

**TEXAS ROADHOUSE, INC.**  
**ANTI-BRIBERY & CORRUPTION POLICY AND GUIDELINES**

**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 this Anti-Bribery & Corruption Policy (this “*Policy*”) and all applicable anti-bribery and corruption laws that this Policy covers.

We are also committed to preventing, detecting, and remediating violations of this Policy and any corresponding anti-bribery and corruption laws. 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-bribery and corruption training. This individual is currently the Company’s Vice-President of Finance. The Compliance Officer will report, as necessary, to the Company’s Board of Directors (the “*Board*”), who shall exercise reasonable oversight as to the implementation and effectiveness of the Company’s anti-bribery and corruption program and this Policy.

**II. Who the Policy Applies To**

This Policy applies to all employees of the Company (regardless of position, and includes temporary and part-time employees), all members of the Board, 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.

**III. Policy**

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. You must follow all anti-bribery and corruption laws, rules, ordinances, 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 must comply with the law and immediately report the conflict to the Compliance Officer.

The Company will provide training on this Policy and applicable anti-bribery and corruption laws covered by 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. This Policy requires, and as part of our training program, certain employees to annually acknowledge receipt of and commitment to complying with this Policy.

**IV. Overview of Anti-Bribery and Corruption Laws**

There are many anti-bribery and corruption laws that apply to us as a global company.

**A. Local Laws**

Bribery and corruption laws span the globe and, therefore, if you are conducting business or partnering with companies in other countries, it is your responsibility to understand and comply with the laws governing that country. 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. In such situations, you should always follow the guidelines provided

in Section V of this Policy.

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

One of the most important laws governing bribery and corruption in the international marketplace is the Foreign Corrupt Practices Act of 1977 (the “*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. Note that the FCPA extends geographically beyond the United States and as an employee of Texas Roadhouse, you are subject to its requirements even if you do not reside or operate in the United States.

The FCPA has two primary provisions: (1) anti-bribery, and (2) accounting. Because Texas Roadhouse is a public company in the United States, we are subject to both provisions of the FCPA. Failure to comply with the FCPA could result in reputational damage to the Company, as well as extensive fines and penalties to both the Company and individuals involved. Set forth below is a brief overview of each of these provisions.

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

The anti-bribery provision of the FCPA prohibits bribery directly or indirectly to foreign officials to gain an unfair business advantage. This provision applies to all U.S. entities and individuals, including those who work for U.S. entities, and is enforced by the Department of Justice. Key concepts to understand related to this provision include:

(a) 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. It is important to note that the focus is placed on the intent, or intended benefit, of the payment or other benefit provided, as the size of the bribe is irrelevant. For example, a small, “immaterial” bribe could lead a foreign official to perform an action that results in a company making millions of dollars in revenue. This is why even a small bribe can result in significant FCPA fines and penalties.

(b) “*Corruption*” means dishonest or fraudulent conduct by someone in a position of power or authority. This includes conduct by foreign officials at all levels, from low-level customs clerks to presidents and country leaders. It also includes conduct by those with authority or power in the private sector, like procurement officials or senior executives. Corruption often involves bribery.

As a rule of thumb, acts of bribery and corruption often involve secrecy and efforts to cover up or hide corrupt conduct. This may include faking or falsifying expenses in company records or even channeling bribes through sham charities and shell companies. Bribery and corruption can also take place in the open, but it is important to be vigilant and watch for red flags that may indicate these types of hidden bribery and corruption schemes.

(c) 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 with which we are doing business. Representatives of government-owned companies qualify as foreign officials. Likewise, someone who

is a private person but 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 does not require that a foreign official actually misuse his or her position to our benefit, only that such a result was intended. Additionally, 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.

(d) The FCPA also prohibits “*indirect bribes*” which means that you may not authorize any gift or payment or offer anything of value to a third party, a person or company working on our behalf, 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 provision. Conscious disregard or deliberate ignorance will not protect you or the Company from liability.

Third parties can pose a significant risk and it is important for us to manage these relationships responsibly. Examples of third parties we regularly do business with include franchisees, joint venture partners, suppliers, consultants, and even landlords who may help us secure permits and licenses for restaurants. If your role in the Company involves managing these types of relationships, make sure you have discussed with your manager or the Compliance Officer the specific procedures (outlined in Section VI below) that you should be following when establishing and overseeing these relationships.

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

The accounting provision of the FCPA requires companies to maintain both accurate books and records and internal accounting controls 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. This provision applies to U.S. public companies, such as Texas Roadhouse, as well as their officers and directors, and is enforced by the Securities and Exchange Commission.

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 and consistent with these requirements, 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.

## **3. General Information**

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

## **V. Policy Provisions**

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

The Company permits payments to government officials in a few limited situations as described below; 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. Facilitation Payments

As used in the FCPA and many other applicable laws, "*facilitating*" or "*expediting*" payments, also known as "*facilitation*" or "*grease*" payments, refer to payments made to foreign officials to speed up or ensure the performance of a routine government action like issuing permits and licenses, processing visas, or connecting utilities. Such routine government actions are clerical in nature and do 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.

Facilitation or expediting payments may be permissible under applicable laws if they are established as official fees set by, and paid to, the relevant government entity. For example, it may normally take months to process a visa application to enter a foreign country. The agency processing the application may have a fee published on their website to speed up the process. This would be considered a facilitation or expediting payment that is permitted under the FCPA and most applicable laws.

Facilitation or expediting payments may be considered a bribe under the FCPA and applicable laws and, therefore, prohibited by this Policy if:

- i. it is NOT at a published rate;
- ii. it is provided to secure an improper advantage (which can include speeding up or securing a government actions in a manner that is not available to the general public); and
- iii. it is provided directly to a foreign official as an individual (in other words, the official will keep the entire payment).

We allow facilitation payments under the following circumstances:

- i. payment amount is set by a published rate available to all individuals and organizations;
- ii. the payment is made to the government entity rather than to a foreign official as an individual;
- iii. the payment is made to expedite government services; and
- iv. before providing the payment, you have confirmed with Compliance Officer that it is permissible under local law.

Please note, because some countries may have different laws, you must always check with the Compliance Officer before making any facilitation payments.

## 2. Reasonable and Bona Fide Expenses of Government Officials

In some instances, the Company may, under this Policy, 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 may 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 must also comply with all local laws and customs and avoid any appearance of impropriety.

The following guidelines also apply to expenses:

- i. all covered expenses should be at a modest level (economy class air travel, for example);
- ii. the local government should decide which of their representatives will travel without input from us;
- iii. 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;
- iv. expenses should relate to designated foreign officials only, not spouses, family members or other guests;
- v. you must accompany the government official to the event offered;
- vi. when possible, expenses should be paid directly to the service provider; and
- vii. stipends or spending money should not be provided.

### **3. Nominal Gifts**

Under this Policy, 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. While nominal value can mean different things under varying circumstances, gifts should never exceed \$500 in total per calendar year. Like expenses, all gifts must comply with local laws and customs and avoid any appearance of impropriety.

The following guidelines also apply to gifts:

- i. a gift should never include cash or gift cards (with the exception of a Texas Roadhouse branded gift card);
- ii. the gift should, where possible, bear our logo;
- iii. gifts should be given on an occasional, non-routine basis; and
- iv. 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 and cash equivalents, such as gift cards, presents inherent risks. To mitigate these risks, the use of cash and/or cash equivalents should be kept to a minimum. Any payments made with cash or cash equivalents should be fully documented and accurately recorded in the Company's

books and records.

#### **D. 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 may 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.

#### **VI. Guidelines for 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.

If your role requires you to manage relationships with our business partners, you should remember the following:

- i. evaluate the risks associated with the partner;
- ii. perform due diligence;
- iii. contract with proper terms;
- iv. keep and maintain records of all business transactions;
- v. continuously monitor and strengthen the partnership; and
- vi. follow the Company's policies and procedures.

#### **VII. What Should I Do**

No matter what your role is in the Company, you have a responsibility to be mindful of unusual requests stemming from fellow roadies or our business partners. There are some common "red flags" you should be careful of, such as:

- i. false or suspicious looking invoices submitted by a business partner – this would include requests for payments to be made to a different person or a country other than where the services are being provided;
- ii. unusual contract terms related to commissions or fees;
- iii. payments for gifts, entertainment, or travel expenses for a foreign official; and
- iv. cash transactions, which should be minimal and properly documented.

### **VIII. How to Raise Questions**

Interpreting anti-bribery and corruption laws is not easy. If you have any questions regarding this Policy, applicable laws covered by this Policy, or a request for payment, you should contact the Compliance Officer 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)

### **IX. How to Report Concerns**

Below are ways in which you can report a concern:

- **Contact a Member of Management:** Contact a supervisor (this could be, for example, your Managing Partner, a Market Partner, a Director, Senior Director, or Vice-President or Regional Market Partner level employee or above). You can also contact any Director in the Legendary People Department. If you do not feel that your issue was taken seriously and/or you do not feel comfortable reporting it via your department, store, or market reporting chain, raise it through a different supervisor (including a supervisor outside your department, store, or market), the Compliance Officer, or the Ethics Hotline.
- **Contact Ethics Hotline Electronically:** Go to the Ethics Hotline by visiting our website, [texasroadhouse.com](http://texasroadhouse.com), and clicking on the “Contact Us” section at the bottom of the page, and then clicking on the “Texas Roadhouse Employees & Vendors” button. These Ethics Hotline pages are maintained by a third party, so you can be anonymous unless you choose to identify yourself.
- **Contact Ethics Hotline by Telephone:** Call our Ethics Hotline at 1-877-515-3014. The information you provide will be submitted in a written report. This line is maintained by a third party, so you can choose to be anonymous if you prefer.

We take all reported concerns seriously and will promptly and thoroughly investigate each one. Reported concerns will always be directed to the appropriate personnel for investigation based on the nature of the concern. All reports and investigations will be handled with discretion, and we will make every effort to keep our investigations as confidential as possible.

We do not retaliate against any person who raises questions, reports concerns, or who participates in an investigation related to the Code or this Policy. If you feel that you have been retaliated against, you should notify a Manager or Director in the Legendary People Department immediately, report your concern through the Ethics Hotline, or if you do not feel your issue was taken seriously or you do not feel comfortable reporting it to the Legendary People Department or via the Ethics Hotline, raise it through a different supervisor (including a supervisor outside your department, store, or market) or the Compliance Officer.

### **X. Compliance**

We expect strict compliance with anti-bribery and corruption laws, including the FCPA, from our employees, the Board, 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 this Policy, an anti-bribery and 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. No employee, including any of our officers or any member of the Board, has the authority to direct or condone violations of the Code or of this Policy.