



TEXAS ROADHOUSE, INC.
CODE OF BUSINESS CONDUCT
AND ETHICS



A MESSAGE FROM KENT, SCOTT AND STEVE



Passion, Partnership, Integrity and Fun... All with Purpose! These core values are the basic ingredient in our recipe for success. Legendary Food and Legendary Service begins and ends with our people and our culture.

Working here should be fun and exciting for everyone. You can help us accomplish that goal by honoring your team members, caring for people and showing a mutual respect for all. We also have a responsibility to our guests, shareholders, vendor partners and franchise partners to operate with honesty and integrity. This Code of Business Conduct and Ethics defines our commitment to being legendary in all of these ways and is a tool we can use to help us honor that commitment. It does not replace good judgment, and may not apply to every situation, but it is a great place to start if you have a question about whether something violates our way of doing business or treating people. We are dedicated to making this Code of Conduct, and its enforcement, fair and consistent. Anyone who raises a good faith concern will be protected from retaliation.

When we believe in and live by our Core Values, we become part of something truly special. When we walk the halls of the Support Center, and when we're out in the field, we see a company that is full of pride and passion. We see t-shirts and bumper stickers that say "I Love My Job." You are invited to be a part of that. By following the basic principles of respect and integrity outlined in this Code of Business Conduct and Ethics, we can each do our part to preserve the culture that makes our company **LEGENDARY!**

Kent

Scott

Steve



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Certain words used in this Code have specific meanings. Here's what those words mean:

"Audit Committee" – the Audit Committee of the Board of Directors of Texas Roadhouse, Inc.

"Code" - the Texas Roadhouse, Inc. Code of Business Conduct and Ethics

"Company" - Texas Roadhouse, Inc. and its affiliates and subsidiaries, including Aspen Creek, LLC and Texas Roadhouse Management Corp.

"Ethics Hotline" – the technology-based options for raising issues under this Code, by telephone at 1-877- 515-3014, or by email by clicking on the EthicsPoint icon on the *"Investor Contact Us"* button on the "Investors" tab on our website www.texasroadhouse.com

"Handbook" – the statements of policies and procedures applicable to your position

"You" - all employees of the Company and all members of the Board of Directors of Texas Roadhouse, Inc.

"We" – the Company, and its officers, directors and management

WHY WE HAVE A CODE:

We are committed to Passion, Partnership, Integrity and Fun...All with Purpose! The Code helps us apply these core values to how we treat our fellow team members and how we run our business.

WHO THE CODE APPLIES TO:

The Code applies to all employees of the Company (regardless of rank or position, and including temporary and part-time employees) and all members of the Board of Directors of Texas Roadhouse, Inc. We also expect our vendors, suppliers, consultants and other business partners to act with the same level of partnership and integrity as we do. Please report any concerns about the reputation or conduct of any of our business partners immediately.

YOUR RESPONSIBILITIES:

You have three basic responsibilities under the Code:

1. **Understand the Rules That Apply To Your Job:** Read and understand the Code and the Handbook. If you don't understand something, ask questions. You should have a good understanding of how they apply to you. Supervisors are also responsible for making sure that their people understand the behavior that is expected of them.
2. **Use Good Judgment and Act with Integrity:** This Code does not cover every legal and ethical issue that may arise. You should always use good judgment and act with integrity in performing your job. If you're not sure how to handle a particular situation, use the resources in the Code to get help. We are also subject to many different laws...you should always abide by the law, and if you are asked to do something that you think is against the law, you should report it right away.
3. **Raise Questions and Report Concerns Promptly:** If you think that something is wrong, aren't sure how to handle a situation, or believe that someone may have violated a policy, you have a duty to ask questions and report concerns right away. No one may threaten you or take action against you if you acted in good faith.

HOW TO RAISE QUESTIONS AND REPORT CONCERNS:

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There are several ways to raise questions or report concerns. We take all reported concerns seriously, and will confidentially investigate each one. The Ethics Hotline is maintained by a third party, so you can remain anonymous if you wish. It is available 24 hours a day, 7 days a week. Here are the ways you can raise a question or report a concern:

1. **In Person:** Talk to, call, write or email a supervisor (this can be any manager in your restaurant or another restaurant, a Market Partner, a Regional Market Partner, your director, or a director in another department). You can also contact any of the attorneys in the Legal Department or any of the directors in the Legendary People Department (a/k/a the Human Resources Department). If you do not feel that your issue was taken seriously, raise it through a different supervisor or the Ethics Hotline.
2. **Electronically:** Click the "*Investor Contact Us*" button on the "Investors" tab on our website www.texasroadhouse.com. Then click the EthicsPoint icon to file a written report. The "Contact Us" page is maintained by a third party, so you can be anonymous unless you choose to identify yourself.
3. **By Telephone:** Call 1-877-515-3014. The call is toll-free, and the information you provide will be submitted in a written report. This line is maintained by a third party, so you can be anonymous unless you choose to identify yourself.

ANDY'S OUTREACH:

You may also raise questions or report concerns about Andy's Outreach Fund, Inc. ("Andy's") using any of the above methods. Andy's is a non-profit corporation that provides financial assistance to Company employees and employees of our franchise partners in times of personal emergency or crisis. All reports received will be forwarded to the Board of Directors of Andy's for investigation in accordance with Andy's policies and practices. We will not tolerate retaliation against any person who raises questions or reports concerns about Andy's in good faith, or against anyone who participates in an investigation of Andy's in good faith.

WHAT HAPPENS WHEN YOU FILE A REPORT:

If you file a report in person, the person you spoke with will communicate your concerns to key personnel in the Legal Department or the Legendary People Department. If you file a report electronically, the Ethics Hotline will send a written report to the Legal Department and the Legendary People Department. If you file a report by telephone, the Ethics Hotline will send a written report to the Legal Department and the Legendary People Department.

If you file a report specifically relating to financial, accounting or audit matters, the report will be submitted directly to the Chair of the Audit Committee using the methods described above.

All reports and investigations will be handled with discretion, and we will make every effort to keep your identity private. If your question or concern involves key personnel in the Legal Department or the Legendary People Department, those individuals will not receive a copy of the report and will not be involved in conducting the investigation. Anonymous reports through the Ethics Hotline will remain confidential to the fullest extent permitted by law. To assist in maintaining your privacy, you should not discuss your concern with others.

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 Legal Department or the Legendary People Department immediately.

CALL 1-877-515-3014
or see page 4 for how to report

VIOLATIONS OF THE CODE:

Failure to adhere to this Code may subject you to disciplinary action, which could include termination. The Code also obligates you to follow the standards in your Handbook and to comply with all policies and procedures established by the Company.

You should also follow all of the laws, rules and regulations of the United States and other countries, and the states, counties, cities and other jurisdictions in which we conduct our business. Violations of the law may result in severe fines and penalties against the Company, and fines and imprisonment for individuals. If there is a conflict between a law and this Code or your Handbook, you must comply with the law and immediately report the conflict to the Legal Department.

Note: This Code does not create any rights to continued employment.

WAIVERS AND AMENDMENTS:

The Board of Directors of Texas Roadhouse, Inc. is responsible for the administration and enforcement of this Code. Any waiver of this Code for an executive officer or director must be approved by the Board of Directors and will be promptly disclosed as required by law or regulation. Any waiver for any other team member must be approved by the Board of Directors, the Chairman/Chief Executive Officer or President.

This Code was adopted by the Board of Directors on October 4, 2004. Amendments or changes to this Code may only be made by the Board. Amendments, modifications and waivers will be disclosed as required by the Securities Exchange Act of 1934 and the rules thereunder and the applicable rules of the NASDAQ Stock Market. A copy of the most current version of this Code will be posted on our website, www.texasroadhouse.com.

BEING A LEGENDARY TEAM MEMBER

HARASSMENT AND DISCRIMINATION:

Mutual respect is the basis of all professional relationships. Harassment or discrimination on the basis of race, religion, color, age, gender, disability, veteran status, sexual preference, citizenship or national origin, has no place in our interviewing and hiring process or in our work environment, regardless of whether or not it violates any law.

Harassment or discrimination includes such conduct as slurs, jokes, intimidation and any verbal or physical attack. Sexual harassment or discrimination includes unwelcome sexual advances (including repeated requests for a date), gender-based comments, displays of sexual material, so-called "dirty jokes", suggestive behavior and any other verbal or physical conduct of a sexual, suggestive or gender-based nature.

If you see or experience any type of discrimination or harassment, you should report the incident right away. As with any other violation of this Code, you should report any discrimination or harassment that you observe, whether or not the behavior is directed at you. No one, including your supervisor or manager, will be permitted to retaliate against you for making a good faith report regarding any type of discrimination or harassment, regardless of whom the "harasser" or "victim" may be.

Q&A

Q: My supervisor yells at me and degrades me in front of my co-workers. Is that allowed?

A: *If your supervisor's behavior is threatening, intimidating or creates an environment full of hostility, then it is inappropriate. You should report this behavior to another supervisor or manager or to the Legendary People Department right away.*

Note: *It is okay for your supervisor to correct you in front of your co-workers as long as it is done in a non-threatening and constructive way.*

Q: My supervisor behaved inappropriately toward me, but it happened outside of the workplace. Should I still report it?

A: *Yes. All possible violations of company policy should be reported. It does not matter where it happens.*

CALL 1-877-515-3014
or see page 4 for how to report

Q&A

Q: I like to keep a plastic cup full of beer in the service area to sip on while I'm on shift. It helps me loosen up and provide better service to my customers, and I never drink enough to get drunk. Is this okay?

A: *No. It is never okay to drink while you are working or while you are in uniform, even after hours.*

Q: I received two "drink coupons" for alcoholic beverages at our Company holiday party. Can I have more than two drinks if I pay for them myself?

A: *You may purchase additional alcoholic beverages as long as they do not impair your judgment. We expect you to drink responsibly at all Company events.*

If you suffer from a substance abuse problem, we urge you to get help. You can start by contacting the Employee Assistance Program at 1-800-523-5668.

SUBSTANCE ABUSE:

We do not condone and will not tolerate the illegal use or abuse of alcohol, drugs or other substances.

Drinking on the job or while you are in uniform is prohibited. Being "under the influence" of alcohol on Company property, even if you are not in uniform, is also prohibited. Occasionally, you may be invited to attend a Company-sponsored event where alcoholic beverages are available. We expect everyone to drink responsibly at these events. Any Company-sponsored event where alcoholic beverages are available must be approved by the person with the most direct, senior-level supervisory responsibility. The person approving the event should make sure that appropriate processes are in place for ensuring the safety of the attendees.

For Example: If the Company provides alcoholic beverages at an event for restaurant staff, the Market Partner for that restaurant must approve the event and make sure that appropriate supervision and monitoring are in place. If the Company provides alcoholic beverages at an event for Market Partners, the Regional Market Partner must approve the event and make sure that appropriate supervision and monitoring are in place. If the Company provides alcoholic beverages at an event for Support Center staff, the director who supervises those team members must approve the event and make sure that appropriate supervision and monitoring are in place. If more than one restaurant, market, or department is involved in an event, a supervisor for each will be required to approve the event unless it is approved by a more senior supervisor. The person approving an event should make sure that designated drivers or taxis are available, or that overnight accommodations are provided.

Being under the influence of drugs during working hours or on Company property is also a violation of this Code. This policy applies to the use of illegal drugs as well as any unauthorized use or possession of prescription drugs or over-the-counter medications.

PROTECTING CONFIDENTIAL INFORMATION:

We depend on certain trade secrets, confidential information, knowledge and data to make us legendary, and it is your responsibility to help us protect it. This applies to all information that is proprietary or confidential in nature, including without limitation, our recipes, cooking methods, pricing agreements, building layouts, financial data, earnings releases, product formulas and marketing plans. Never disclose or use any confidential information, except as expressly required to perform your job. This includes posting information on the internet, including web sites, news groups, chat rooms and other similar forums. Be very careful when sending confidential information electronically unless it is encrypted.

If you have any question about whether or not it is appropriate to give information to someone, ask an attorney in the Legal Department right away. This policy applies during, and after, the time you are employed by the Company. Failure to adequately protect our confidential information could place us at an extreme disadvantage in the marketplace.

Q&A

Q: A local morning show wants to do a cooking segment featuring our made from scratch sides. This would be great advertising for our restaurant. Can I participate?

A: *You should not participate without first contacting the Marketing Department for guidance. Our recipes and cooking methods are trade secrets and part of what sets us apart from our competition. For information on how to participate appropriately in media events like this, please contact the marketing department.*

Q: I saw some postings in a chat room about new restaurant locations. I know the information that was posted is wrong because I saw a copy of our recent development report. Should I post the correct information in the chat room?

A: *Our development plan is confidential information. Posting it in a chat room, or even commenting on it, would be an inappropriate disclosure of company knowledge. If you are concerned about something that you read on the internet, you should notify a member of the Legal Department.*

CALL 1-877-515-3014
or see page 4 for how to report

USE OF COMPANY PROPERTY:

It is your responsibility to help us protect our assets and make sure they are used properly. Theft, carelessness and waste have a direct impact on our profitability. All Company assets should be used for legitimate business purposes only...this includes our restaurants, offices, equipment, furnishings, computer hardware, phones, records, systems, software, networks, data and any other property belonging to the Company. You may not use, distribute, modify, destroy or provide access to any Company property except as expressly required to perform your job. If you have any question about whether or not a certain use of Company property is appropriate, ask a supervisor immediately.

We expect you to use Company voicemail, electronic mail, internet access and any other electronic resources for business-related purposes only. All hardware and software systems are Company property, and all communications (whether electronic, telephonic or written), computer files and printed forms made with these systems are also Company property. Please be aware that this includes personal communications and activities if they are performed using Company property. To the extent permitted by law, we reserve the right to monitor and disclose these communications and systems as we deem appropriate. **You do not have any rights to privacy in personal communications made or activities performed with Company property, such as your computer.**

You must return all Company property immediately before or upon termination of employment. This includes (but is not limited to) all hard copy and computer files, guest lists, vendor partner lists, computer hardware and software, statistical analyses, product pricing and other formulas and models, identification cards, keys and access cards. You may not retain duplicates of any of these items. To the extent permitted by law, we reserve the right to withhold any money due to you until all Company property has been returned.

Finally, please remember that our names and logos are Company property too. Do not use the names or logos of Texas Roadhouse, Aspen Creek or any of our other businesses to name companies, or to establish web sites or domains.

Q&A

Q: When I go home at night, I use my Company laptop to check my personal email account. Sometimes my friends send emails to this account that others would find obscene. I read these emails and forward them to other friends. Am I violating Company policy?

A: *Yes. It is never okay to use Company computers or network systems to view or forward inappropriate emails, even if you are at home or alone in the office. Also, you shouldn't expect any privacy when using the internet or sending emails using Company equipment or systems. This applies to personal email accounts as well as company email accounts.*

Q: My store does a lot of catering in our community, and I would like to promote this part of the business by setting up a store website with menus, prices and contact information. I plan to use Company logos and pictures of my team members and our food. This could be a real money-maker! Can I do this?

A: *You can't use any of the Company's names or logos on a website, even one with an admirable purpose, without prior approval from the Marketing Department. For consistency of brand identification and image, all promotional materials need to be handled centrally. There may also be legal issues with your use of team members' photos and with the ownership of the domain name. You can contact the marketing department to help you achieve your goal.*

By the way, for the same reasons, you can't promote your store, the Support Center or the company on any of the social networking sites like Facebook, You Tube, MySpace or Twitter.

POLITICAL ACTIVITIES:

Individual participation in political activities should always be on a voluntary basis, on your own time and with your own money. You may not use corporate funds, assets or resources (such as money, food, transportation and labor) to make any political contributions in the United States or in any other country, even if permitted by applicable laws. You will not be favored or prejudiced in any condition of employment as a result of making or failing to make any political contribution. When getting personally involved in a political activity, you should always make it clear that you are not acting as a representative of the Company.

Q&A

Q: As a manager, am I required to purchase protective equipment for employees that handle hot grease, knives, or removal of hot items from ovens?

A: *Yes. OSHA standards require protective equipment for these jobs. You should consult with your Risk Management/Claims department for specific questions regarding appropriate protective equipment.*

Q: Can I dump my old grease down the local sewer drain?

A: *No. All hazardous material must be disposed of in compliance with EPA standards and local laws.*

Q&A

Q: The National Restaurant Association has asked me to make a contribution to it for lobbying efforts in favor of a bill that I know is important to the Company. Will the Company reimburse me for my contribution?

A: *The Company will not reimburse you. You can certainly make a contribution to a cause you find worthy, but your contribution is a personal expense.*

SAFETY AND ENVIRONMENTAL PROTECTION:

We are committed to providing a safe and healthy work environment for our team members and to being an environmentally responsible corporate citizen. It is our policy to comply with all applicable environmental, safety and health laws and regulations.

We are also dedicated to designing, constructing, maintaining and operating restaurants that protect our guests and team members, as well as our physical resources. This includes providing and/or requiring the use of adequate protective equipment and measures and insisting that all work be done safely. If you have a concern about on-the-job safety, or a possible source of environmental contamination, you should report it to a supervisor immediately.

SERVING OUR GUESTS

HARASSMENT AND DISCRIMINATION:

Sexual, racial, ethnic, religious or any other type of discrimination or harassment has no place in our restaurants and will not be tolerated. We expect you to provide Legendary Food and Legendary Service to all of our guests, without regard to race, religion, color, age, gender, disability, veteran status, sexual preference, citizenship or national origin.

If you see or experience any discrimination or harassment against our guests, you should report it right away. No one, including your supervisor or any other manager, will be permitted to retaliate against you for making a good-faith report regarding any type of discrimination or harassment.

CALL 1-877-515-3014
or see page 4 for how to report

Q&A

Q: One of my servers refuses to wait on a table. What should I do?

A: *You should investigate the reason for the server's decision. A server may not refuse to wait on a guest solely because of the guest's race, age, national origin, or sexual orientation.*

Q: If a guest requests a change of server due to race, sexual orientation, national origin, or gender, should I accommodate that request?

A: *No. In no circumstances should you accommodate any request that is discriminatory in nature.*

Q&A

Q: We are out of ground beef for hamburgers and our truck does not come until tomorrow. Should I go to the local mega-mart to buy some to cover me until then?

A: *No. You should never buy outside our system. Our products are sourced for quality and safety and their origin and care are verified to protect our brand. If you buy outside our system you forfeit that protection on quality, food safety and insurance and put our company at risk. If you are out of a product, call the purchasing team and they will help you. The purchasing team is available by mobile phone to assist you after business hours (phone numbers are listed in our on-line directory).*

FOOD SAFETY:

The responsibility for food safety is shared by everyone. You should report any problem with food safety to a supervisor right away. If you suspect that a product is unsafe, immediately remove it from distribution until it can be tested for safety. If, at any time, your own health or that of anyone serving the restaurant (including suppliers and vendors) might negatively impact food safety, immediately notify a supervisor.

We have established detailed procedures for the proper purchasing, receipt, storage and handling of food products at our restaurants. If you are concerned about improper food purchasing, receipt, storage or handling, you should immediately report the situation to a supervisor.

PROTECTING OUR SHAREHOLDERS' INVESTMENT

MEDIA RELATIONS:

If you are approached by a reporter, or any member of the news media, refer him or her directly to the appropriate Support Center staff without offering any personal commentary. If you are unsure where to direct media personnel, you can have them call our main line at **(502) 426-9984**, or toll free at **(800) TEX-ROAD**, and our receptionists can put them in touch with the proper people.

Do not make statements to any media personnel concerning the Company's position on public issues or release information about the Company or a fellow team member. We have established processes for responding to news media requests and for obtaining management approval for public statements.

Q&A

Q: My new store will be opening soon. Can I call the local media to tell them about the grand opening?

A: *You should call the marketing department before contacting the media. Our public relations specialists can help you publicize your hiring, your grand opening and anything else you want to share with your community.*

ACCOUNTS, RECORD KEEPING AND FINANCIAL DISCLOSURES:

All of our books, records, accounts and financial statements must be prepared on time and accurately reflect all transactions and relevant matters. They must also conform to legal requirements, U.S. generally accepted accounting procedures and our system of internal controls.

We follow all laws, rules and regulations that apply to the disclosure of our financial information and other records. We take pride in making all disclosures full, fair, accurate, timely and understandable.

CALL 1-877-515-3014
or see page 4 for how to report

Q&A

Q: One of my stores got a vendor to bill them in increments over the next few months so they don't have to pay for a certain service or delivery all in this period. Is this a problem?

A: *Yes. Moving expenses either out of or into another period where they did not occur is never permitted, and violates basic accounting rules. You should report this activity to your supervisor right away.*

Q: A senior team member asked me to perform an accounting task that I do not normally handle. He said it was not a big deal and that he would approve it as soon as I was finished. This seems unusual but I am not sure if it really means anything.

A: *You should always feel comfortable raising concerns when you are asked to perform an unusual task. Your involvement (or even the perception of involvement) in a questionable activity could have serious consequences. You should report this situation to your supervisor right away.*

Q: My store is using a vendor who offered a big discount but requires payment in cash. Is this an issue?

A: *The IRS requires vendor payments to be reported through our accounts payable process, which means that they cannot be paid in cash. You should discuss this situation with your supervisor, or report it to the Ethics Hotline.*

CONFLICTS OF INTEREST:

We expect you to keep the Company's best interests at heart. Taking personal advantage of a Company relationship can cause a conflict (or the appearance of one) between what is best for you personally and what is best for the Company.

Avoid any activity or relationship that creates (or appears to create) a conflict between your personal, financial or fiduciary interests and the Company's business interests, including dealings with our vendors, the public or our competitors. If you are involved in an activity or a relationship that might compromise (or appear to compromise) your loyalty to the Company, you are required to disclose the conflict to a supervisor, the Legal Department or the Legendary People Department. This policy also applies to anyone with whom you have a close personal relationship, such as your spouse, parents, children, sisters-in-law, brothers-in-law or any person living with you.

Here are some, but not all, of the activities or relationships that could create a conflict of interest, or the appearance of a conflict of interest:

- Giving money to or accepting money from any vendor partner, franchise partner, guest or competitor
- Giving gifts to or accepting gifts from any vendor partner, franchise partner, guest or competitor, unless the gift is of nominal value (\$500.00 or less) or you have received a waiver as provided for in this Code
- Receiving excessive hospitality (including entertainment, transportation and lodging) provided by a vendor partner, franchise partner, guest or competitor

Q&A

Q: My department is getting bids for a new software package that will really make our work easier. One of the vendors who has submitted a bid has invited me and my husband to go to a nice resort for the weekend—all expenses paid, including airfare, spa visits, hotel rooms and ground transportation. This would be a great opportunity to get to know this vendor better on a social basis and maybe even do a little business. Can I accept the invitation?

A: *You should not accept this invitation. If this vendor's product is selected, it may appear that this vendor got the business by gaining your personal favor, even if the selection was based on a competitive bid and a superior product. In other words, even if the selection of the vendor was completely unbiased, there is the appearance of a conflict of interest.*

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- Receiving loans from any vendor partner, franchise partner, guest or competitor (loans from lending institutions at prevailing interest rates are excluded)
- Owning any interest in a vendor partner, guest or competitor (excluding passive ownership of less than 2.5% of the outstanding shares of capital stock of a vendor partner, guest or competitor that is listed on a national securities exchange or publicly traded in the over-the-counter market), unless you have received a waiver as provided for in this Code
- Receiving any other special treatment from any vendor partner, franchise partner, guest or competitor

Meetings with vendors or suppliers may include an aspect of entertainment, including meals, event tickets or other standard business courtesies, as long as business is actually being conducted. These types of entertainment may never be solicited, however, and should always be in good taste and of reasonable value.

In general, you should decline any gift or offer if you believe that it could create doubt about the appropriateness of accepting the gift or offer. If you receive an inappropriate gift, you must return it with a dated note stating that you are unable to accept it and are returning it. For your own protection, you should also alert a supervisor about the gift or offer and keep a copy of the note. When we do business in other parts of the world, local customs may require exceptions to this policy. All exceptions to this policy must be approved in advance by the Legal Department.

Q&A

Q: The beer rep for a local brewery wants me to serve his beer from one of my available tap handles. As an incentive, he has offered me tickets to the local college football games for my bartenders. Can I accept the tickets?

A: No. *This creates the appearance of a conflict of interest and could be illegal. Alcohol wholesalers and distributors are governed by many federal, state and local laws governing their relationships to retailers, which we are since we sell alcohol in our stores. A violation of any law could impact all of our liquor licenses. The Legal Department can advise you on a case-by-case basis.*

Q&A

Q: I found a location in a nearby town that would make a great location for one of our stores. I would like to purchase it and then rent it to the company. Is that okay?

A: No. *This would be taking advantage of a corporate opportunity. You should let the real estate team for your area know about the site and let them work to buy or lease the site for the company directly.*

Q: I run an Amway business from my home. Can I use my company laptop and our email system during evenings and weekends for my business?

A: No. *You can't use company assets for your personal gain, even if it is on your own time. This includes our hardware, software and systems.*

CORPORATE OPPORTUNITIES:

You may not use Company assets or opportunities for personal gain. This can include, but is not limited to: using or personally benefitting from business opportunities that are discovered through the use of Company property, Company information, or your position at the Company; using Company property (including personnel), Company information or your position for personal gain; and competing, directly or indirectly, with the Company.

Taking inappropriate advantage of Company assets or business opportunities for personal gain is as serious as stealing. If you are concerned about someone's activities, you should immediately report the situation to a supervisor, to an attorney in the Legal Department or to the Ethics Hotline.

STOCK TRADING AND MATERIAL NONPUBLIC INFORMATION:

We obey all laws designed to protect the investing public with respect to disclosure of material nonpublic information. Information is considered "material" if a reasonable investor would consider it important when deciding whether to buy, sell or hold stock. Either positive or negative information may be material. Examples of material information include:

- A significant upward or downward revision of earnings forecasts
- A significant restructuring change
- A major management change
- A significant merger, acquisition or disposition
- Sales, profits or traffic data or trends

Information is considered "nonpublic" if it has not been made known to the public for a long enough period of time that the information is reflected in the stock price. It is prohibited to buy or sell stock in a company when you are in possession of material nonpublic information about that company. This applies not only to information that you possess about the Company, but also to information that you may learn about another company (such as a vendor partner) while performing your job. You may not buy or sell stock (including a cashless exercise of stock options) in any company about which you have material nonpublic information. Misuse of such information can result in criminal or civil liability, or both.

It is also illegal to communicate material nonpublic information to other people so that they can buy or sell stock. In fact, you should never share such information with anyone (including family members and other team members), except when it is explicitly required to perform your job and you are certain -because of an agreement or otherwise - that the information will be not be misused or improperly disclosed by the other person. If you share material nonpublic information with a person who acts upon it, both you and the Company could face criminal or civil liability for that person's actions.

Finally, you may not participate in options trading or short selling of Company securities. These transactions give the appearance of improper trading, look disloyal and are inconsistent with our standards. Our Securities Law Compliance Policy has more detail on this subject, and you can obtain a copy of it from the Legal Department.

Q&A

Q: I've learned that the Company is considering a major project, which, if we move forward and it is successful, is likely to boost our stock price. I'm pretty sure that I can't buy any of our stock, but could my wife buy some? She has a portfolio in her own name.

A: *What you are describing is non-public information. Please discuss this thoroughly with one of the attorneys in the Legal Department, who will advise you appropriately. If the Legal Department determines that this is material information, you can't buy stock and neither can your wife. Any transactions by a member of your immediate family or household will be attributed to you, and you and the Company could face criminal and civil actions.*

By the way, if the information is material, you can't reveal it to a friend or neighbor either so that they can buy our stock. That is considered "tipping" which is illegal. If the information is not considered material, remember that it is still nonpublic and confidential, so you shouldn't reveal it in any case, except as needed to perform your job.

Q: One of our vendor partners has confided in me that her company is being sold. She wanted to tell me in advance so she could reassure me about the level of service from the new company. Can I buy stock in the vendor's company or the company that is buying it?

A: *No. You are prohibited from trading on the information that you have learned, which applies to buying or selling the stock of either company involved.*

BEING A GOOD PARTNER

FRANCHISE PARTNERS:

Our goal is to operate as one brand and to drive sales and profits in each and every one of our restaurants. We take pride in having a relationship with each of our franchise partners and potential franchise partners that is fair and honest and that encourages open communication and active input on brand development.

Q&A

Q: One of the managing partners in my area has come up with a great idea to save money and increase profits. I would like to share this idea with other managing partners as a best practice. Is it OK to share it with the managing partners of the franchise stores in my area?

A: *Yes, sharing best practices is consistent with our goal to operate as one brand and drive profits systemwide. Keep in mind, however, that many of our franchisees are independent third parties that we do not control, so you can't force a franchisee to adopt a particular practice. There are some exceptions to this, so consult with the Legal Department for a review of the franchise agreement before you make a franchisee change its methods.*

GUESTS, VENDOR PARTNERS AND COMPETITORS:

You should act with integrity in all of your business dealings. This means that you should follow certain guidelines when performing your job:

- Compete vigorously and with integrity
- Treat all guests and vendor partners honestly, fairly and objectively
- Never discuss or agree with competitors on pricing or any other matter affecting pricing, terms and conditions of sale, limits on production, division of territories or guests, and boycotting of third parties
- Avoid any unfair or deceptive practice or advertisement and always present our services and products in an honest and forthright manner
- Do not take unfair advantage of anyone through manipulation concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practice
- Never criticize a competitor's product without a good basis for such statements, or act in a manner designed to unlawfully exclude competitors from the marketplace
- Make clear to all vendor partners that we expect them to compete fairly and vigorously for our business, and that we will select our vendor partners strictly on merit
- Never give, offer, or promise anything of value for the purpose of influencing someone in connection with our business
- Never solicit, demand, or accept anything of value with the intent of being influenced or rewarded in connection with our business

Q&A

Q: My roommate works for a vendor who is trying to get our business. She wants me to find out how much the Company pays our current vendor, so that her company can bid a lower price. A lower price would be better for the Company, so should I give her the information?

A: *No. Giving your roommate's company an unfair advantage over their competition is unethical and violates our policy of treating all of our vendor partners fairly.*

CALL 1-877-515-3014
or see page 4 for how to report

AUTHORITY TO WORK

We are required by law to inspect and verify the identity and employment authorization of every team member. This includes re-verification of continuing employment eligibility as necessary. If you are unable to show evidence of work authorization, you will be subject to termination.

Q&A

Q: A new hire has shown up for work, but has not provided proof of work authorization. What should I do?

A: *Remind your team member that he or she is required to provide evidence of work authorization, and report the situation to the Legendary People Department.*

Q&A

Q: My new store is 3 weeks from opening and the local health inspector has threatened to delay our health permit if we don't offer him a cash payment. Should I pay him so the restaurant can open on time?

A: *This is a government official asking for a bribe. You should report the situation immediately to the Legal Department.*

Q: I am working on one of our international restaurant locations. Our landlord has requested \$2,000 in exchange for his promise to secure all of our permits within 60 days. Local officials have told me that the normal process will take 6 months. Can I pay the landlord to help us out?

A: *This type of payment could be illegal if the landlord is a foreign official or if you know or even think that the landlord is going to use the money to improperly influence a foreign official. You should always consult with the Legal Department for a case-by-case determination of whether such a payment is permissible.*

BRIBERY AND CORRUPTION:

Operating with integrity means avoiding corruption of any kind, including bribery of government officials. The U.S. government has a number of laws and regulations that govern bribes. You must not promise, offer or deliver to a U.S. government official or employee a gift, favor or other gratuity in violation of these laws. State and local governments, as well as foreign governments, may also have similar rules that you must follow.

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 anyone acting on their behalf). It contains anti-bribery regulations and detailed accounting and record keeping requirements. In general the FCPA mirrors our Company policies concerning bribery and record-keeping, but includes additional layers of scrutiny and documentation that are required for our foreign operations. The FCPA strictly prohibits the direct or indirect payment of a bribe to: a foreign official; a foreign political party; a foreign party official or candidate for political office; officers of a foreign owned and operated enterprise; and officials of a public international organization (such as the UN). A bribe can be anything of value (including money, favors, services, hospitality and gifts) given or offered for the purpose of influencing an act or decision. If you conduct business internationally for the Company, you must strictly abide by the FCPA and any FCPA Policy adopted by the Company. You can visit the Department of Justice's website at www.usdoj.gov/criminal/fraud/fcpa for more information about the FCPA.

Violations of anti-corruption laws, including the FCPA, could result in serious fines and penalties against the Company, and fines and imprisonment for individuals. We expect strict compliance with these laws from our team members, our Board of Directors, our vendors and our franchise partners. If you suspect that a person or activity is violating an anti-corruption law or the FCPA, report your concerns immediately to the Legal Department.



TEXAS ROADHOUSE, INC.
CODE OF BUSINESS CONDUCT
AND ETHICS

REVISED : NOVEMBER 2011