

Ruths Chris Steak House, Inc.  
Form PRE 14A  
March 26, 2008  
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## **SCHEDULE 14A**

**(Rule 14a-101)**

### **INFORMATION REQUIRED IN PROXY STATEMENT**

#### **SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

**(Amendment No.    )**

Filed by the registrant  Filed by a party other than the registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

**RUTH S CHRIS STEAK HOUSE, INC.**

**(Name of Registrant as Specified in its Charter)**

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box.):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated, and state how it was determined.):

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2), and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration number or the form or schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, schedule, or registration statement no.:

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(3) Filing party:

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(4) Date filed:

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**Preliminary Copy**

**Ruth s Chris Steak House, Inc.**

**500 International Parkway, Suite 100**

**Heathrow, Florida 32746**

April 10, 2008

To our Stockholders:

You are cordially invited to attend the Ruth s Chris Steak House, Inc. annual meeting of stockholders at 1:00 P.M. on Thursday, May 22, 2008 at Ruth s Chris Steak House (Lake Mary), 80 Colonial Center Parkway, Sanford, Florida 32746. The attached notice of annual meeting and proxy statement describes all known items to be acted upon by stockholders at the meeting and describes certain other details related to the meeting.

It is important that your shares are represented at the annual meeting, whether or not you plan to attend. To ensure your shares will be represented, we ask that you vote your shares via the Internet, or by telephone, as instructed on the accompanying proxy. If you received or requested a copy of the proxy card by mail, you may submit your vote by completing, signing, dating and returning the proxy card by mail. **We encourage you to vote via the Internet or by telephone.** These methods are convenient and save us significant postage and processing charges. *Please vote your shares as soon as possible.* This is your annual meeting and your participation is important.

If you are a registered stockholder and plan to attend the annual meeting, you will be required to present an admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver s license or passport) to gain admission. An admission ticket will serve as verification of your ownership.

If your Ruth s Chris shares are registered in your name and you received or accessed your proxy materials electronically over the Internet, click the appropriate box on the electronic proxy card or follow the telephone instructions when prompted and an admission ticket will be held for you at the registration desk at the annual meeting.

If your Ruth s Chris shares are registered in your name and you received your proxy materials by mail, an admission ticket is attached to your proxy card.

If your Ruth s Chris shares are held in by a broker, bank or other nominee, contact your broker, bank or other nominee to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your broker, bank or other nominee, you will not be entitled to vote your shares, but you can still attend the annual meeting if you bring a recent bank or brokerage statement showing that you owned shares of Ruth s Chris common stock on April 1, 2008.

Please vote your shares promptly and join us at the meeting.

Sincerely,

Craig S. Miller

Chairman, President and Chief Executive Officer

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

*To our Stockholders:*

The 2008 annual meeting of stockholders of Ruth's Chris Steak House, Inc. (the "Company" or "Ruth's Chris") will be held at Ruth's Chris Steak House (Lake Mary), 80 Colonial Center Parkway, Sanford, Florida 32746, on Thursday, May 22, 2008, beginning at 1:00 p.m. local time. At the meeting, the holders of the Company's outstanding common stock will act on the following matters:

- (1) the election of five directors to serve a term of one year;
- (2) a proposed amendment to the Company's 2005 Long-Term Equity Incentive Plan to increase the number of shares available for award by 1,500,000 shares;
- (3) a proposed amendment to the Company's amended and restated Certificate of Incorporation in order to change the name of the Company to Ruth's Hospitality Group, Inc. ;
- (4) the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2008; and

(5) to transact any other business as may properly come before the meeting or any adjournment or postponement thereof. Stockholders of record at the close of business on April 1, 2008 are entitled to notice of and to vote at the annual meeting and any postponements or adjournments thereof.

Whether or not you expect to be present at the meeting, please vote your shares by following the instructions on the accompanying proxy card or voting instruction card. If your shares are held in the name of a bank, broker or other recordholder, their voting procedures should be described on the voting form they send to you. Any person voting by proxy has the power to revoke it at any time prior to its exercise at the meeting in accordance with the procedures described in the accompanying proxy statement.

*Notice of Electronic Availability of Proxy Materials:*

In accordance with rules and regulations recently adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials, including our annual report to stockholders, to each stockholder of record, we may now furnish stockholders materials on the Internet. On or about April 10, 2008, we mailed to our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement and our annual report and vote online. If you received the notice by mail, you will not automatically receive a printed copy of our proxy materials or annual report. Instead, the notice instructs you as to how you may access and review all of the important information contained in the proxy materials. The notice also instructs you as to how you may submit your proxy on the Internet or by telephone. If you received the notice by mail and would like to receive paper copies or electronic copies via email of our stockholder materials, you should follow the instructions for requesting such materials included in the notice.

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***IF YOU PLAN TO ATTEND:***

**Please note that space limitations make it necessary to limit attendance to stockholders and one guest. Admission to the meeting will be on a first-come, first-served basis. Registration will begin at 12:00 noon, and seating will begin at 12:30 p.m. If you are a registered stockholder and plan to attend the annual meeting, you will be required to present an admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) to gain admission. An admission ticket will serve as verification of your ownership. Stockholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras (including cellular phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.**

By order of the Board of Directors,

Thomas E. O'Keefe

*Senior Vice President, General Counsel and Secretary*

April 10, 2008

Heathrow, Florida

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**500 INTERNATIONAL PARKWAY**  
**SUITE 100**  
**HEATHROW, FLORIDA 32746**  
**ANNUAL MEETING OF STOCKHOLDERS**  
**To Be Held May 22, 2008**

**PROXY STATEMENT**

The Board of Directors of Ruth's Chris Steak House, Inc. (the Company or Ruth's Chris) is soliciting proxies from its stockholders to be used at the annual meeting of stockholders to be held on Thursday, May 22, 2008, beginning at 1:00 p.m., at Ruth's Chris Steak House (Lake Mary), 80 Colonial Center Parkway, Sanford, Florida 32746, and at any postponements or adjournments thereof. This proxy statement contains information related to the annual meeting. This proxy statement, accompanying form of proxy and the Company's annual report are being sent to stockholders on or about April 10, 2008.

**ABOUT THE ANNUAL MEETING**

***Why did I receive these materials?***

Our Board of Directors is soliciting proxies for the 2008 annual meeting of stockholders. You are receiving a proxy statement because you owned shares of our common stock on April 1, 2008, and that entitles you to vote at the meeting. By use of a proxy, you can vote whether or not you attend the meeting. This proxy statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision.

***What information is contained in this proxy statement?***

The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, our Board and Board committees, the compensation of directors and executive officers and other information that the Securities and Exchange Commission requires us to provide annually to our stockholders.

***How may I obtain Ruth's Chris's 10-K and other financial information?***

A copy of our 2007 annual report, which includes our 2007 Form 10-K, is enclosed.

Stockholders can access the 2007 Form 10-K, our other filings with the SEC and our corporate governance and other information on the investor relations page of our website at [www.ruthschris.com](http://www.ruthschris.com).



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Stockholders may request another free copy of our 2007 annual report, which includes our 2007 Form 10-K, from:

Ruth s Chris Steak House, Inc.

Attn: Chief Financial Officer

500 International Parkway, Suite 100

Heathrow, Florida 32746

(407) 333-7440

We will also furnish any exhibit to the 2007 Form 10-K if specifically requested.

***If I previously signed up to receive stockholder materials, including proxy statements and annual reports, by mail and wish to access these materials via the Internet or via electronic delivery in the future, what should I do?***

If you have previously signed up to receive stockholder materials, including proxy statements and annual reports, by mail, you may choose to receive these materials by accessing the Internet or via electronic delivery in the future, which can help us achieve a substantial reduction in our printing and mailing costs as well as be environmentally friendly.

If you choose to receive your proxy materials by accessing the Internet, then before next year s annual meeting, you will receive a Notice of Internet Availability of Proxy Materials when the proxy materials and annual report are available online explaining the procedure for accessing the materials on the Internet. If you choose to receive your proxy materials via electronic delivery, you will receive an email containing the proxy materials. If your shares are registered in your own name (instead of through a broker or other nominee), sign up to receive proxy materials in the future by accessing the Internet or via electronic delivery at:

[www.proxyvote.com](http://www.proxyvote.com)

Your election to receive your proxy materials by accessing the Internet or by electronic delivery of these materials will remain in effect for all future stockholder meetings unless you revoke your election by sending a written request addressed to:

Ruth s Chris Steak House, Inc.

Attn: Chief Financial Officer

500 International Parkway, Suite 100

Heathrow, Florida 32746

If you hold your shares in an account at a brokerage firm or bank participating in a street name program, you can sign up to receive your proxy materials by accessing the Internet or by electronic delivery in the future by contacting your broker.

***How can I obtain paper copies of the proxy materials?***

If you elected to receive our stockholder materials via the Internet or via electronic delivery, you may request paper copies by written request addressed to:

Ruth s Chris Steak House, Inc.

Attn: Chief Financial Officer

500 International Parkway, Suite 100



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### ***Who is entitled to vote at the meeting?***

Only stockholders of record at the close of business on the record date, April 1, 2008, are entitled to receive notice of and to participate in the annual meeting. If you were a stockholder of record on the record date, you will be entitled to vote all of the shares that you held on that date at the meeting, or any postponements or adjournments of the meeting.

### ***How many votes do I have?***

You will be entitled to one vote for each outstanding share of Ruth's Chris common stock you owned as of the record date on each matter considered at the meeting. As of the record date, there were 24,267,580 shares of the Company's common stock outstanding and eligible to vote. There is no cumulative voting.

### ***Who can attend the meeting?***

Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the meeting and each may be accompanied by one guest. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration will begin at 12:00 noon, and seating will begin at 12:30 p.m.

If you are a registered stockholder and plan to attend the annual meeting, you will be required to present an admission ticket (or other proof of stock ownership) and some form of government-issued photo identification (such as a valid driver's license or passport) to gain admission. An admission ticket will serve as verification of your ownership.

If your Ruth's Chris shares are registered in your name and you received or accessed your proxy materials electronically over the Internet, click the appropriate box on the electronic proxy card or follow the telephone instructions when prompted and an admission ticket will be held for you at the registration desk at the annual meeting.

If your Ruth's Chris shares are registered in your name and you received your proxy materials by mail, an admission ticket is attached to your proxy card.

If your Ruth's Chris shares are held by a broker, bank or other nominee, contact your broker, bank or other nominee to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your broker, bank or other nominee, you will not be entitled to vote your shares, but you can still attend the annual meeting if you bring a recent bank or brokerage statement showing that you owned shares of Ruth's Chris common stock on April 1, 2008.

Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.

### ***What constitutes a quorum?***

The presence at the meeting, in person or by proxy, of the holders of a majority of the aggregate voting power of the common stock outstanding on the record date will constitute a quorum, permitting the conduct of business at the meeting. As of the record date, 24,267,580 shares of common stock, representing the same number of votes, were outstanding.

Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting for purposes of a quorum.

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### ***How do I vote?***

If you are a holder of record (that is, your shares are registered in your own name with our transfer agent), you can vote either *in person* at the annual meeting or *by proxy* without attending the annual meeting. We urge you to vote by proxy even if you plan to attend the annual meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting. If you attend the meeting in person, you may vote at the meeting and your proxy will not be counted. You can vote by proxy by any of the following methods.

*Voting by Telephone or Through the Internet.* If you are a registered stockholder (that is, if you own common stock in your own name and not through a broker, bank or other nominee that holds common stock for your account in a street name capacity), you may vote by proxy by using either the telephone or Internet methods of voting. Proxies submitted by telephone or through the Internet must be received by May 21, 2008. Please see the proxy card provided to you for instructions on how to access the telephone and Internet voting systems.

*Voting by Proxy Card.* Each stockholder electing to receive stockholder materials by mail may vote by proxy by using the accompanying proxy card. When you return a proxy card that is properly signed and completed, the shares of common stock represented by your proxy will be voted as you specify on the proxy card.

If you hold your shares in street name, you must either direct the bank, broker or other record holder of your shares as to how to vote you shares, or obtain a proxy from the bank, broker or other record holder to vote at the meeting. Please refer to the voter instruction cards used by your bank, broker or other record holder for specific instructions on methods of voting, including by telephone or using the Internet.

Your shares will be voted as you indicate. If you return the proxy card but you do not indicate your voting preferences, then the individuals named on the proxy card will vote your shares in accordance with the recommendations of the Board. The Board and management do not now intend to present any matters at the annual meeting other than those outlined in the notice of the annual meeting. Should any other matter requiring a vote of stockholders arise, stockholders returning the proxy card confer upon the individuals named on the proxy card discretionary authority to vote the shares represented by such proxy on any such other matter in accordance with their best judgment.

### ***Can I change my vote?***

Yes. If you are a stockholder of record, you may revoke or change your vote at any time before the proxy is exercised by filing a notice of revocation with the secretary of the Company or mailing a proxy bearing a later date or by attending the annual meeting and voting in person. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares, by attending the meeting and voting in person. In either case, the powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

### ***How are we soliciting this proxy?***

We are soliciting this proxy on behalf of our Board of Directors and will pay all expenses associated with this solicitation. We have retained Broadridge Financial Solutions, Inc. to aid in the solicitation of proxy materials for a fee of \$5,000 plus expenses. In addition to mailing these proxy materials, certain of our officers and other employees may, without compensation other than their regular compensation, solicit proxies by further mailing or personal conversations, or by telephone, facsimile or other electronic means. We will also, upon request, reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their reasonable out-of-pocket expenses for forwarding proxy materials to the beneficial owners of our common stock and to obtain proxies.

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### ***What are the Board's recommendations?***

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board. The Board's recommendation is set forth together with the description of each item in this proxy statement. In summary, the Board recommends a vote FOR each of the proposals.

### ***Will stockholders be asked to vote on any other matters?***

To the knowledge of the Company and its management, stockholders will vote only on the matters described in this proxy statement. However, if any other matters properly come before the meeting, the persons named as proxies for stockholders will vote on those matters in the manner they consider appropriate.

### ***What vote is required to approve each item?***

Directors are elected by a plurality of the votes cast at the meeting, which means that the five nominees who receive the highest number of properly executed votes will be elected as directors, even if those nominees do not receive a majority of the votes cast. Each share of our common stock is entitled to one vote for each of the director nominees. A properly executed proxy marked "withhold authority" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

The ratification of the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2008 and the amendment to the Company's 2005 Long-Term Equity Incentive Plan require the affirmative vote of the majority of the votes present, in person or by proxy, and entitled to vote at the meeting. The amendment to the Company's amended and restated Certificate of Incorporation requires the affirmative vote of a majority of the Company's outstanding common stock.

### ***How are votes counted?***

In the election of directors, you may vote FOR all or some of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. You may not cumulate your votes for the election of directors.

For proposals other than the election of directors, you may vote FOR, AGAINST or ABSTAIN. Abstentions are considered to be present and entitled to vote at the meeting and, thus, have the same effect as votes against the matter. If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items.

If you hold your shares in street name, the Company has supplied copies of its proxy materials for its 2008 annual meeting of stockholders to the broker, bank or other nominee holding your shares of record and they have the responsibility to send these proxy materials to you. If you hold shares in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. Your broker, bank or other nominee is permitted to vote your shares on the election of directors and the ratification of the appointment of KPMG LLP as our independent auditor without receiving voting instructions from you. However, your broker, bank or other nominee holding your shares in its name may not vote your shares without instructions from you on the proposed amendment to the 2005 Long-Term Equity Incentive Plan and the amendment to the amended and restated Certificate of Incorporation. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting other than the proposed amendment to the amended and restated Certificate of Incorporation,

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assuming that a quorum is obtained. Because the amendment to the amended and restated Certificate of Incorporation requires the affirmative vote of a majority of the Company's outstanding common stock, a broker non-vote will have the same effect as a vote against the amendment to the amended and restated Certificate of Incorporation.

***What happens if a nominee for director declines or is unable to accept election?***

If you vote by proxy, and if unforeseen circumstances make it necessary for the Board to substitute another person for a nominee, the individuals named on the proxy card will vote your shares for that other person.

***What should I do if I receive more than one set of voting materials?***

You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please vote your shares applicable to each proxy card and voting instruction card that you receive.

***Where can I find the voting results of the annual meeting?***

The Company intends to announce the preliminary voting results at the annual meeting and publish the final results in its quarterly report on Form 10-Q for the second quarter of fiscal 2008.

***How may I obtain a copy of Ruth's Chris' bylaw provisions regarding stockholder proposals and director nominations?***

You may contact the corporate secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates. Our bylaws are also available on our website at [www.ruthschris.com](http://www.ruthschris.com).

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**PROPOSALS SUBMITTED FOR STOCKHOLDER VOTE**

**ITEM 1 ELECTION OF DIRECTORS**

The Company's Certificate of Incorporation provides that the number of directors shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office. The number of authorized directors as of the date of this proxy statement is five. The Board currently is composed of five directors, with each director serving until the next annual meeting or until his or her successor is elected. The five candidates nominated by the Board for election as directors at the 2008 annual meeting of stockholders are identified below, each of whom is currently a member of the Board.

If you submit your proxy or voting instruction card but do not give instructions with respect to voting for directors, your shares will be voted FOR the five persons recommended by the Board. If you wish to give specific instructions with respect to voting for directors, you may do so by indicating your instructions on your proxy or voting instruction card.

All of the nominees have indicated to the Company that they will be available to serve as directors. If any nominee named herein for election as a director should for any reason become unavailable to serve prior to the annual meeting, the Board may, prior to the annual meeting, (i) reduce the size of the Board to eliminate the position for which that person was nominated, (ii) nominate a new candidate in place of such person and vote in favor of the new candidate all shares represented by stockholder proxies received by the Board, unless authority to vote for all candidates nominated by the Board is withheld, or (iii) leave the position vacant to be filled at a later time. The information presented below for the director nominees has been furnished to the Company by the director nominees and directors.

Information regarding the nominees, as of April 10, 2008, is set forth below, including their ages, the period each has served on the Board and the nominees' business experience.

**Craig S. Miller**

Director since 2004

Mr. Miller, 58, has served as the Chairman of our Board of Directors since September 2006 and as our President and Chief Executive Officer and as a member of our Board of Directors since March 2004. Prior to that, from October 2002 to March 2004, Mr. Miller was the founder and Chairman of Miller Partners Restaurant Solutions, Inc. From October 2001 to October 2002, Mr. Miller served as President and Chief Executive Officer of Furr's Restaurant Group. From October 1996 to October 2001, Mr. Miller served as President and Chief Executive Officer of Uno Restaurant Corporation. Prior to October 1996, Mr. Miller held various executive level positions with Uno Restaurant Corporation. Mr. Miller is a member of the Board of the National Restaurant Association (the Association). Mr. Miller was elected Chairman of the Association and served his one year term in that office from May 2005 to May 2006. Mr. Miller also serves on the Board of Directors of Tim Horton's Inc.

**Robin P. Selati**

Director since 1999

Mr. Selati, 42, has served as a member of our Board of Directors since September 1999, and served as Chairman of our Board of Directors from April 2005 to September 2006. Mr. Selati is a Managing Director of Madison Dearborn Partners, LLC ( Madison Dearborn ) and joined the firm in 1993. Before 1993, Mr. Selati was with Alex. Brown & Sons Incorporated. Mr. Selati currently serves on the Board of Directors of Carrols Restaurant Group, Inc., Cinemark, Inc., Pierre Holding Corp., The Yankee Candle Company, Inc. and Tuesday Morning Corporation.

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**Carla R. Cooper**

Director since 2003

Ms. Cooper, 57, has served as a member of our Board of Directors since December 2003. Since November 2003, Ms. Cooper has served as Senior Vice President of Quaker, Tropicana and Gatorade Sales for PepsiCo, Inc. From February 2001 to October 2003, Ms. Cooper served as President of Kellogg Company's Natural and Frozen Foods Division. From February 2000 to February 2001, Ms. Cooper was Senior Vice President and General Manager of Foodservice for Kellogg Company. From June 1988 to November 2000, Ms. Cooper was employed in various positions with Coca-Cola USA, including as Vice President, Customer Marketing.

**Bannus B. Hudson**

Director since 2005

Mr. Hudson, 62, was elected to our Board of Directors in June 2005. Mr. Hudson has served as Chairman of the Board of Zounds, Inc. since August 2007. He served as Chairman of the Board of Beverages & More, Inc., an affiliate of Madison Dearborn, since November 1998. From October 1997 to February 2007, Mr. Hudson served as President and Chief Executive Officer of Beverages & More, Inc.

**Alan Vituli**

Director since 2003

Mr. Vituli, 66, has served as a member of our Board of Directors since December 2003. Mr. Vituli has served as Chairman of the Board of Directors of Carrols Restaurant Group, Inc., an affiliate of Madison Dearborn, since 1986 and as Chief Executive Officer of Carrols Holdings Corporation since 1992.

**The Board of Directors recommends a vote *FOR* the election of each of the directors listed above.**



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### **ITEM 2 PROPOSED AMENDMENT TO THE 2005 LONG-TERM EQUITY INCENTIVE PLAN TO INCREASE THE NUMBER OF SHARES AVAILABLE FOR REWARD**

The Board of Directors has unanimously approved and recommends that our stockholders vote FOR the proposal to amend the Ruth's Chris Steak House, Inc. 2005 Long-Term Equity Incentive Plan (the Plan) to increase the number of shares covered by the Plan to 3,862,500 shares.

#### **General**

Our Board of Directors adopted the Plan in August 2005 in connection with the initial public offering. The Board has adopted, subject to stockholder approval, an amendment to the Plan to increase the maximum number of shares of common stock available for award by 1,500,000, totaling 3,862,500 shares. The Board believes that this amendment is desirable in order for the Company to be able to continue to attract and provide incentives to directors, officers and other employees.

As of March 24, 2008, there were 52,286 shares available for issuance under the Plan.

#### **Possible Effect of Proposed Increase**

We believe that the ability to grant options, restricted stock and other stock-based incentive compensation improves our ability to attract and retain qualified personnel. To align the interests of our officers, directors and employees with those of our stockholders, the Company needs to be able to have a sufficient pool of stock-based incentives, commensurate with our growth, to attract and motivate key personnel. We have approximately 242 employees eligible to participate in the Plan and need additional shares available to grant in order to keep up with our growing employee base. Authorizing the additional shares under the Plan may cause dilution to our current stockholders.

#### **Description of the Plan**

The following is a summary of the material terms of the Plan, but does not include all of the provisions of the Plan. For further information about the Plan, please refer to a copy of the Plan and its proposed amendment which we have filed as Appendix A to this proxy statement.

*Eligibility.* Our directors, officers and employees, as well as other individuals performing services for us, are eligible to receive grants under the Plan. However, only employees may receive grants of incentive stock options. In each case, the Compensation Committee will select the actual grantees. As of March 20, 2008, approximately five directors, six officers and 236 employees are eligible to receive grants under the Plan.

*Stock Options.* Under the Plan, the Compensation Committee or the Board may award grants of incentive stock options conforming to the provisions of Section 422 of the Internal Revenue Code, and other non-qualified stock options. The Compensation Committee may not, however, award to any one person in any calendar year options to purchase more than 1,181,250 shares of common stock, and it may not award incentive stock options first exercisable in any calendar year whose underlying shares have a fair market value greater than \$100,000, determined at the time of grant.

The exercise price of an option granted under the Plan may not be less than 100% of the fair market value of a share of common stock on the date of grant, and the exercise price of an incentive stock option awarded to a person who owns stock constituting more than 10% of the Company's voting power may not be less than 110% of such fair market value on such date.

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Unless the Compensation Committee determines otherwise, the exercise price of any option may be paid in any or in any combination of the following ways:

in cash,

by delivery of shares of common stock with a fair market value on the date of exercise equal to the exercise price, and/or

by simultaneous sale through a broker of shares of common stock acquired upon exercise.

If a participant elects to deliver shares of common stock in payment of any part of an option's exercise price, the Compensation Committee may in its discretion grant the participant a reload option. The reload option entitles its holder to purchase a number of shares of common stock equal to the number so delivered. The reload option may also include, if the Compensation Committee chooses, the right to purchase a number of shares of common stock equal to the number delivered or withheld in satisfaction of any of the Company's tax withholding requirements in connection with the exercise of the original option. The terms of each reload option will be the same as those of the original exercised option, except that the grant date will be the date of exercise of the original option, and the exercise price will be the fair market value of the common stock on the date of exercise.

The Compensation Committee determines the term of each option in its discretion. However, no term may exceed ten years from the date of grant or, in the case of an incentive stock option granted to a person who owns stock constituting more than 10% of the voting power of the Company, five years from the date of grant. In addition, all options under the Plan, whether or not then exercisable, generally cease vesting when a grantee ceases to be a director, officer or employee of, or to otherwise perform services for, us. Options generally expire 30 days after the date of cessation of service, so long as the grantee does not compete with us during that 30-day period without our permission.

There are, however, exceptions depending upon the circumstances of cessation. In the case of a grantee's death or disability, a number of options equal to the sum of (1) the number of options that were exercisable on the date of the grantee's death or disability and (2) the number of options that would become exercisable within one year after the date of the grantee's death or disability, will become fully vested and exercisable and remain so for up to 180 days after the date of death or disability, provided the grantee does not compete with us during that 180-day period without our permission. In the event of retirement, a grantee's vested options will remain exercisable for up to 90 days after the date of retirement, while his or her unvested options may become fully vested and exercisable in the discretion of the Compensation Committee. In each of the foregoing circumstances, the Board or Compensation Committee may elect to further extend the applicable exercise period in its discretion. Upon termination for cause, all options will terminate immediately. If we undergo a change in control, the Compensation Committee may provide that the options become exercisable and that such options may terminate if not exercised on the date of the change in control, and if a grantee is terminated from service within one year thereafter, all options will become fully vested and exercisable and remain so for up to one year after the date of termination. In addition, the Compensation Committee has the authority to grant options that will become fully vested and exercisable automatically upon a change in control of the Company, whether or not the grantee is subsequently terminated.

*Restricted Stock.* Under the Plan, the Compensation Committee may award restricted stock subject to the conditions and restrictions, and for the duration, which will generally be a least six months, that it determines in its discretion. Unless the Compensation Committee determines otherwise, all restrictions on a grantee's restricted stock will lapse when the grantee ceases to be a director, officer or employee of, or to otherwise perform services for, the Company, if the cessation occurs due to a termination within one year after a change in control of the Company. In addition, unless the Compensation Committee determines otherwise, if a grantee ceases to be a director, officer or employee of, or to otherwise perform services for us due to death or disability during any period of restriction, in addition to the grantee's restricted stock in which restrictions have already lapsed,

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restrictions will lapse on all shares of restricted stock for which restrictions would have lapsed within one year following the date of restrictions. If termination of employment or service occurs for any other reason, all of a grantee's restricted stock as to which the applicable restrictions have not lapsed will be forfeited immediately.

*Restricted Stock Units; Deferred Stock Units.* Under the Plan, the Compensation Committee may award restricted stock units subject to conditions and restrictions, and for the duration, which will generally be at least six months, that it determines in its discretion. Each restricted stock unit is equivalent in value to one share of common stock and entitles the grantee to receive one share of common stock for each restricted stock unit at the end of the applicable restricted stock unit's vesting period. Unless the Compensation Committee determines otherwise, all restrictions on a grantee's restricted stock units will lapse when the grantee ceases to be a director, officer or employee of, or otherwise perform services for, the Company, if the cessation occurs due to a termination within one year after a change in control of the Company or due to death, disability or retirement. In addition, the Compensation Committee has the authority to award restricted stock units with respect to which all restrictions will lapse automatically upon a change in control of the Company, whether or not the grantee is subsequently terminated. If termination of employment or service occurs for any other reason, all of a grantee's restricted stock units as to which the applicable restrictions have not lapsed will be forfeited immediately.

Prior to the later of (1) the close of the tax year preceding the year in which restricted stock units are granted or (2) 30 days of first becoming eligible to participate in the plan (or, if earlier, the last day of the tax year in which the participant first becomes eligible to participate in the plan) and on or prior to the date the restricted stock units are granted, a grantee may elect to defer the receipt of all or a portion of the shares due with respect to the restricted stock units and convert such restricted stock units into deferred stock units. Subject to specified exceptions, the grantee will receive shares in respect of such deferred stock units at the end of the deferral period.

*Performance Awards.* Under the Plan, the Compensation Committee may grant performance awards contingent upon achievement by the Company or divisions of set goals and objectives regarding specified performance criteria, such as, for example, return on equity, over a specified performance cycle, as designated by the Compensation Committee. Performance awards may include specific dollar-value target awards, performance units, the value of which is established by the Compensation Committee at the time of grant, and/or performance shares, the value of which is equal to the fair market value of a share of common stock on the date of grant. The value of a performance award may be fixed or fluctuate on the basis of specified performance criteria. A performance award may be paid out in cash and/or shares of our common stock or other securities.

Unless the Compensation Committee determines otherwise, if a grantee ceases to be a director, officer or employee of, or to otherwise perform services for, the Company prior to completion of a performance cycle, due to death, disability or retirement, the grantee will receive the portion of the performance award payable to him or her based on achievement of the applicable performance criteria over the elapsed portion of the performance cycle. If termination of employment or service occurs for any other reason prior to completion of a performance cycle, the grantee will become ineligible to receive any portion of a performance award. If we undergo a change in control, a grantee will earn no less than the portion of the performance award that he or she would have earned if the applicable performance cycle had terminated as of the date of the change of control.

*Vesting, Withholding Taxes and Transferability of All Awards.* The terms and conditions of each award made under the Plan, including vesting requirements, will be set forth consistent with the Plan in a written agreement with the grantee. Except in limited circumstances, no award under the Plan may vest and become exercisable within six months of the date of grant, unless the Compensation Committee determines otherwise.

Unless the Compensation Committee determines otherwise, a participant may elect to deliver shares of common stock, or to have us withhold shares of common stock otherwise issuable upon exercise of an option or upon grant or vesting of restricted stock or a restricted stock unit, in order to satisfy our withholding obligations in connection with any such exercise, grant or vesting.

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Unless the Compensation Committee determines otherwise, no award made under the Plan will be transferable other than by will or the laws of descent and distribution or to a grantee's family member by gift or a qualified domestic relations order, and each award may be exercised only by the grantee, his or her qualified family member transferee, or any of their respective executors, administrators, guardians, or legal representatives.

*Amendment and Termination of the Plan.* The Board or the Compensation Committee may amend or terminate the Plan in its discretion, except that no amendment will become effective without prior approval of our stockholders if stockholder approval would be required by applicable law or regulations, including if required for continued compliance with the performance-based compensation exception of Section 162(m) of the Internal Revenue Code or by any listing requirement of the principal stock exchange on which our common stock is then listed. Furthermore, any amendment to the terms of an outstanding award may not materially and adversely affect any participant's rights or obligations under the equity incentive plan without the affected participant's consent. If not previously terminated by the Board, the Plan will terminate on the tenth anniversary of its commencement.

### **Certain United States Federal Income Tax Consequences:**

The following is a brief summary of the principal United States federal income tax consequences of transactions under the Plan, based on current United States federal income tax laws. This summary is not intended to be exhaustive, does not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences, which may be substantially different.

#### *Restricted Stock Grants*

A participant generally will not be taxed at the time a restricted stock grant is awarded, but will recognize taxable income when the award vests or otherwise is no longer subject to a substantial risk of forfeiture. The amount of taxable income recognized will equal the fair market value of the shares subject to the award that are then vesting. Participants may elect to be taxed based on the fair market value of the shares at the time of grant by making an election under section 83(b) of the Internal Revenue Code within 30 days of the award date. If an award with respect to which a participant has made such an election under section 83(b) is subsequently canceled, no deduction or tax refund will be allowed for the amount previously recognized as income.

Unless a participant makes a section 83(b) election, any dividends paid to a participant on shares of an unvested restricted stock grant will be taxable to the participant as ordinary income. If the participant made a section 83(b) election, the dividends will be taxable to the participant as dividend income.

Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, we will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant with respect to a stock grant award. Unless a participant has made a section 83(b) election, we will also be entitled to a deduction, for federal income tax purposes, for any dividends paid on awards of unvested restricted stock grants.

#### *Non-Qualified Stock Options*

Generally, a participant will not recognize taxable income on the grant of a non-qualified stock option provided the exercise price of the option is equal to the fair market value of the underlying stock at the time of grant. Upon the exercise of a non-qualified stock option, a participant will recognize ordinary income in an amount equal to the difference between the fair market value of the common stock received on the date of exercise and the option cost (number of shares purchased multiplied by the exercise price per share). The participant will recognize ordinary income upon the exercise of the option even though the shares acquired may be subject to further restrictions on sale or transferability. Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, we will ordinarily be entitled to a deduction on the exercise date equal to the ordinary income recognized by the participant upon exercise.

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Generally, upon a subsequent sale of shares acquired in an option exercise, the difference between the sale proceeds and the cost basis of the shares sold will be taxable as a capital gain or loss.

### *Stock-Based Awards*

A participant will recognize taxable income on the grant of unrestricted stock, in an amount equal to the fair market value of the shares on the grant date. Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, we will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant with respect to such a stock award. Other rules apply with regard to other forms of stock-based awards.

### *Withholding*

The Company retains the right to deduct or withhold, or require the participant to remit to his or her employer, an amount sufficient to satisfy federal, state and local and foreign taxes required by law or regulation to be withheld with respect to any taxable event as a result of the Plan.

### *Certain Limitations on Deductibility of Executive Compensation*

With certain exceptions, section 162(m) of the Internal Revenue Code limits the deduction to Ruth's Chris for compensation paid to certain executive officers to \$1 million per executive per taxable year unless such compensation is considered *qualified performance based compensation* within the meaning of section 162(m) or is otherwise exempt from section 162(m). The Plan is designed so that options qualify for this exemption, and it permits the administrator to grant other awards designed to qualify for this exemption.

### *Treatment of Excess Parachute Payments*

The accelerated vesting of awards under the Plan upon a change of control of Ruth's Chris could result in a participant being considered to receive *excess parachute payments* (as defined in section 280G of the Code), which payments are subject to a 20% excise tax imposed on the participant. The Company would not be able to deduct the excess parachute payments made to a participant.

### *Additional Taxes to Participants*

Under regulations issued under section 409A of the Internal Revenue Code, if awards under the Plan are neither exempt from section 409A nor compliant with section 409A, the participant will be required to include the value of the award in income at the time the award vests and will be required to pay an additional 20% income tax, plus interest. All awards under the Plan are intended either to be exempt or compliant with section 409A of the Internal Revenue Code.

**The Board of Directors recommends a vote *FOR* the amendment of the Plan.**

## **ITEM 3 PROPOSED AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION CHANGING THE COMPANY'S NAME TO RUTH'S HOSPITALITY GROUP, INC.**

We seek stockholder approval to amend our amended and restated Certificate of Incorporation to change our name from Ruth's Chris Steak House, Inc. to Ruth's Hospitality Group, Inc. On February 19, 2008, we completed the acquisition of Mitchell's Fish Market, which operates under the names Mitchell's Fish Market and Columbus Fish Market. The acquisition also included Cameron's Steakhouse, which operates under the names Cameron's Steakhouse and Mitchell's Steakhouse. In connection with the acquisition, the Board is proposing a name change because it believes that the new name will better represent our business, as we now operate some restaurants that are not considered steak houses. For this reason, the Board is proposing to change our existing name to one that would encompass all types of restaurants and not only steak houses.



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If the amendment is adopted by stockholders, we will accomplish the name change by filing an amendment to our amended and restated Certificate of Incorporation on or after May 22, 2008. A copy of the proposed amendment is attached as Appendix B to this proxy statement.

**The Board of Directors recommends a vote FOR the amendment of our amended and restated  
Certificate of Incorporation to change our name to Ruth s Hospitality Group, Inc.**

**ITEM 4 THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY S INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM FOR FISCAL 2008**

The Audit Committee has appointed KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 28, 2008, and has further directed that the Board submit the selection of KPMG LLP for ratification by the stockholders at the annual meeting. During fiscal year 2007, KPMG LLP served as our independent registered public accounting firm and also provided certain tax and other audit-related services. See Principal Accountant Fees and Services on page 38. This proposal is put before the stockholders because, though the stockholder vote is not binding on the Audit Committee, the Audit Committee and the Board believe that it is good corporate practice to seek stockholder ratification of the Audit Committee s appointment of the independent auditors. If the appointment of KPMG LLP is not ratified, the Audit Committee will evaluate the basis for the stockholders vote when determining whether to continue the firm s engagement, but may ultimately determine to continue the engagement of the firm or another audit firm without re-submitting the matter to stockholders. Even if the appointment of KPMG LLP is ratified, the Audit Committee may in its sole discretion terminate the engagement of the firm and direct the appointment of another independent auditor at any time during the year if it determines that such an appointment would be in the best interests of our Company and our stockholders.

Representatives of KPMG LLP are expected to attend the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

**Our Board recommends a vote FOR the ratification of the appointment of KPMG LLP**

**as our independent registered public accounting firm for fiscal year 2008.**

**If the appointment is not ratified, our Audit Committee will consider whether it should**

**select another independent registered public accounting firm.**

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### **BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

#### **Board Composition**

Our amended and restated Certificate of Incorporation provides that our Board of Directors consists of such number of directors as determined from time to time by resolution adopted by a majority of the total number of directors then in office. Our Board of Directors currently consists of five members. Any additional directorships resulting from an increase in the number of directors may only be filled by the directors then in office. The term of office for each director will be until his or her successor is elected and qualified or until his earlier death, resignation or removal. Elections for directors will be held annually.

#### **Number of Meetings of the Board of Directors**

The Board held five meetings during fiscal 2007. Directors are expected to attend Board meetings and committee meetings for which they serve, and to spend time needed to meet as frequently as necessary to properly discharge their responsibilities. Each director attended at least 90% of the aggregate number of meetings of the Board and the Board committees on which he or she served during the period.

#### **Attendance at Annual Meetings of the Stockholders**

The Company has no policy requiring directors and director nominees to attend its annual meeting of stockholders; however, all directors and director nominees are encouraged to attend. The Company's Chairman of the Board attended the Company's 2007 annual meeting of stockholders.

#### **Director Independence**

Rules of the NASDAQ Global Select Market require that the Board be comprised of a majority of independent directors and that the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee each be comprised solely of independent directors, as defined under NASDAQ.

Based upon the information submitted by each of its directors, and following the recommendation of the Nominating and Corporate Governance Committee, the Board has determined that each of the director nominees standing for election except Craig S. Miller, our Chairman, President and Chief Executive Officer, has no relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is an independent director as defined in NASDAQ's Marketplace Rules. In determining the independence of our directors, the Board has adopted independence standards that mirror exactly the criteria specified by applicable laws and regulations of the Securities and Exchange Commission and NASDAQ.

#### **Executive Sessions**

The Company requires the non-management directors to meet in executive sessions on a periodic basis without management. The presiding director, for purposes of leading these meetings, is the Chairman of the Nominating and Corporate Governance Committee, which currently is Bannus B. Hudson. He can be contacted by writing to: Bannus B. Hudson, c/o Ruth's Chris Steak House, Inc. Corporate Secretary, 500 International Parkway, Suite 100, Heathrow, Florida 32746. In fiscal 2007, our non-management directors held two executive sessions.

#### **Communications between Stockholders and the Board**

Stockholders may send communications to the Company's directors as a group or individually, by writing to those individuals or the group: c/o the Corporate Secretary, 500 International Parkway, Suite 100, Heathrow, Florida 32746. The Corporate Secretary will review all correspondence received and will forward all



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correspondence that is relevant to the duties and responsibilities of the Board or the business of the Company to the intended director(s). Examples of inappropriate communication include business solicitations, advertising and communication that is frivolous in nature, relates to routine business matters (such as product inquiries, complaints or suggestions), or raises grievances that are personal to the person submitting the communication. Upon request, any director may review communication that is not forwarded to the directors pursuant to this policy.

The Board has adopted a policy for submitting concerns regarding the Company's accounting or auditing matters. Reports may be sent to the Audit Committee through one of the following means: (1) calling the Company's Ethics Hotline at (866) 887-2403, which is available 24 hours per day, 365 days per year, and leaving a recorded message, (2) writing to the Audit Committee, c/o the General Counsel of Ruth's Chris Steak House, Inc. at 500 International Parkway, Suite 100, Heathrow, Florida 32746, USA or (3) emailing the Audit Committee at [auditcommittee@ruthschris.com](mailto:auditcommittee@ruthschris.com). In each case, reports will be received by the Company's General Counsel who will forward the message to the Audit Committee. The confidentiality of all reports will be maintained to the extent consistent with law.

## **Committees of the Board of Directors**

Our Board currently has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The composition, duties and responsibilities of these committees are set forth below. Committee members hold office for a term of one year.

*Audit Committee.* The Audit Committee is responsible for:

selecting the independent auditors;

approving the overall scope of the audit;

assisting the Board in monitoring the integrity of our financial statements, the independent accountant's qualifications and independence, the performance of the independent accountants and our internal audit function and our compliance with legal and regulatory requirements;

annually reviewing an independent auditors' report describing the auditing firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm;

discussing the annual audited financial and quarterly statements with management and the independent auditor;

discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

discussing policies with respect to risk assessment and risk management;

meeting separately, periodically, with management and the independent auditor;

reviewing with the independent auditor any audit problems or difficulties and management's response;

setting clear hiring policies for employees or former employees of the independent auditors;

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handling such other matters that are specifically delegated to the Audit Committee by the Board of Directors from time to time; and

reporting regularly to the full Board of Directors.

Our Audit Committee consists of Mr. Vituli, as chairman, Ms. Cooper and Mr. Hudson, each of whom satisfies the current financial literacy requirements and independence requirements of the NASDAQ Global Select Market and the SEC applicable to audit committee members. Our Board of Directors has determined that Mr. Vituli qualifies as an audit committee financial expert, as such term is defined in Item 407(d) of Regulation S-K. The Audit Committee held six meetings in fiscal 2007. The charter of the Audit Committee is available in the Investor Relations section of our website at [www.ruthschris.com](http://www.ruthschris.com).

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*Compensation Committee.* The Compensation Committee is responsible for:

reviewing key employee compensation goals, policies, plans and programs;

reviewing and approving the compensation of our directors, chief executive officer and other executive officers;

reviewing and approving employment contracts and other similar arrangements between us and our executive officers;

reviewing and consulting with the Board on the selection of the chief executive officer and evaluation of such officer's executive performance and other related matters;

administration of stock plans and other incentive compensation plans;

approving overall compensation policies for the entire Company; and

such other matters that are specifically delegated to the Compensation Committee by the Board of Directors from time to time.

Our Compensation Committee currently consists of Mr. Selati, as chairman, and Ms. Cooper, each of whom satisfies the independence requirements of the NASDAQ Global Select Market. The Compensation Committee held three meetings in fiscal 2007. The charter of the Compensation Committee is available in the Investor Relations section of our website at [www.ruthschris.com](http://www.ruthschris.com).

No member of our Compensation Committee during fiscal year 2007 was an officer, employee, or former officer of our company or any of our subsidiaries. No member of our Compensation Committee had any relationship requiring disclosure under Item 404 of Regulation S-K ( Certain Relationships and Related Transactions ). During fiscal year 2007, none of our executive officers served on the Compensation Committee (or its equivalent) or Board of Directors of another entity whose executive officer served on our Compensation Committee or Board of Directors.

*Nominating and Corporate Governance Committee.* Our Nominating and Corporate Governance Committee's purpose is to assist our Board by identifying individuals qualified to become members of our Board of Directors consistent with criteria set by our Board and to develop our corporate governance principles. This committee's responsibilities include:

evaluating the composition, size and governance of our Board of Directors and its committees and make recommendations regarding future planning and the appointment of directors to our committees;

establishing a policy for considering stockholder nominees for election to our Board of Directors;

evaluating and recommending candidates for election to our Board of Directors;

overseeing our Board of Directors' performance and self-evaluation process and developing continuing education programs for our directors;

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reviewing our corporate governance principles and policies and providing recommendations to the Board regarding possible changes; and

reviewing and monitoring compliance with our code of ethics and our insider trading policy.

Our Nominating and Corporate Governance Committee consists of Mr. Hudson, as chairman, and Mr. Selati and Mr. Vituli, each of whom satisfies the independence requirements of the NASDAQ Global Select Market. The Nominating and Corporate Governance Committee held one meeting in fiscal 2007. The charter of the Nominating and Corporate Governance Committee is available in the Investor Relations section of our website at [www.ruthschris.com](http://www.ruthschris.com).

The Board seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board, to the Company and its stockholders. Desired qualities to be considered include: high-level leadership experience in business or administrative activities, and significant accomplishment; breadth of knowledge about issues affecting the Company; proven ability and willingness to

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contribute special competencies to Board activities; personal integrity; loyalty to the Company and concern for its success and welfare; willingness to apply sound and independent business judgment; awareness of a director's vital role in assuring the Company's good corporate citizenship and corporate image; no present conflicts of interest; availability for meetings and consultation on Company matters; enthusiasm about the prospect of serving; willingness to assume broad fiduciary responsibility; and willingness to become a Company stockholder.

The Nominating and Corporate Governance Committee considers all nominees for election as directors of the Company, including all nominees recommended by stockholders, in accordance with the mandate contained in its charter. The Company does not pay a fee to any third party to identify or assist in identifying or evaluating potential nominees. In evaluating candidates, the committee reviews all candidates in the same manner, regardless of the source of the recommendation. The policy of the Nominating and Corporate Governance Committee is to consider individuals recommended by stockholders for nomination as a director in accordance with the procedures described under Director Nominations to be considered by the Board.

## **Code of Business Conduct and Ethics**

The Company's employees, officers and directors are required to abide by the Company's Code of Business Conduct and Ethics (the *Code of Ethics*), which is intended to insure that the Company's business is conducted in a consistently legal and ethical manner. The Code of Ethics covers all areas of professional conduct, including, among other things, conflicts of interest, fair dealing and the protection of confidential information, as well as strict compliance with all laws, regulations and rules. Any material waiver or changes to the policies or procedures set forth in the Code of Ethics in the case of officers or directors may be granted only by the Board and will be disclosed on our website within four business days. The full text of the Code of Ethics is published within the Investor Relations section of our website at [www.ruthschris.com](http://www.ruthschris.com).

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Related Party Transactions Policy and Procedure**

During 2007, we have not been a party to, and we have no plans to be a party to, any transaction or series of similar transactions in which the amount involved exceeded or will exceed \$120,000 and in which any current director, executive officer, holder of more than 5% of our capital stock, or any member of the immediate family of any of the foregoing, had or will have a direct or indirect material interest.

As part of our quarterly internal certification of our financial statements, each officer of the Company must either certify that they are not aware of any related party transactions or they must disclose any such transactions.

The Audit Committee, pursuant to its charter, is responsible for review, approval, or ratification of related-person transactions between Ruths Chris Steak House, Inc. or its subsidiaries and related persons. Under SEC rules, a related person is a director, officer, nominee for director, or 5% stockholder of the company since the beginning of the last fiscal year and their immediate family members. In the course of its review and approval or ratification of a related-party transaction, the Audit Committee considers:

the nature of the related party's interest in the transaction;

the material terms of the transaction, including, the amount involved and type of transaction;

the importance of the transaction to the related-party and to the Company;

whether the transaction would impair the judgment of a director or executive officer to act in our best interest and the best interest of our stockholders; and

any other matters the Audit Committee deems appropriate.

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Any member of the Audit Committee who is a related party with respect to a transaction under review may not participate in the deliberations or vote on the approval or ratification of the transaction. However, such a director may be counted in determining the presence of a quorum at a meeting of the committee that considers the transaction.

**Table of Contents****PRINCIPAL STOCKHOLDERS**

The following table sets forth information known to the Company regarding beneficial ownership of the Company's Common stock, as of April 1, 2008, by each person known by the Company to own more than 5% of our common stock, each director and each of the executive officers identified in the Summary Compensation Table and by all of its directors and executive officers as a group (nine persons). The table lists the number of shares and percentage of shares beneficially owned based on 24,267,580 shares of common stock outstanding as of April 1, 2008. Information in the table is derived from Securities and Exchange Commission filings made by such persons on Schedule 13G and/or under Section 16(a) of the Securities Exchange Act of 1934, as amended, and other information received by the Company. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percent of Class
<b>Principal Stockholders:</b>		
Madison Dearborn(2)	4,119,132	17.0%
FMR LLC(3)	3,481,731	14.3%
KDI Capital Partners, LLC(4)	1,961,486	8.1%
Artisan Partners Limited Partnership(5)	1,655,200	6.8%
Rainier Investment Management, Inc.(6)	1,247,704	5.1%
Franklin Resources, Inc.(7)	1,212,472	5.0%
<b>Directors, excluding Chief Executive Officer</b>		
Carla R. Cooper(8)	20,128	*
Bannus Hudson(9)	40,110	*
Robin P. Selati(10)	4,119,132	17.0%
Alan Vituli(11)	33,428	*
<b>Named Executive Officers</b>		
Craig S. Miller(12)	766,419	3.2%
Geoffrey D. K. Stiles(13)	216,333	*
Thomas J. Pennison Jr.(14)	152,901	*
Thomas E. O'Keefe(15)	71,855	*
David L. Cattell(16)	87,649	*
All, directors and executive officers as a group (12 persons)(17)	5,726,454	23.6%

\* Less than one percent

- (1) Unless otherwise indicated and subject to community property laws where applicable, the individuals and entities named in the table above have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Beneficial ownership and percentage ownership are determined in accordance with the rules of the SEC. In calculating the number of shares beneficially owned by an individual or entity and the percentage ownership of that individual or entity, shares underlying options and warrants held by that individual or entity that are either currently exercisable or exercisable within 60 days from April 1, 2008 are deemed outstanding. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other individual or entity.
- (2) Consists of 4,016,828 shares held directly by Madison Dearborn Capital Partners III, L.P. ( MDCP ), 89,191 shares held directly by Madison Dearborn Special Equity III, L.P. ( MDSE ) and 13,113 shares held directly by Special Advisors Fund I, LLC ( SAF ). The shares held by MDCP, MDSE and SAF may be deemed to be beneficially owned by Madison Dearborn Partners III, L.P. ( MDP III ), the general partner of MDCP and MDSE and the manager of SAF and by a committee of limited partners of MDP III. The address for the Madison Dearborn entities is Three First National Plaza, Suite 3800, Chicago, IL 60602.

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- (3) The information provided in the table and the information below reflects information reported by the stockholder on the Schedule 13G/A filed by FMR LLC on February 14, 2008 on which FMR LLC reported sole voting power over 3,300 shares of our common stock and sole dispositive power over 3,481,731 shares of our common stock. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 3,481,731 shares of our common stock as a result of acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity and the funds, each has sole power to dispose of the 3,481,731 shares owned by the funds. Through their ownership of FMR LLC stock and rights under a shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has sole power to vote or direct the voting of shares owned directly by the Fidelity Funds, which power resides with the funds' Board of Directors.
- (4) The information reflects information reported by the stockholders on the Schedule 13G/A filed jointly by KDI Capital Partners, LLC, John M. Day, John F. Amendola and Sheldon M. Fox on February 12, 2008 on which KDI Capital Partners, LLC reported shared voting power over 1,957,177 shares of our common stock and shared dispositive power over 1,961,486 shares of our common stock, John M. Day reported sole voting and dispositive power over 150 shares of our common stock, shared voting power over 1,957,327 shares of our common stock and shared dispositive power over 1,961,636 shares of our common stock, John F. Amendola reported sole voting and dispositive power over 982 shares of our common stock, shared voting power over 1,958,159 shares of our common stock and shared dispositive power over 1,962,468 shares of our common stock, and Sheldon M. Fox reported sole voting and dispositive power over 1,000 shares of our common stock, shared voting power over 1,958,177 shares of our common stock and shared dispositive power over 1,962,486 shares of our common stock.
- (5) The information provided in the table and the information below reflects information reported by the stockholder on the Schedule 13G filed by Artisan Partners Limited Partnership on February 13, 2008 on which Artisan Partners Limited Partnership reported shared voting power over 1,479,300 shares of our common stock and shares dispositive power over 1,655,200 shares of our common stock. The Schedule 13G filing was made by (i) Artisan Partners Limited Partnership, (ii) Artisan Investment Corporation, the general partner of Artisan Partners Limited Partnership, (iii) ZFIC, Inc., the sole stockholder of Artisan Investment Corporation, (iv) Andrew Ziegler and (v) Carlene Ziegler.
- (6) The information reflects information reported by the stockholder on the Schedule 13G filed on February 13, 2007 on which Rainier Investment Management, Inc. reported sole voting power over 1,198,704 shares of our common stock and sole dispositive power over 1,247,704 shares of our common stock.
- (7) The information reflects information reported by the stockholder on the Schedule 13G filed on February 4, 2008. Charles B. Johnson and Rupert H. Johnson, Jr. each own in excess of 10% of the outstanding common stock of Franklin Resources, Inc. and are its principal stockholders. Franklin Resources, Inc. and its principal shareholders may be deemed to be, for purposes of Rule 13d-3 under the Act, the beneficial owners of securities held by persons and entities for whom or for which Franklin Resources, Inc. subsidiaries provide investment management services.
- (8) Includes 9,528 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on November 8, 2004, 600 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008, and 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (9) Includes 23,110 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008 and 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (10) All of such shares are held by affiliates of Madison Dearborn as reported in footnote 2 above. Mr. Selati is a Managing Director of Madison Dearborn, and therefore may be deemed to share voting and investment power over the shares owned by these entities, and therefore to beneficially own such shares. Mr. Selati disclaims beneficial ownership of all such shares. The address for Mr. Selati is c/o Madison Dearborn Partners, LLC, Three First National Plaza, Suite 3800, Chicago, IL 60602.



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- (11) Includes 22,828 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on November 8, 2004, 600 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008, and 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (12) Includes 21,096 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008, 566,323 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on March 23, 2004, inclusive of 140,282 shares of common stock held in a Grantor Retained Annuity Trust, and 150,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (13) Includes 10,849 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008, 113,484 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on May 31, 2004, inclusive of 26,441 shares of common stock held in a Grantor Retained Annuity Trust, and 75,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (14) Includes 9,041 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008 and 143,860 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on May 31, 2004. These restricted shares will be fully vested effective March 31, 2008 in conjunction with the departure of Mr. Pennison.
- (15) Includes 21,855 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008 and 50,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (16) Includes 14,821 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008, 22,828 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on September 13, 2004 and 50,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008.
- (17) Includes 109,971 shares of common stock issuable upon exercise of options exercisable within 60 days of April 1, 2008, 878,475 shares of restricted stock that vest pro rata on a daily basis over a five year period which began on November 8, 2004, 480,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, and 75,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on March 17, 2008.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires that our executive officers, directors and greater than 10% stockholders file reports of ownership and changes of ownership of common stock with the Securities and Exchange Commission and the NASDAQ Global Select Market. Based on a review of the Securities and Exchange Commission filed ownership reports during fiscal 2007, the Company believes that all Section 16(a) filing requirements were met during the fiscal year ended December 30, 2007 with the exception of a donation of common stock made by Carla R. Cooper in August 2007. This donation of stock was reported late in a Form 5 dated March 11, 2008.

**Table of Contents****EXECUTIVE OFFICERS**

Certain information regarding our executive officers is provided below:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Craig S. Miller	58	Chairman of the Board, President and Chief Executive Officer
Geoffrey D. K. Stiles	54	Executive Vice President and President of Ruth's Chris Steakhouse
Damon Liever	53	Executive Vice President and President of Mitchell's Fish Market
Thomas J. Pennison, Jr.(1)	40	Former Senior Vice President and Chief Financial Officer
Robert M. Vincent(2)	55	Executive Vice President and Chief Financial Officer
Thomas E. O. Keefe	47	Senior Vice President, General Counsel and Secretary
David L. Cattell	58	Senior Vice President, Chief Development Officer
Sarah C. Jackson	49	Senior Vice President, Human Resources

- (1) Although Mr. Pennison will be leaving the Company to pursue other business and personal interests, he has agreed to remain with the Company, in a consulting capacity, during a transition period expected to continue through March 2008.
- (2) Mr. Vincent has been appointed to replace Mr. Pennison as Executive Vice President and Chief Financial Officer of the Company, effective March 17, 2008.

*Craig S. Miller* has served as the Company's President and Chief Executive Officer and Chairman of the Board since September 2006. From March 2004 to September 2006, Mr. Miller served as the President and Chief Executive Officer and as a member of the Board of Directors. Prior to that, from October 2002 to March 2004, Mr. Miller was the founder and Chairman of Miller Partners Restaurant Solutions, Inc. From October 2001 to October 2002, Mr. Miller served as President and Chief Executive Officer of Furr's Restaurant Group. From October 1996 to October 2001, Mr. Miller served as President and Chief Executive Officer of Uno Restaurant Corporation. Prior to October 1996, Mr. Miller held various executive level positions with Uno Restaurant Corporation. Mr. Miller is a member of the Board of the National Restaurant Association (the Association). Mr. Miller was elected Chairman of the Association and served his one year term in that office from May 2005 to May 2006. Mr. Miller also serves on the Board of Directors of Tim Horton's Inc.

*Geoffrey D. K. Stiles* has served as the Company's Executive Vice President and President of Ruth's Chris Steakhouse since February 2008. From November 2003 to January 2008, Mr. Stiles served as the Company's Executive Vice President, Operations and Chief Operating Officer. From April 2003 to November 2003, Mr. Stiles was employed as a consultant by one of the franchisees. Mr. Stiles previously served as the Company's Director of Operations from January 2001 to April 2003. Prior to joining the Company, Mr. Stiles served in executive and senior management positions at several restaurant groups, including Capitol Restaurant Concepts, Inc., Bertolini's Restaurants Inc., Romano's Macaroni Grill and the Olive Garden.

*Damon M. Liever* has served as the Company's Executive Vice President and President of Mitchell's Fish Market since February 2008. From July 2007 to January 2008, Mr. Liever served as the Company's Senior Vice President and Chief Marketing Officer. From July 1999 to July 2007, Mr. Liever progressed from the Senior Vice President of Marketing for Wood Dining Services, to the President of the Retail Brand Group of Sodexo USA, when Sodexo USA acquired Wood Dining in January 2002. Prior to that, Mr. Liever held senior leadership positions in marketing with Uno Restaurant Corporation, Black-eyed Pea Restaurants, Taco Bell, Inc. and Frito-Lay, Inc.

*Thomas J. Pennison, Jr.* served as the Company's Senior Vice President and Chief Financial Officer from November 2005 through March 2008. From April 2004 to November 2005, Mr. Pennison served as Vice President, Finance and Chief Financial Officer, and from February 1998 to April 2004, Mr. Pennison served as Vice President, Finance. From October 1996 to January 1998, Mr. Pennison served as the Director of Finance.

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Prior to joining the Company, from April 1994 to October 1996, Mr. Pennison served as Assistant Corporate Controller of Casino Magic Corp., with primary responsibilities for corporate finance and SEC reporting. From January 1991 to April 1994, Mr. Pennison was at the public accounting firm KPMG LLP. Mr. Pennison relinquished his position as Secretary effective December 2006 and assumed the position of Assistant Secretary for the Company. In December 2007, Mr. Pennison announced his intention to leave the Company to pursue other business and personal interests. Mr. Pennison agreed to remain with the Company in a consulting capacity during a transition period through March 2008.

*Robert M. Vincent* has been appointed to serve as Executive Vice President and Chief Financial Officer of the Company effective March 17, 2008. From April 2000 to March 2008, Mr. Vincent has served as Executive Vice President-Finance, Chief Financial Officer and Treasurer at Uno Restaurant Holdings Corporation. He also served as Senior Vice President-Finance, Chief Financial Officer and Treasurer, and Vice President-Finance and Controller of Uno Restaurant Holdings Corporation since joining the company in 1992. During his tenure, Mr. Vincent directed all financial and administrative activity and managed strategy, finance and accounting.

*Thomas E. O Keefe* has served as the Company's Senior Vice President, General Counsel and Secretary since November 2005. Mr. O Keefe also serves as the Company's Chief Compliance Officer. From March 2005 to November 2005, Mr. O Keefe served as the Vice President and General Counsel. Prior to joining the Company, from October 2003 to March 2005, Mr. O Keefe was engaged in the private practice of law as a sole practitioner practicing in the areas of franchise, product distribution, antitrust and general corporate law. From August 1993 to September 2003, Mr. O Keefe was Vice President and General Counsel to G.C. & K. B. Investments, Inc. d/b/a SpeeDee Oil Change & Tune-Up, an international franchisor of automobile service centers. From 1991 to 1993, Mr. O Keefe served as Corporate Counsel to AFCE, Inc. d/b/a Popeye's and Church's Chicken, an international franchisor of quick-service restaurants.

*David L. Cattell* has served as the Company's Senior Vice President and Chief Development Officer since November 2005. From September 2004 to November 2005, Mr. Cattell served as the Vice President, Development and Construction and Chief Development Officer. Prior to joining the Company, from January 2000 to January 2004, Mr. Cattell served as Vice President of Restaurant Development at Metromedia Restaurant Group. From 1981 to 1995, Mr. Cattell directed and managed real estate, construction, architecture and engineering functions for Kentucky Fried Chicken as Vice President of Restaurant Development.

*Sarah C. Jackson* has served as the Company's Senior Vice President, Human Resources since December 2006. From August 2006 to December 2006, Ms. Jackson served as the Vice President of Human Resources. Prior to joining the Company, from April 2004 to July 2006, Ms. Jackson served as the Vice President of Human Resources and Training for Romacorp, Inc. In November 2005, Romacorp, Inc. filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. From May 1989 to April 2004, Ms. Jackson held various leadership positions with Darden Restaurants, Inc.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### ***Introduction***

This Compensation Discussion and Analysis is designed to provide stockholders with an understanding of our compensation philosophy and objectives as well as the analysis that we performed in setting executive compensation.

### ***Compensation Objectives and Program Structure***

Our executive compensation philosophy, policies, plans and programs are under the direction of the Compensation Committee of our Board of Directors. The Compensation Committee is responsible for determining the compensation elements and amounts paid to named executive officers. In this proxy statement,

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the individuals who served as our Chief Executive Officer and Chief Financial Officer during fiscal 2007, as well as other individuals included in the Summary Compensation Table on page 29, are referred to as our named executive officers.

Generally, the types of compensation and benefits provided to our named executive officers are similar to those provided to executive officers of other nationwide restaurant companies. The Compensation Committee's overall philosophy is to create value for our stockholders by using all elements of executive compensation to reinforce a results-oriented management culture focusing on our level of earnings, performance as compared to our annual operating plan and industry competitors, the achievement of longer-term strategic goals and objectives and specific individual performance. Accordingly, our executive compensation program has been designed to achieve the following objectives:

reinforce a results-oriented management culture with total executive compensation that varies according to performance;

focus executive officers on both annual and long-term business results with the goal of enhancing stockholder value;

align the interests of our executives and stockholders through equity-based compensation awards; and

provide executive compensation packages that attract, retain and motivate individuals of the highest qualifications, experience and ability.

The Board of Directors sets the pay range and specific components of the total compensation package for our Chief Executive Officer. Any salary increase or other adjustments are determined by the Compensation Committee and are approved by the Board of Directors.

As part of the Company's annual budgeting process, the Board of Directors reviews and approves the executive officer's recommendations of funds to be allocated for total compensation for the Company.

The Company's Senior Vice President of Human Resources updates salary ranges across all levels of the Company on an annual basis and reviews the compensation for each individual job within the Company at least once every two years. The Senior Vice President of Human Resources reviews compensation for the Company's executive officers on an annual basis and discusses potential adjustments with the Company's Chief Executive Officer. A recommendation is then presented to the Compensation Committee for review and approval.

The Compensation Committee considers the annual chain restaurant compensation survey published by the Chain Restaurants Compensation Association when reviewing compensation for the Company's executive officers and focuses on those companies with similar system-wide revenue. During 2007, the Compensation Committee considered companies with annual revenue of \$350 million to \$999 million to be similar to the Company's revenue. The Compensation Committee also considers Company performance, both operational and financial performance, to determine compensation. During 2007, the Company did not employ any outside compensation consultants.

### ***Elements of Compensation***

Consistent with our compensation objectives described above, our executive compensation program is designed to be similar to the programs that are offered at nationwide restaurant companies comparable to us, as identified in the annual chain restaurant compensation survey published by the Chain Restaurant Compensation Association. This survey includes a presentation of the minimum, median and maximum salaries provided by nationwide restaurant companies that are similar in size and operation to our Company. While comparing our compensation to other companies may not always be totally appropriate due to certain aspects of our business and the uniqueness of some of our objectives, we generally believe that this is an important part of the Compensation Committee's decision making process. We believe the fact that we are a public company with

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earnings per share goals rather than earnings before interest, taxes, depreciation and amortization goals that privately held companies may have is an aspect that is not completely reflected in the survey. We further believe that our operating model uses fewer revenue producing units than many of the companies participating in the survey. This means that our Company has more responsibilities concentrated per position.

The total compensation program for the named executive officers includes base salary, performance-based cash incentive compensation under our Management Bonus Plan, long-term equity incentive compensation benefits and perquisites. It is the Compensation Committee's practice to target each of these elements to deliver compensation to each executive and all executives as a group within the mid-level range of compensation for persons having similar responsibilities at other nationwide restaurant companies.

We have typically allocated the majority of the total annual compensation paid to the named executive officers to base salary and bonus payments, with a smaller portion allocated to equity incentive awards. The Compensation Committee is focused on paying moderately higher bonus payments and slightly lower base salary in comparison to surveyed companies. We do this primarily so that we can compete with compensation packages provided by nationwide restaurant companies similar to ours. We believe this increases our ability to retain our senior management.

A significant portion of the compensation paid to executive officers is designed to reward them based on our financial performance compared to financial objectives, the growth of the Company, and increased stockholder value, as reflected in increases in the Company's share price. Our base salary structure and its periodic salary reviews are designed to reward individual achievement and our overall performance. Our Management Bonus Plan is designed to reward executive officers with cash awards for the achievement of annual objectives tied to the financial performance of the Company and their individual performance. The equity component of their compensation, in the form of stock options and restricted stock, is designed to reward relative total stockholder return, and corresponding stock price improvement over the grant-date stock price.

### ***Base Salary***

Base salary is established based on the experience, skills, knowledge and responsibilities required of the executive officers in their roles. When establishing the base salaries of the executive officers, a number of factors are considered, including Company performance, the years of service of the individual, the individual's duties and responsibilities, the ability to replace the individual, the base salary at the individual's prior employment, market data on similar positions with competitive companies, and information derived from our directors' experience at other companies. We seek to maintain base salaries that are competitive with the marketplace and that allow us to attract and retain executive talent.

For 2007, we increased the base salary of our Chief Executive Officer, Craig S. Miller, by \$17,000 or 3.5%; our Executive Vice President and Chief Operating Officer, Geoffrey D. K. Stiles, by \$15,000 or 5.0%; and our Chief Financial Officer and Senior Vice President, Thomas J. Pennison, Jr., our Senior Vice President and General Counsel, Thomas E. O'Keefe, and our Senior Vice President and Chief Development Officer, David L. Cattell, each by \$25,000 or 12.5%. These base salaries were increased on a case by case basis for some or all of the following reasons depending upon the officer: for cost of living adjustment; for above average performance; for assumption of additional responsibilities; and to bring compensation within the mid-level compensation range of similar positions at peer companies.

### ***Bonuses***

Our performance-based cash incentive awards focus on closely aligning rewards with results. The philosophy of our performance-based annual cash incentive awards is simple: a basic reward for reaching minimum expectations, and an upside for reaching the Company's goals.

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In fiscal 2005, we adopted a Management Bonus Plan pursuant to which certain of our employees are eligible to receive cash bonuses based on personal and Company performance over the course of each fiscal year. The purpose of the Management Bonus Plan is to encourage a consistent high standard of excellence and continued employment by officers and management personnel of the Company. Our President and Chief Executive Officer, Chief Operating Officer, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Regional Vice Presidents, Home Office Directors and Managers are eligible to participate in the Management Bonus Plan. Bonus awards under the Management Bonus Plan are determined by the Compensation Committee, subject to approval by the Board, based on (i) the financial performance of the Company during the applicable fiscal period as measured against the Board's previously approved plan with targeted earnings per share or other Board-approved thresholds adjusted for changes in accounting policies and non-recurring extraordinary transactions and (ii) individual performance.

Individual performance is measured against goals developed prior to the period in question. The goals usually address whether the individual complied with budget objectives and managed to achieve department specific objectives oriented toward facilitating the Company achieving its earnings per share goal. These goals differ by person and include, among others, same store sales, entrée count, development of additional operating units, addition of operating weeks, increase in check average, completion of transactions, settlement of litigation, and management of third party vendor costs.

The percentage of base salary for each cash bonus is established based on the individual's level of responsibility. During 2007, Mr. Miller's target cash bonus was 70% of his base salary, Mr. Stiles' target cash bonus was 50% of his base salary, the target cash bonus for Messrs. Cattell, Pennison, and O'Keefe was 40% of their respective base salaries. The actual cash bonuses payable to our executive officers may be less than or greater than the target cash bonus, depending on the operational performance, the individual's performance and certain other factors that may be considered by the Board and the Compensation Committee. The target cash bonuses are subject to additional multipliers as defined in our Management Bonus Plan described below.

Each award may, subject to recommendation by the Compensation Committee and approval of the Board, be increased up to 50%, based on our Company's performance. Each award may also be increased by an additional 50% based on personal performance, again subject to recommendation by the Compensation Committee and approval of the Board. In the event of death, disability, retirement or a change in control of the Company, the bonus award is determined based solely on the target award percentage applicable to the base salary actually paid to or earned by the participant prior to such event. The Compensation Committee also periodically considers bonuses outside of the bonus plan, based on both individual and corporate performance.

Because of the Company's failure to achieve the financial performance goals established by the Board of Directors, no bonuses were paid in 2007.

The Board of Directors has established the following target bonus awards for 2008:

75% of base salary paid during the fiscal year for the President and Chief Executive Officer;

55% of base salary paid during the fiscal year for the Executive Vice President;

45% of base salary paid during the fiscal year for Senior Vice Presidents;

35% of base salary paid during the fiscal year for Vice Presidents;

25% of base salary paid during the fiscal year for Regional Vice Presidents;

20% of base salary paid during the fiscal year for Home Office Directors; and

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15% of base salary paid during the fiscal year for Managers.

The target bonus awards for Senior Vice Presidents and above were increased by an additional 5% of base salary from 2007 levels. This increase is designed to help retain these individuals in light of no bonuses being paid in 2007 and the value of the Company's stock options being significantly diminished.

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Based upon the recommendation of the Compensation Committee, the Board has authorized the Management Bonus Plan to pay the target bonus awards on a quarterly basis and not an annual basis for fiscal year 2008 for the positions of Senior Vice Presidents and below. The President and Chief Executive Officer and Executive Vice Presidents will participate on only an annual basis. After fiscal year 2008, the Management Bonus Plan will revert to paying target bonus awards on only an annual basis but the Board may reconsider this practice from time to time.

The Company did not undertake a detailed analysis of how difficult it would be for the Company and the named executive officers to achieve the required target levels of performance for the annual cash incentive awards to be paid under the Management Bonus Plan. Based upon the fact that the target levels for 2007 were not met and that the national economy is experiencing a potential recession in 2008, the Compensation Committee believes that the performance goals for 2008 will be challenging but achievable with significant effort.

### ***Long-Term Incentive Awards***

The Company's equity programs are designed to encourage creation of long-term value for our stockholders, employee retention and stock ownership. The programs currently consist of stock option grants and restricted stock awards. Our equity incentive programs are intended to promote a long-term focus on results and to align employee and stockholder interests.

Executive officers receive a portion of their overall targeted compensation in the form of equity, in order to align interests of management and stockholders and promote a focus on long-term results. The Compensation Committee generally targets certain amounts of option awards upon hire and promotion for executives and other management personnel based on the level of those individuals. In addition, in August of each year, which is the anniversary of our initial public offering, the Compensation Committee reviews the amounts of incentive equity held by our executives and management and provides for additional incentive equity grants to executives and management in amounts that are based upon the positions held by such persons.

In 2007, the only equity-based awards that were granted to our named executive officers were stock options granted under the 2005 Long-Term Equity Incentive Plan. The Compensation Committee chose stock option grants as our form of equity compensation in 2007 because the Compensation Committee believes that stock options are usually a good means to align the interests of the executive officers and our stockholders over the long term. The Compensation Committee further believed there to be a benefit of continuing with stock options to maintain consistency with the option grants previously made to the named executive officers.

The grant-date value of stock options may decline over the vesting period if the Company's stock price decreases. As a consequence, the Company may grant other types of equity-based awards depending upon the circumstances. The Company has previously granted restricted stock in lieu of stock options in order to encourage retention and reward performance.

Because of the difference between the Company's average stock price during the majority of fiscal year 2007 and the average stock option exercise price, the Company issued restricted stock on February 28, 2008 to its executive officers. The Company will not be making any other grants to its executive officers in 2008. Mr. Miller received 150,000 shares of restricted stock. Messrs. Stiles, Liever and Vincent each received 75,000 shares of restricted stock. Messrs. O'Keefe and Cattell each received 50,000 shares of restricted stock. Mr. Vincent's grant was made on March 17, 2008.

### ***Benefits***

The Company's global benefits philosophy for employees, including executive officers, is that benefits should provide employees protection from catastrophic events, should enable employees to plan for their futures and should be competitive in local markets in order to attract and retain a high-quality workforce. The types of benefits provided to the named executive officers consist of medical benefits plans, life and accidental death and dismemberment insurance plans, 401(k) matching contributions and automobile allowances.



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Although the Company's benefit programs are an integral part of the compensation package for the named executive officers, in 2007, benefits (net of relocation expenses) represented less than 5% of the total compensation of the named executive officers. See the Summary Compensation Table on page 29.

The Company maintains a non-qualified deferred compensation plan that is unsecured and allows certain high-level employees, including executive officers, to voluntarily defer receipt of their salary above specified amounts and bonus payments into accounts established under the plan. These accounts are credited with earnings from amounts invested in funds available under the Company's 401(k) plan, as selected by each participant.

### ***Perquisites***

The Company allows its executive officers to dine in its restaurants free of charge in order to permit those officers to conduct quality control tests.

### ***Tax and Accounting Implications***

#### ***Deductibility of Executive Compensation***

The Compensation Committee has considered the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended, which generally limits the annual tax deductibility of compensation paid to each named executive officer to \$1 million. To the extent possible, the Compensation Committee intends to preserve the federal income tax deductibility, but may choose to provide compensation that may not be deductible if it believes that such payments are appropriate to ensure that our named executive officers receive total compensation that is competitive with our peer group, or reflects superior performance.

#### ***Accounting for Share-Based Compensation***

Beginning on December 26, 2005, we began accounting for share-based payments in accordance with the requirements of SFAS No. 123(R), Share-Based Payment.

## **COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee:

Robin P. Selati

Carla R. Cooper

Bannus B. Hudson

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The following table summarizes the total compensation earned in 2006 and 2007 by our Chief Executive Officer (principal executive officer), our Chief Financial Officer (principal financial officer), and our three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer (our named executive officers):

Name and Principal Position	Year	Salary	Non-Equity Incentive Plan Compensation(11)	Stock Awards	Option Awards(12)	Change in Pension Value and Nonqualified Deferred Compensation(13)	All Other Compensation	Total
Craig S. Miller	2007	\$ 497,000			\$ 50,375		\$ 12,752(1)	\$ 560,127
Chairman, President and Chief Executive Officer	2006	480,000	414,378		39,299		54,569(2)	998,895
Geoffrey D.K. Stiles	2007	315,000			28,679		11,552(3)	355,231
	2006	300,000	151,356		20,211			538,149
Executive Vice President and Chief Operating Officer(14)							66,582(4)	
Thomas J. Pennison, Jr.	2007	225,000			22,948		87,822(5)	335,770
	2006	200,000	107,631		16,843			344,713
Chief Financial Officer and Senior Vice President							20,239(6)	
Thomas E. O Keefe	2007	225,000			100,525		78,320(7)	403,845
	2006	200,000	116,600		52,095			396,238
Senior Vice President, General Counsel and Secretary							27,543(8)	
David L. Cattell	2007	225,000			88,205		8,433(9)	321,638
	2006	200,000	89,692		39,572			351,850
Senior Vice President and Chief Development Officer							22,586(10)	

- (1) Includes \$8,400 automobile allowance, \$2,664 in club dues, and \$1,688 in 401(k) matching contributions.
- (2) Includes automobile allowance, \$44,008 in relocation expenses, \$1,873 in club dues and \$126 in profit sharing and 401(k) matching contributions.
- (3) Includes \$7,200 automobile allowance, \$2,664 in club dues, and \$1,688 in 401(k) matching contributions.
- (4) Includes automobile allowance, \$55,595 in relocation expenses, \$1,873 in club dues and \$1,776 in profit sharing and 401(k) matching contributions.
- (5) Includes \$7,200 automobile allowance, \$76,270 in relocation expenses, \$2,664 in club dues, and \$1,688 in 401(k) matching contributions.
- (6) Includes automobile allowance, \$9,348 in relocation expenses, \$1,873 in club dues and \$1,680 in profit sharing and 401(k) matching contributions.
- (7) Includes \$7,200 automobile allowance, \$68,456 in relocation expenses, and \$2,664 in club dues.
- (8) Includes automobile allowance, \$18,206 in relocation expenses, \$1,873 in club dues and \$126 in profit sharing and 401(k) matching contributions.
- (9) Includes \$7,200 automobile allowance and \$1,233 in club dues.
- (10)

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Includes automobile allowance, \$13,249 in relocation expenses, \$1,873 in club dues and \$126 in profit sharing and 401(k) matching contributions.

- (11) Represents amount earned for 2006 and 2007 under the Company's only non-equity incentive plan, which is the Management Bonus Plan as described under Compensation Discussion and Analysis Elements of Compensation Annual Bonuses.
- (12) Includes the 2006 and 2007 compensation costs to the Company under SFAS 123R of all options granted by the Company to the named executive officers. Compensation costs are based on the grant date fair value and are amortized over the five year vesting period of the options.

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- (13) We do not maintain any defined benefit pension plans. No earnings are deemed above-market or preferential on compensation deferred under our Non-Qualified Deferred Compensation Plan. All contributions are invested in funds available under the Company's 401(k) plan.
- (14) Mr. Stiles' title changed in January 2008 to Executive Vice President and President of Ruth's Chris Steakhouse.

***Equity Compensation Plans***

*2004 Restricted Stock Plan*

The 2004 Restricted Stock Plan provides for the grant of up to 1,167,487 shares of restricted stock to our officers, directors and employees and other persons who provide services to us, all of which were issued during 2004. This plan is administered by a committee of our Board, and, in the committee's absence, by our Board. This plan provides for the grant of shares of our common stock that may not be sold or disposed of, and that may be forfeited in the event of certain terminations of employment, prior to the end of a restricted period set forth in each restricted stock agreement as determined by our Board. Other than the foregoing, participants generally have all of the rights of a stockholder, unless the Board determines otherwise. Each restricted stock agreement sets forth a vesting schedule, over which time the shares will vest in the holder thereof, and no longer be subject to the restrictions contained in the restricted stock agreement (other than a right of first refusal of the Company in the case of a proposed transfer and a drag along right of the Company in a proposed sale of the Company approved by our Board or a majority of our stockholders). The plan provides that shares of restricted stock not yet vested will vest upon a change in control. Upon a termination of employment, the Company, and to the extent not exercised by the Company, certain of our stockholders, have the right to acquire shares that have vested pursuant to this plan. All shares of restricted stock were purchased at the fair market value of our common stock, as determined by our Board, on the date of grant.

*2000 Stock Option Plan*

The 2000 Stock Option Plan provides for the grant of nonqualified stock options to our directors, officers and employees and other persons who provide services to us. A total of 1,765,981 shares of common stock are reserved for issuance under this plan. As of April 1, 2008, we have granted options to purchase 1,152,041 shares of common stock under this plan. These options vest pro rata on a daily basis over a five year period. Options granted under the 2000 Stock Option Plan are generally not transferable by the optionee, and must be exercised within 30 days after the end of an optionee's status as an employee, director or consultant of ours (other than a termination by us for cause, as defined in the 2000 Stock Option Plan), within 180 days after such optionee's termination by death or disability, or within 90 days after such optionee's retirement, but in no event later than the expiration of the option term. All options were granted at or above the fair market value of our common stock, as determined by our Board, on the date of grant. The term of all options granted under the 2000 Stock Option Plan may not exceed ten years. All future option grants will be made under our 2005 Long-Term Equity Incentive Plan, discussed below, and we do not intend to issue any further options under the 2000 Stock Option Plan.

*2005 Long-Term Equity Incentive Plan*

The 2005 Long-Term Equity Incentive Plan, which the Board approved in August 2005, provides for grants of stock options, restricted stock, restricted stock units, deferred stock units and other equity-based awards. Directors, officers and other employees of the Company, as well as others performing services for us, are eligible for grants under the plan. The purpose of the plan is to provide these individuals with incentives to maximize stockholder value and otherwise contribute to our success and to enable us to attract, retain and reward the best available persons for positions of responsibility.

In 2007, the Board granted options to purchase an aggregate of 544,841 shares of our common stock under this plan, which have a weighted-average exercise price of \$18.13 per share and are subject to annual vesting over a five-year period.

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A more detailed description of the 2005 Long-Term Equity Incentive Plan can be found in Item 2-Proposed Amendment to the 2005 Long-Term Equity Incentive Plan to Increase the Number of Shares Available for Reward beginning on page 9 of this proxy statement.

**Grants of Plan-Based Awards Fiscal Year 2007**

The following table summarizes grants of plan-based awards made to each of the named executive officers during 2007:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Ba
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