

## **TEXAS ROADHOUSE, INC.**

### **ANTI-CORRUPTION POLICY (“POLICY”)**

#### **I. Overview**

We are committed to Passion, Partnership, Integrity and Fun... All with Purpose! Operating with integrity means avoiding corruption of any kind, including bribery of government officials. If you conduct business for Texas Roadhouse, Inc, its affiliates or subsidiaries (collectively, the “Company,” “we,” “us” or “our”), you must strictly abide by all applicable anti-corruption laws and this Policy.

We are also committed to preventing, detecting, and remediating violations of anti-corruption laws and this Policy. We have designated a compliance officer (the “Compliance Officer”) who shall be principally responsible for managing the implementation and enforcement of this Policy and related anti-corruption training. The Compliance Officer will report, as necessary, to the Company’s Board of Directors, who shall exercise reasonable oversight as to the implementation and effectiveness of the Company’s anti-corruption program and this Policy.

#### **II. Who the Policy Applies To**

This Policy applies to all employees of the Company (regardless of rank or position, and including temporary and part-time employees), all members of our Board of Directors, and potentially any third parties acting on our behalf. It is an integral part of our existing Code of Conduct (the “Code”), and is intended to expand upon the sections of the Code dealing with bribery, corruption and proper accounting and record-keeping procedures.

No employee, including any of our officers or any member of the Board of Directors, has the authority to direct or condone violations of the Code or of this Policy.

#### **III. Overview of Anti-Corruption Laws**

There are many anti-corruption laws that apply to us as a global company. The Company prohibits the act of making, offering, promising, or authorizing payment of money or anything of value to any person, directly or indirectly, to obtain, retain, or direct business or to influence any act or decision of that person in his or her official capacity.

##### **A. Local Laws**

You should follow all of the laws, rules and regulations of the United States and other countries in which we conduct our business. If there is a conflict between a law and this Policy, you should comply with the law and immediately report the conflict to the Compliance Officer.

It is important to note that the absence of a law prohibiting a certain type of payment or activity does not mean that it is allowed. In addition, the fact that it may be “common practice” for local officials to request or receive certain types of payments does not mean that those payments are legally permissible.

## **B. U.S. Foreign Corrupt Practices Act**

One of the most important U.S. laws governing bribery and corruption in the international marketplace is the Foreign Corrupt Practices Act (or “FCPA”). The FCPA applies to individuals and companies in the United States and potentially anyone acting on their behalf. It contains anti-bribery regulations and detailed accounting and record keeping requirements. In general the FCPA mirrors our existing policies concerning bribery and record-keeping, but includes additional layers of scrutiny and documentation that are required for our foreign operations.

The FCPA has two primary sections: (1) anti-bribery, and (2) accounting. Set forth below is a brief overview of each of these sections.

### **1. Anti-Bribery Requirements of the FCPA**

The anti-bribery section makes it illegal to bribe a foreign government official.

- A “bribe” means any payment, offer or gift made with the intent to obtain or retain business, to secure an improper advantage or preferential treatment or to influence an act or decision. It includes anything of value, such as money, favors, services, hospitality and gifts. A thing of value also can include intangible benefits, such as inside information, stock tips, or assistance in arranging a business transaction or obtaining other benefit or advantage.
- A “foreign official” means any person acting in an official capacity for or on behalf of a foreign government or a foreign governmental department, agency or instrumentality. It includes foreign government officials, foreign political party officials, candidates for foreign political office, officers and employees of a foreign government-owned or controlled entity, customs officials and officials of a public international organization (such as the UN or the Red Cross). Keep in mind that in some countries, the government may own real estate or a company that we are doing business with. Representatives of government-owned companies qualify as foreign officials. Likewise, someone who is a private person but is functioning as a consultant or in some indirect capacity for a foreign official can be deemed to be a foreign official for FCPA purposes.

The FCPA also prohibits indirect bribes. This means that you may not authorize any gift or payment or offer anything of value to any person who, in turn, is likely to make a gift or payment or offer anything of value to a foreign official. It is important to note that actual knowledge of the third party’s intent to bribe is not required to establish a violation under this section. Conscious disregard or deliberate ignorance (turning a blind eye) will not protect you or the Company from liability.

You should be aware that the FCPA does not require that the foreign official

actually misuse his or her position to our benefit, only that such a result was intended. You should also be aware that the benefit that we obtain from a foreign official can be anything from receiving a favorable contract to merely creating a commercial advantage that is not generally available to our competitors.

## **2. Accounting and Record Keeping Requirements of the FCPA**

The accounting section of the FCPA requires companies to accurately maintain their books, records and accounts, to fairly reflect all transactions and dispositions of assets and to establish a system of internal controls to prevent the concealment of bribes or other fraudulent accounting.

The Company must maintain accurate and complete books and records. Transactions must be promptly and accurately entered in the Company's books in accordance with applicable accounting practices and principles. All payments must be properly described and accounted for.

Among other things, we expect employees to: (1) keep books, records and accounts in reasonable detail to accurately and fairly reflect transactions and dispositions of assets, and (2) establish a system of internal accounting controls that is devised to: (a) substantiate proper authorization for the transaction; (b) record assets in a manner that provides accountability and allows for proper preparation of financial statements; (c) requires proper authority for access to assets; and (d) require that assets accounted for are periodically reconciled with the existing assets and appropriate action is taken with respect to any differences.

You can visit the Department of Justice's website at [www.usdoj.gov/criminal/fraud/fcpa](http://www.usdoj.gov/criminal/fraud/fcpa) for more information about the FCPA, including a Lay Person's Guide to understanding the FCPA.

## **IV. Policy Guidelines**

### **A. Permissible Payments/Gifts**

The Company permits payments to government officials in a few limited situations; however, payments listed below may not be made or authorized without the prior written approval of the Compliance Officer. It is also important to note that many countries, including the United States, may have laws that are stricter than this Policy, meaning that the payments described here may be illegal despite being permissible under this Policy. You must comply with all laws.

All of the payments described below must be fully and accurately recorded in the Company's books.

**1. Facilitating Payments:** A facilitating payment is one that is both nominal in amount or value and is made to expedite a routine governmental action or administrative task. A routine governmental action or administrative task is an ordinary function that is essentially clerical in nature and does not involve any

exercise of discretion. Any decision regarding the award of new business, the extension of tax or customs benefits, the sale or lease of government owned land or other property or the continuance of a business relationship is not a routine governmental action.

**2. Reasonable and Bona Fide Expenses of Government Officials:** In some instances, the Company may pay for reasonable and bona fide expenses of a government official if the expenses are directly related to either: (a) the promotion, demonstration or explanation of our brand, or (b) the performance of a contract with a government or governmental agency.

The definition of reasonableness can be very subjective and generally depends on the particular circumstances. The expenses should only cover what is necessary to provide transportation, meals, lodging or entertainment at a modest level, and only in direct relation to one of the two purposes described above. Paying or reimbursing expenses should also comply with all local laws and customs and avoid any appearance of impropriety.

The following guidelines also apply to expenses:

- all covered expenses should be at a modest level (economy class air travel, for example);
- the local government should decide which of their representatives will travel without input from us;
- the persons travelling should not have the authority to award business and there should be no pending contracts with the local government at the time of travel;
- expenses should relate to designated foreign officials only, not spouses, family members or other guests;
- you must accompany the government official to the event offered;
- when possible, expenses should be paid directly to the service provider; and,
- stipends or spending money should not be provided.

**3. Nominal Gifts:** You may give a government official a gift if it is of nominal value and is either given as a courtesy or expression of thanks, or directly related to a promotion, demonstration or explanation of our brand. Like expenses, all gifts should comply with local laws and customs and avoid any appearance of impropriety.

The following guidelines also apply to gifts:

- a gift should never include cash or gift cards (with the exception of a Texas Roadhouse branded gift card);
- the gift should, where possible, bear our logo;
- gifts should be given on an occasional, non-routine basis; and,

- the gift should be given openly in an official context.

## **B. Payments Made Under Duress**

Payments made under threat of imminent physical harm do not violate this Policy because they are not made with corrupt intent. Always exercise your best judgment in these situations and report the incident as soon as possible.

## **C. Cash Payments**

The use of cash presents inherent risks. To mitigate these risks, the use of cash should be kept to a minimum. Any cash payments should be fully documented and accurately recorded in the Company's books and records.

## **D. Selecting Third Party Representatives**

Liability under the FCPA or under local laws could extend to the actions of vendors, suppliers, consultants, or other business partners acting on behalf of the Company. These third parties should be identified and selected based on their expertise and experience. We expect our vendors, suppliers, consultants, and other business partners to follow all laws, including local laws and the FCPA, when doing business on our behalf.

For third parties we engage in foreign countries, we perform risk-based due-diligence activities, as determined by the Compliance Officer. Contracts with third parties in foreign countries should include a representation that the parties will follow all laws, including local laws and the FCPA, when doing business on our behalf.

## **E. Charitable and Political Contributions and Sponsorships**

Charitable or political contributions and sponsorships (whether they be cash, the donation of services or products, or similar contributions) could sometimes be mistaken for bribes. You should not use Company funds or resources for any contributions or sponsorships without proper documentation and approval. Use of Company funds or resources for contributions or sponsorships in a foreign country must be approved by the Compliance Officer.

## **F. Training**

The Company will provide training on anti-corruption laws and this Policy to employees and, where appropriate, third parties acting on behalf of, or performing work or services for the Company in a foreign country.

As part of our training program, employees are required to annually acknowledge receipt of and commitment to complying with this Policy. See **Appendix A**.

## **V. How to Raise Questions**

Interpreting anti-corruption laws is not easy. If you have any questions regarding these laws, this Policy, or a request for payment, you should contact the Compliance Officer, **Celia**

**Catlett**, right away. The Compliance Officer can be contacted as follows:

- **By Telephone:** Call **1-844-630-5780**. The call is toll-free.
- **By Email:** [Compliance@TexasRoadhouse.com](mailto:Compliance@TexasRoadhouse.com)

## **VI. How to Report Concerns**

Concerns can be reported directly to the Compliance Officer, or anonymously through our Ethics Hotline. The Ethics Hotline is maintained by a third party and is available 24 hours a day, 7 days a week. It can be accessed electronically or by telephone as follows:

- **Electronically:** Click the “Investors” tab on our website, [www.texasroadhouse.com](http://www.texasroadhouse.com). Then click on “Investor’s Contact Info” and scroll down to the “Confidential Communication/Whistleblower” form to file a report.
- **By Telephone:** Call **1-877-515-3014**. The call is toll-free.

All reports and investigations will be handled with discretion, and we will make every effort to keep your identity private. Anonymous reports through the Ethics Hotline will remain anonymous to the fullest extent permitted by law. To assist in maintaining your privacy, you should not discuss your concern with others. In certain countries, anonymous reporting is not permitted, and in those cases, we will use our best efforts to keep your report confidential.

We do not tolerate retaliation against any person who raises questions or reports concerns in good faith, or against anyone who participates in an investigation in good faith. A good faith report is one that is honest and fully disclosed with all of the relevant truthful facts. Retaliation can be in the form of threats, action or inaction. If you feel that you have been retaliated against, you should notify the Compliance Officer immediately.

## **VII. Compliance**

We expect strict compliance with anti-corruption laws, including the FCPA, from our employees, our Board of Directors, and our vendors, suppliers, consultants, and other business partners. If you are confronted with a request for a bribe, or if you know or suspect that a person or activity is violating an anti-corruption law or the FCPA, you must report it immediately. Likewise, if you know or believe that a payment has been or will be recorded improperly, or in a manner that conceals or misrepresents its true nature, you must report it immediately.

Failure to adhere to this Policy may subject you to disciplinary action, which could include termination. Violations of anti-corruption laws, including the FCPA, can also result in serious fines and penalties against the Company, and fines and imprisonment for the individuals involved.

**Appendix A**

RECEIPT AND ACKNOWLEDGMENT

I acknowledge that I have received a copy of the Texas Roadhouse, Inc. Anti-Corruption Policy (the "Policy"). I understand that I am responsible for knowing, understanding, and adhering to the standards and requirements of the Policy and that a violation could result in disciplinary action, which could include termination. It is my responsibility to report any violations of this Policy and, at this time, I am unaware of any violations that have not already been reported.

Signature

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Print Name

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Date

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