Company in accordance with the deadlines and procedures detailed in the Company’s Bylaws and its annual proxy statement.

Between annual meetings of stockholders, we may elect directors to serve until the next

annual meeting.

The NCGC may solicit or consider recommendations for director candidates from any source. In evaluating candidates, and regardless of the source of the recommendation, we give due consideration to current Board composition and current business circumstances, as well as to the criteria set forth in these guidelines.

1.5 **Term Limits; Mandatory Retirement Age.** We do not believe that arbitrary limits based on years of service or age are appropriate, as we do not want to lose the valuable contribution of directors who have developed an increased understanding of the Company, its history, culture, policies and strategies. However, each director's tenure is re-considered at the end of his or her term, taking into account the director's attendance at, preparedness for and contributions to meetings and the results of our most recent self-assessment.

1.6 **Significant Change in Present Responsibilities.** A director should offer his or her resignation in the event of a significant change in personal or professional circumstances that would impede the director's ability to carry out the responsibilities of a director. Such resignation will become effective only if accepted by the Board.

1.7 **Directorships with Other Public Companies.** We do not have a formulaic approach to the number of boards and committees on which a director may serve. However, a director should advise us in advance of accepting an invitation to serve on the board of directors, the audit committee or the compensation committee of another publicly-traded company. We will mutually determine whether accepting the position will adversely impact the director's ability to serve the Company considering all the facts and circumstances.

1.8 **Board Member Diversity.** Diversity in all respects, including gender, race, age, board service, background, education, skill set, and financial acumen, along with knowledge and experience in areas that are relevant to the Company's business, is desirable in the composition of our Board. If and when the Board determines that it is necessary or desirable to add or replace a director, the Nominating and Corporate Governance Committee is committed to seeking diverse candidates, as described above, when forming the nominee pool.

1.9 **Voting for Directors.** In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election must promptly tender his or her resignation following certification of the shareholder vote. The Nominating and Corporate Governance Committee will consider the resignation offer and recommend to the Board whether to accept it. The Board will act on the Nominating and Corporate Governance Committee's

recommendation within 90 days after certification of the shareholder vote. Thereafter, the Board will promptly disclose our decision whether to accept the director's resignation offer (and the reasons for rejecting the resignation offer, if applicable) in a press release to be disseminated in the manner that Company press releases are typically distributed.

1.10 **Appointment and Role of Lead Director.** If the offices of Chairman of the Board and Chief Executive Officer are held by the same person, the independent directors will appoint a lead director annually with a majority vote. The lead director will serve until his or her successor is appointed by the independent directors or until his or her earlier resignation or removal. A lead director may be removed or replaced at any time with or without cause by a majority vote of the independent directors. The lead director, who is required to be an independent director, will be responsible for:

1.10.1 Presiding at all executive sessions of the Board and any other meeting of the Board at which the Chairman is not present, and advising the Chairman and CEO of any decisions reached or suggestions made at any executive session.

1.10.2 Approving in advance agendas and schedules for Board meetings and the information that is provided to directors.

1.10.3 If requested by major shareholders, being available for consultations and direct communication.

1.10.4 Serving as a liaison between the Chairman and the independent directors.

1.10.5 Calling special meetings of the independent directors.

## 2. **BOARD PRACTICES**

2.1 **Director Responsibilities.** Directors are expected to invest the time and effort necessary to understand the Company's business and strategies and challenges. The basic responsibilities of the directors are attending board meetings and actively, objectively, thoughtfully, constructively and independently participating in board discussions. Directors are also expected to make themselves available outside of board meetings for advice and consultation. Directors are to exercise their business judgment with due care and in good faith in a manner reasonably believed to be in the best interests of the Company and its stockholders.

### 2.2 **Meetings.**

2.2.1 **Regular Meetings.** We have four regularly scheduled meetings each year. We will meet more often as the need arises. Meetings are generally held in person, but some meetings may be held telephonically. If a director is unable to personally attend a meeting, he or she may participate by video-conference or teleconference. One of our regularly scheduled meetings each year is on the same day and immediately after the Annual Meeting of Stockholders. As such, we expect each director to attend the stockholder meeting.

2.2.2 **Executive Sessions.** The independent directors meet without the employee directors and management at least four times per year. They will meet more frequently as they deem necessary or desirable.

2.2.3 **Meeting Agendas.** The agenda for each meeting is set by the Chairman and the Chief Executive Officer in coordination with the Corporate Secretary. Any director or executive officer may suggest items for inclusion on the agenda.

2.2.4 **Distribution of Meeting Materials.** The Company is to distribute written materials for use at board meetings sufficiently in advance to permit our meaningful review. The Company is to regularly inform us of Company and competitive developments between meetings.

2.2.5 **Attendance by Non-Directors.** We expect the Company's executive officers to attend all board meetings and to contribute to the discussions relating to their areas of expertise. We welcome attendance by other senior leaders of the Company who can provide additional insight into the items being discussed because of personal involvement in those area and/or who are managers with future potential that would benefit from exposure to the Board.

## 2.3 **Resources and Authority of the Board.**

2.3.1 **Access to Independent Advisors.** We and our committees have the authority to select, retain, terminate and approve the fees, at Company expense, and other retention terms of special counsel and other experts or consultants as we deem appropriate without seeking approval from management of the Company.

2.3.2 **Access to Company Employees.** We and our committees have full and free access to all the Company's employees. We will use good judgment in contacting such persons so as not to disrupt the Company's business operations.

## 2.4 **Assessment of Board and Committee Performance.**

2.4.1 **Board Self-Assessment.** Annually, the NCGC conducts on our behalf a confidential self-assessment of the overall functioning of the Board and our committees. This process is not intended to be, and is not, a peer review of individual directors. Each director completes an assessment form and sends it to the Chairman of the NCGC, who compiles the results and presents them to us. Individual responses are kept confidential.

2.4.2 **Committee Evaluation of Performance.** Each of our committees, in accordance with their respective charters, annually reviews its performance against the duties and responsibilities specified in their charters. Each committee chair reports the results of the evaluation to the Board for discussion.

2.5 **Ethics.** The Company's Code of Business Conduct and Ethics (the "Code") applies to us equally as it applies to company employees. The Code covers a variety of subject matters related to ethics and integrity, including conflicts of interests and confidentiality of information. Each year we individually acknowledge compliance with the Code. Any waiver to a Code provision for an executive officer or a director requires our approval. Directors are expected to excuse themselves from any Board discussion or decision affecting their personal, business or professional interests. Directors are expected to maintain the confidentiality of information given or presented to the Board.

### 3. COMMITTEE PRACTICES

3.1 **Standing Committees.** We have three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Only independent directors serve on these committees. We may designate other standing or ad hoc committees as we deem necessary from time to time.

3.2 **Meetings.** Each committee meets as often as necessary to discharge the duties and responsibilities of its charter. The chairperson of each committee determines the meeting schedule.

3.3 **Meeting Agendas.** The chairperson of each committee sets the agenda for each meeting in coordination with the Corporate Secretary, and in the case of the Audit Committee, the Internal Auditor. Any committee member may suggest items for inclusion on the agenda. Agendas are established so that the duties and responsibilities specified in each committee's charter are completed as required.

3.4 **Distribution of Meeting Materials.** The Company is to distribute written materials for use at committee meetings sufficiently in advance to permit our meaningful review.

3.5 **Committee Assignments.** We appoint directors to committees in accordance with their interests and expertise and the needs of the Board. Although we consider rotating committee members

from time to time, we do not believe it is in the best interest of the Company to require mandatory rotation.

3.6 **Committee Chairpersons.** We appoint the chairperson of each committee, subject to such director's experience and willingness to serve as chair. Although we consider rotating committee chairs from time to time, we do not believe it is in the best interest of the Company to require mandatory rotation.

#### **4. COMPENSATION**

4.1 **Director Compensation.** Directors who are also employees are not compensated for their services to the Board. We approve the form and amount of compensation for the independent directors based upon the recommendations of the Compensation Committee.

4.2 **Executive Officer Compensation.** We approve the form and amount of compensation **of** the executive officers of the Company based upon the recommendations of the Compensation Committee. Our compensation philosophies and practices are fully explained in the Company's annual proxy statement.

4.2 **Stock Ownership.** We believe it is important to have an alignment of the interests of the directors and the executive officers with the interests of our stockholders. Accordingly, we have adopted stock ownership guidelines which provide that our Chief Executive Officers should own the lesser of 100,000 shares or \$2,500,000 in then-current market value, our President should own the lesser of 40,000 shares or \$1,000,000 in then-current market value, and our other executive officers and non-management directors should own the lesser of 10,000 shares or \$500,000 in then-current market value. The officers and directors are expected to achieve the stock ownership levels under these guidelines within five years after they are first appointed to their respective positions.

#### **5. COMMUNICATIONS**

5.1 **Board Interaction with Stakeholders.** As a general matter, we believe that management speaks for the Company. We refrain from contacting analysts, investors, franchisees, vendors, the media and other constituents. We do, however, participate in functions and meetings at the invitation of management at which various company constituents also participate.

5.2 **Communications with the Board.** Stockholders that want to communicate in writing with the Board or with an individual director may send communications to the Corporate Secretary of the Company. Communications will be preliminarily reviewed through the process detailed in the Company's annual proxy statement. Reports concerning financial, accounting or audit matters may be sent directly to our Audit Committee through the Company's Ethics Hotline. The Ethics Hotline can be accessed through

the procedures described in the Code, which is available on the Company's website.

Adopted by the Board of Directors: February 9, 2012