

	<b>Texas Roadhouse, Inc.</b>	<b>Last Date Reviewed:</b> 3/27/2019	<b>Last Date Revised:</b> 3/27/2019
<b>Policy:</b> Pre-Approval of Services Provided by External Audit Firm		<b>Process Owner(s):</b> Audit Committee	

**Purpose**

The Board of Directors of Texas Roadhouse, Inc. (the “Company”) has delegated responsibility for the appointment, compensation and oversight of the work performed by the Company’s independent auditor responsible for auditing the Company’s consolidated financial statements (the “Auditor”) to its Audit Committee (the “Committee”). As part of this responsibility, the Committee is required to pre-approve all audit and permissible non-audit services performed by the Auditor to ensure that they do not impair the Auditor’s independence from the Company. Accordingly, the Committee has adopted the following policy that sets forth the procedures and conditions for pre-approving audit and permissible non-audit services to be performed by the Auditor.

The Committee shall review, and may amend, this policy periodically for purposes of ensuring its continued compliance with applicable law and listing standards, including regulations of the Securities and Exchange Commission (“SEC”) and the Public Company Accounting Oversight Board (“PCAOB”).

**Pre-Approval Conditions**

The SEC’s rules establish two different approaches to pre-approving services, both of which the SEC considers to be equally valid. Proposed services may either be pre-approved by the Committee on a categorical basis, without consideration of specific services (“General Pre-approval”), or may be subject to case-by-case pre-approval by the Committee (“Specific Pre-approval”). The Committee believes that the combination of these two approaches will result in an effective and efficient procedure for purposes of addressing the Company’s audit and permissible non-audit services and when evaluating the potential impact of non-audit services on the independence of the Auditor.

Regardless of whether a service is proposed for General or Specific Pre-approval, the Committee shall consider the nature, scope and fees of the service to be provided, and whether such service is consistent with applicable SEC and PCAOB rules and guidance with respect to auditor independence, including the fact that the Auditor cannot: (1) function in the role of management; (2) audit his or her own work; or (3) serve in an advocacy role for the Company. The Committee shall also consider whether the Auditor is best positioned to provide the most effective and efficient service, for reasons such as familiarity with the Company’s business, people, culture, systems, risk profile and other factors, and whether the Auditor providing the service may enhance the Company’s ability to manage or control risk or improve audit quality.

**Pre-Approval Requirements**

All audit and permissible non-audit services to be provided by the Auditor, including the scope and estimated fees for such services, shall be pre-approved by the Committee. Examples of such services are set out in Exhibit A.

In general, classes of predictable and recurring audit and permissible non-audit services shall be considered for General Pre-approval by the Committee on an annual basis at the beginning of each fiscal year. Unless a class of or individual audit or permissible non-audit service has received General Pre-approval, it will require Specific Pre-approval by the Committee. The Committee is required to pre-

approve any changes in service terms for which approval had been previously granted. Also, any proposed service for which the estimated fees would cause the total fees for that class of service to exceed the applicable estimated fee threshold shall require specific approval by the Committee.

Any services with General Pre-approval granted on an annual basis shall be effective for the applicable fiscal year, unless the Committee specifically provides for a different period. The term of any Specific Pre-approval of services shall be 12 months from the date of approval, unless the Committee specifically provides for a different period. In any case in which a service is to be provided over a period of years, the approval shall be reviewed for renewal on an annual basis.

#### **Delegation of Pre-Approval**

The Committee may delegate General or Specific Pre-approval authority to one or more of its independent members. The member or members to whom such authority is delegated shall report any such General or Specific Pre-approval to the Committee at its next scheduled meeting.

The Committee has delegated to its Chairman the authority to pre-approve any permissible non-audit service with a fee of \$50,000 or less.

#### **Prohibited Services**

The Company may not under any circumstances engage the Auditor to provide any service that is prohibited by SEC and PCAOB regulations, or any other applicable law. The Committee should consult with the General Counsel, and external counsel if necessary, if any question arises as to whether a proposed audit or non-audit service is permissible under applicable law. The Committee may determine to prohibit other services that in its view may compromise, or appear to compromise, the independence and objectivity of the Auditor.

#### **Monitoring Procedures**

The Committee has designated the Company's VP of Accounting with responsibility to monitor the performance of all services provided by the Auditor and to determine whether such services are in compliance with this policy. On a periodic basis, the VP of Accounting shall report to the Committee the nature of actual services provided by the Auditor as well as the associated fees.

#### **De Minimis Pre-Approval Exception for Non-Audit Services**

Pre-approval is not required for permissible non-audit services that: (1) do not, in the aggregate, amount to more than 5 percent of the total fees paid by the Company to the Auditor in the fiscal year in which the services are provided; (2) were not recognized as non-audit services at the time of the relevant engagement; and (3) are promptly brought to the attention of the Committee and approved prior to the completion of the annual audit.

## **Exhibit A: Categories of Audit and Permissible Non-Audit Services**

### **Audit Services**

These services include professional services rendered for the audit of the Company's annual financial statements and

review of quarterly financial statements, services provided in connection with statutory and regulatory filings or engagements, and services that generally only the Auditor reasonably can provide. This category includes engagements such as: statutory audits required domestically and internationally; comfort letters; consents; accounting consultations for significant or unusual transactions; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities (such as the FASB, SEC, etc.); assistance with and review of documents filed with the SEC; attest services that generally only the Auditor can provide (such as any required internal control report under Section 404 of the Sarbanes-Oxley Act); and services provided by tax professionals of the Auditor in connection with the audit or quarterly review.

### **Audit-Related Services**

These services include assurance and related services that are associated with the performance of the audit of the Company's financial statements and that are traditionally performed by the Auditor. This category includes engagements such as: due diligence services pertaining to potential business acquisitions or dispositions; financial audits of employee benefit plans; agreed-upon procedures; and assistance with internal control documentation requirements.

### **Tax Services**

These services include tax compliance, tax advice, tax planning, and expatriate tax services. This category includes engagements such as: preparation of tax returns filed for local statutory purposes; tax advice/planning for items such as structuring of foreign entities, acquisition of franchisees, audits/reviews by tax authorities, sales-based taxes, transfer pricing, and assistance in determining the tax implications of proposed transactions or new laws; and preparation of tax returns and equalizations as required for employees in an expatriate tax program.

No income tax services shall be permitted for which the fees to be paid are contingent on the results of the services provided.

### **Other Services**

These services include permissible products and services other than those in the above three categories, including permissible corporate finance services, and certain advisory services such as real estate, treasury, employee benefit plans, information technology, and risk management.