

TEXAS ROADHOUSE, INC.

COMPENSATION COMMITTEE CHARTER

1. Designation and Membership

The Board of Directors (the “Board”) of Texas Roadhouse, Inc. (the “Company”) will appoint from among its members a Compensation Committee (the “Committee”) and will designate one such member to serve as the Chairman of the Committee. The Committee will consist of at least three members of the Board, each of whom must be determined by the Board to be an “independent” director under all applicable rules, including the listing standards of the NASDAQ Stock Market and the requirements of the Securities and Exchange Commission. Committee members may be removed by the Board at any time.

2. Purposes

The primary purposes of the Committee are to:

- 2.1 Assist the Board in fulfilling its responsibilities relating to the design, administration and oversight of employee compensation programs and benefit plans of the Company’s executive officers.
- 2.2 Discharge the Board’s duties relating to compensation of the Company’s directors.
- 2.3 Review the performance of the Company’s executive officers.

3. Duties and Responsibilities

The Committee shall conduct meetings as it deems necessary or advisable and shall:

- 3.1 Determine annual base and incentive compensation, benefit plans and perquisites for directors and for the Company's executive officers, including performance targets and incentive awards.
- 3.2 Administer any executive officer incentive compensation plans.
- 3.3 Review and approve procedures for reviewing the performance of the Company’s executive officers.
- 3.4 Establish annual performance criteria and goals to be used in the executive and Company bonus plans and evaluate executives in light of these objectives.

- 3.5 Take action to disgorge Chief Executive Officer and Chief Financial Officer compensation to the extent required by law if the Company is required to restate its financial statements as a result of misconduct.
- 3.6 Monitor the Company's compliance with prohibitions on loans to directors and executive officers.
- 3.7 Review the design, administration and effectiveness of the Company's compensation programs and benefit plans for employees who are not executive officers of the Company.
- 3.8 Make recommendations to the Board with respect to the adoption and amendment of employee compensation programs and benefit plans.
- 3.9 Exercise all authority delegated by the Board to the Committee under the Company's 2004 Equity Incentive Plan, including the authority to approve periodic stock option grants.
- 3.10 Obtain advice and assistance from internal and external legal, accounting, and other advisors or consultants as necessary or advisable to assist in the evaluation of compensation and benefit plans.
- 3.11 Retain and terminate a consulting firm to assist in the evaluation of director and executive officer compensation if the Committee in its discretion determines that the firm's services are advisable and on terms and conditions the Committee determines.
- 3.12 Periodically review all compensation and benefit plans and perquisites.
- 3.13 Review and approve disclosures relating to shareholder votes on equity compensation plans.
- 3.14 Prepare and approve the Compensation Committee Report for the Company's proxy statement.
- 3.15 Delegate to a subcommittee any of its duties as it deems necessary or advisable.
- 3.16 Perform such other functions as may be assigned by the Board from time to time.
- 3.17 Annually evaluate the performance of the Committee.