

RYAN'S FAMILY STEAK HOUSES, INC.
GOVERNANCE COMMITTEE CHARTER

PURPOSE

The Governance Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Governance Committee's primary purposes are:

- To promote the competence and integrity of the Company's Board of Directors, its executive management team, and, through them, the competence and integrity of the Company itself;
- To promote the incorporation of checks and balances in corporate governance processes and policies;
- To encourage diligence in the observance of the highest standards of ethics and integrity;
- To empower the executive management of the Company to act in accordance with the highest standards of ethics and integrity; and
- To promote individual responsibility and accountability, both for the ethical behavior of individual employees and for the ethical behavior of the Company as a whole.

COMMITTEE MEMBERSHIP

Members of the Governance Committee shall be appointed by the Board. The Committee shall be comprised of at least three members of the Board each of whom the Board has determined has no material relationship with the Company and each of whom is otherwise "independent" as defined by the Securities and Exchange Commission and NASDAQ. The Committee shall designate one member as its Chairman. A majority of the members of the Committee shall constitute a quorum. Members of the Committee shall serve until their resignation, retirement, removal by the Board or until their successors shall be duly elected and qualified.

MEETINGS

The Committee shall meet at least once a year and at such additional times as may be necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee or the Chairman of the Board. Following each meeting the Committee shall deliver a report on the

meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep minutes of its proceedings which shall be filed as permanent records with the Secretary of the Company.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. The Committee shall review and reassess the following Company procedures relating to:
 - Insider trading
 - Corporate disclosure (financial, sales, and other significant events)
 - The reporting of material violations of securities laws and fiduciary obligations
 - Code of business ethics
2. The Committee shall review periodically new legislation, regulations and other developments as they relate to Executive Officer and Director compliance with reporting requirements, including transactions involving Company stock.
3. The Committee shall review membership of Executive Officers on the Boards of other companies or of non-profit organizations to ensure that any individuals activity on another Board does not interfere with his or her obligation to the Company.
4. The Committee shall review and approve or disapprove any proposed related party transactions or any such transactions which have already occurred.
5. The Committee shall review annually the completed D & O Questionnaires for all Directors and Officers.
6. The Committee shall review all Committee charters annually to ensure that they reflect the Company's commitment to effective governance.
7. The Committee shall review the Company's policies and programs in such areas as: (1) equal employment opportunity; (2) antitrust laws; (3) environmental protection; (4) charitable contributions; (5) political action/legislative affairs; and (6) employee health and safety, and recommend to the Board any actions that the Committee shall deem desirable.
8. The Committee shall consider any corporate governance issues that may arise, from time to time, and develop appropriate recommendations to the Board.
9. The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, including direct access to the independent auditors as well as officers and employees of the Company.
10. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.