

TEXAS ROADHOUSE, INC.

AUDIT COMMITTEE CHARTER

1. Designation and Membership

- 1.1 The Board of Directors (the “Board”) of Texas Roadhouse, Inc. (the “Company”) will appoint from among its members an Audit Committee (the “Committee”). Committee members may be removed by the Board at any time.
- 1.2 The Committee will consist of at least three directors. Each Committee member shall be determined by the Board to be “independent” as that term is defined under the listing standards of the NASDAQ Stock Market LLC (“NASDAQ”) and shall meet the criteria for independence under the Sarbanes-Oxley Act of 2002 and the rules adopted by the Securities and Exchange Commission (the “SEC”). Committee members shall be generally knowledgeable in financial and auditing matters, and at least one member shall be an “audit committee financial expert” as defined under the rules of the SEC and NASDAQ.
- 1.3 The Board will designate one Committee member to serve as Chairman of the Committee.

2. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the independence and performance of the Company’s internal and external auditors and (iv) the Company’s internal controls and financial reporting practices. In addition, the Committee will maintain open lines of communication among the Board, management and the Company’s independent auditors on these matters.

The Committee’s principal responsibility is one of oversight. The Company’s management is responsible for preparing the Company’s financial statements, and the independent auditors are responsible for auditing and/or reviewing those financial statements. While the Committee has the powers and responsibilities set forth in this charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate, and present fairly the financial position, the results of operations and the cash flows of the Company, in compliance with U.S. generally accepted accounting principles. This is the responsibility of management and/or the independent auditors. In carrying out these oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the independent auditors’ work.

3. Authority

The Committee has the authority to:

- 3.1 Appoint, retain, compensate, oversee, evaluate and terminate the independent auditor and to approve all audit engagement fees and terms.
- 3.2 Consult with, retain and terminate legal, accounting and other experts as it believes are necessary in order to perform its oversight function, such authority to include the funds required to engage such advisors along with any administrative assistance to conduct the Committee's activities.
- 3.3 Conduct or authorize investigations into any matters within the scope of its responsibility.
- 3.4 Meet with and seek any information from any Company officer, employee, outside counsel, or the independent auditor, all of whom are directed to cooperate with the Committee and its consultants.
- 3.5 Review and provide direction to management regarding the appointment, performance, compensation, and replacement of the Director of Internal Audit (or anyone of equivalent job function or responsibility without regard to title).

4. Duties and Responsibilities

Independent Auditor

- 4.1 Appoint, retain, compensate, evaluate and, as it deems necessary or advisable, terminate the independent auditor.
- 4.2 Approve all audit engagement fees and terms.
- 4.3 Pre-approve and adopt policies governing pre-approval of all audit and permissible non-audit services to be provided by the independent auditor, and review and assess the adequacy of those policies in accordance with the timeframe set forth in the policies.
- 4.4 Review and discuss with the independent auditor its statement delineating all relationships between it and the Company, and assess the independence of the independent auditor.
- 4.5 Discuss with the independent auditor all critical accounting policies, alternative treatments of financial information within generally accepted accounting principles discussed with management, the ramifications of the use of alternative treatments and the independent auditors' preferred treatment, and any other material written communications between the independent auditor and management.
- 4.6 Resolve disagreements between management and the independent auditor.
- 4.7 Discuss with the independent auditor all matters required to be discussed under the Public Company Accounting Oversight Board's Auditing Standard No. 1301, including the scope and results of their audit of the Company's consolidated financial statements and internal control over financial reporting.
- 4.8 Review with the independent auditors any problems or difficulties the accountants may have encountered, and any management letter provided by the accountants and the Company's response to that letter. Such review shall

include (i) any difficulties encountered in the course of the audit work, including any restrictions on scope of activities or access to required information, and any disagreements with management, and (ii) any changes required in the planned scope of the independent audit.

- 4.9 Establish policies for the Company's hiring of employees or former employees of the independent auditor.

Financial Statements and Disclosures

- 4.10 Review and discuss with management and the independent auditor the Company's annual and quarterly financial statements prior to filing with the SEC. The Committee shall also discuss with the independent auditors its judgment about the quality, not just the acceptability, of significant accounting principles, accounting changes and underlying estimates.
- 4.11 Review with management and the independent auditors any employee complaints, published reports, or correspondence with regulators or governmental agencies which raise material issues regarding the Company's financial statements or accounting policies. The reports or correspondence are to be reviewed prior to management responses to such correspondence being sent.
- 4.12 Review and discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- 4.13 Review the Company's earnings press releases prior to release.
- 4.14 Review disclosures made by the Chief Executive Officer and Chief Financial Officer regarding the design or operation of internal controls and any fraud that involves management or other employees who have a significant role in the Company's internal controls. Disclosures are to be reviewed prior to the filing of the report with the SEC which contains the disclosures.
- 4.15 Review any required management reports on internal control over financial reporting and any related attestations by the independent auditors prior to the reports and attestations being published.
- 4.16 Discuss with management the development and selection of any critical accounting policies, and the Company's related disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's reports filed with the SEC prior to the reports being filed.

Internal Control

- 4.17 Consider the effectiveness of the Company's internal control system, including information technology security and controls.
- 4.18 Assess management's proposal for rectifying, and assess whether or not management is resolving diligently, any internal control weaknesses or deficiencies noted by internal or external auditors.

Internal Auditor

- 4.19 Oversee and review the internal audit function of the Company, including: the independence, competence, staffing adequacy and authority of the function; the internal audit charter; the ability of the function to raise issues to the appropriate level of authority; and the reporting relationships among the internal auditor, financial management and the Committee.
- 4.20 Review the proposed internal audit plans for the coming year and the progress against such plans.
- 4.21 Review on at least a semi-annual basis a summary of significant comments from completed internal audits and other internal control related assessments.
- 4.22 Review and provide direction to management regarding the appointment, performance, compensation and replacement of the Director of Internal Audit (or anyone of equivalent job function or responsibility without regard to title).

Compliance with Legal and Regulatory Requirements

- 4.23 Establish procedures for the receipt, retention and treatment of complaints about accounting, internal accounting controls or auditing matters, as well as for confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
- 4.24 Review with the Company's legal counsel matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or government agencies.
- 4.25 Review the effectiveness of the systems for monitoring compliance with laws and regulations and the effectiveness of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- 4.26 Review and approve any related party transactions, as defined under Regulation S-K Item 404, not otherwise approved by an independent committee of the Board.
- 4.27 Periodically review the rules promulgated by regulators, including, but not limited to, the SEC and NASDAQ, relating to the qualifications, activities, responsibilities and duties of audit committees and take, or recommend that the Board take, appropriate action to comply with such rules.

Other

- 4.28 Meet at least four times annually or more frequently as it deems necessary or advisable. The Committee shall maintain minutes or other records of its meetings and activities. Without limiting the Committee's authority under section 3.4, the Committee shall meet periodically by itself, with selected Company officers, with the internal auditors, and/or with the independent auditors in separate executive sessions.
- 4.29 Report its activities to the full Board on a regular basis, including an annual confirmation that all responsibilities in this charter have been carried out.

- 4.30 Prepare the Committee report that is required to be included in the Company's annual proxy statement and approve disclosures in the proxy statement concerning the Committee's involvement in risk management.
- 4.31 Annually review and assess the adequacy of this Charter and recommend to the Board any proposed changes to this Charter.
- 4.32 Review risk assessment and risk management policies and procedures, including, but not limited to, the Company's financing strategies, insurance plans, cyber risk and the quality and depth of staffing in the Company's accounting, information technology, legal, human resources, and financial departments.
- 4.33 Review the Company's conformity with its Code of Conduct ("Code") and review annual compliance solicitation of the Code.
- 4.34 Generally discuss with management any other reports (not specifically mentioned in the charter) the Company issues that relate to the Committee's responsibilities.
- 4.35 Perform other activities related to this charter as requested by the Board of Directors.