



SHAKE SHACK INC.
AUDIT COMMITTEE CHARTER

(As of November 1, 2019)

I. Purpose

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") of Shake Shack Inc. (the "Company") in its oversight of: (1) the integrity of the Company's financial statements and the financial reporting process of the Company; (2) compliance by the Company with legal and regulatory requirements; (3) the independence and qualifications of the Company's external auditors; (4) the performance of the Company's internal audit function and the independent auditors; (5) risk relating to the Company's information technology systems and procedures; and (6) the Company's food safety and quality assurance risk. The Committee's responsibilities are limited to oversight.

The Company's management is responsible for establishing and maintaining accounting policies and procedures in accordance with generally accepted accounting principles ("GAAP") and other applicable reporting and disclosure standards and for preparing the Company's financial statements.

The Company's independent auditors are responsible for auditing and reviewing those financial statements.

II. Composition

The Committee must consist of at least three members of the Board, each of whom must satisfy the independence and financial literacy requirements of the New York Stock Exchange (the "NYSE") listing rules and the more rigorous independence rules for members of the Audit Committee set forth in Rule 10A-3 under the Securities Exchange Act of 1934. At least one member of the Committee must meet the "accounting or related financial management expertise" requirements of the NYSE listing rules and be an "audit committee financial expert" within the meaning of the rules of the Securities and Exchange Commission (the "SEC").

No Committee member may simultaneously serve on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of the member to effectively serve on the Committee and this determination is disclosed in accordance with NYSE listing rules.

Committee members may be removed from the Committee, with or without cause, by the Board. Unless a Chair is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership.

III. Meetings, Procedures and Authority

In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required. Meetings may be called by the Chairperson or a majority of the Committee members. The Committee must meet at least once during each fiscal quarter. At all meetings of the Committee, a majority of the Committee members shall constitute a quorum for the transaction of business. Except as otherwise may be required by NYSE listing rules, any action require or permitted to be taken at any meeting of the Committee may be taken without a meeting if all members of the Committee consent thereto in writing.

The Committee must meet separately, periodically, with management, with the independent auditor, with the Company personnel primarily responsible for the design and implementation of the internal audit function, and with the internal auditor (or other personnel responsible for the internal audit function) after the internal audit function has been established.

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Company must provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the duties and responsibilities delegated to the Committee.

IV. Duties and Responsibilities

The Committee shall have the authority and responsibilities described below.

Independent Auditors

1. *Appointment.* The Committee is directly responsible for the appointment, compensation, retention and termination of the independent auditors. The independent auditors and each such other registered public accounting firm must report directly to the Committee.

2. *Oversight.* The Committee must oversee the work of the independent auditors, including (a) resolution of any disagreements between Company management and the independent auditor regarding financial reporting, (b) the independent auditors' audit plans and staffing for the audit, and (c) coordination with the internal audit activities of the Head of Internal Audit, and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company.

3. *Pre-Approval.* The Committee, or the Chair of the Committee, must pre-approve any audit and non-audit service provided to the Company by the independent auditors, unless the engagement is entered into pursuant to appropriate pre-approval policies established by the Committee or if such service falls within available exceptions under SEC rules.

4. *Review of Annual Report on Independence and Quality Control.* The Committee must, at least annually, obtain and review a report from the independent auditors describing (a) the auditing firm's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years relating to any independent audit conducted by the auditing firm, and any steps taken to deal with any such issues; and (c) all relationships and services between the independent auditor and the Company in order to assess the independent auditors' independence. The Committee also must ensure that the rotation of the independent auditors' audit partner satisfies regulatory requirements.

5. *Review of Annual Audit.* The Committee must discuss with the independent auditors the result of the annual audit, including the independent auditors' responsibilities, difficulties, and problems in performing the audit and management's response, any restrictions on the scope of the independent auditors' activities or on access to requested information, any judgments made in connection with the preparation of the financial statements and the effects of alternative GAAP methods on the financial statements, any special audit steps adopted in light of material control deficiencies, and any significant changes required in the independent auditors' audit plan.

6. *Independence.* The Committee shall discuss with the auditors the auditors' independence and obtain a letter by the applicable rules of the Public Company Accounting Oversight Board confirming the auditors' independence.

Financial Reporting Process

7. *Review of Audited Financial Statements and Quarterly Financial Statements.* The Committee must review and discuss with management, the independent auditors, and, where the Committee determines it to be appropriate, the Head of Internal Audit, the annual audited financial statement and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

8. *Accounting and Auditing Principles.* The Committee must discuss with management, the independent auditors and, where the Committee determines it to be appropriate, the Head of Internal Audit, issues regarding accounting and auditing principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, the effect of regulatory and accounting initiatives and any off-balance sheet structures, and any significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of alternative GAAP methods on the financial statements.

9. *Internal Controls and Procedures.* The Committee must discuss with management, the Head of Internal Audit, and, where the Committee determines it to be appropriate, the independent auditors, issues regarding the adequacy of internal controls and procedures that are used to ensure the accuracy and completeness of the Company's financial statements, including

management's annual assessment of the Company's internal control over financial reporting and the related report issued by the independent auditors.

10. *Quarterly Management Certifications.* The Committee must discuss with management and, where the Committee determines it to be appropriate, the independent auditors and the Head of Internal Audit, the quarterly certifications by the Chief Executive Officer and Chief Financial Officer regarding the accuracy and completeness of the Company's financial statements and SEC reports and the adequacy of internal controls and procedures, including disclosures made to the Committee during such certification process concerning (a) any significant deficiencies in the design or operation of internal controls over financial reporting or material weakness therein and (b) any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.

11. *Review of Earnings Releases.* The Committee must review and discuss with management and, where the Committee determines it to be appropriate, the independent auditors and the Head of Internal Audit, the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

Internal Audit

12. *Control Framework.* The Committee must consider the effectiveness of the organization's control framework, including information technology security and control.

13. *Internal Audit Plan.* The Committee must approve the annual internal audit plan and receive updates on the result of the internal audit work, including any changes on the planned scope.

Oversight of Risk

14. *Risk Assessment and Risk Management.* The Committee must (a) review the Company's policies with respect to risk assessment and risk management, (b) discuss with management, the Head of Internal Audit and the independent auditors the Company's major financial risk exposures and the steps management has taken to monitor and manage such exposures; and (c) obtain from the Head of Internal Audit an annual report on management's implementation and maintenance of an appropriate enterprise-wide risk management process

15. *Cybersecurity.* The Committee must review risk assessments from management with respect to the Company's information technology systems and procedures, including cybersecurity, and must oversee the Company's cybersecurity risk management processes. In fulfilling its oversight responsibilities, the Committee may ask for regular or periodic reporting from management.

16. *Food Safety.* The Committee must review risk assessments from management with respect to the Company's food safety and quality assurance practices, and must oversee the Company's food safety and quality assurance risk management processes. In fulfilling its oversight responsibilities, the Company may ask for regular or periodic reporting from management.

Other Responsibilities

17. *Audit Committee Report.* The Committee must review and approve the report with respect to the audited financial statements of the Company required by the rules of the SEC to be included in the Company's annual proxy statement for the Annual Meeting of Stockholders.

18. *Related Party Transactions.* The Committee must review periodically, but no less frequently than annually, a summary of the Company's transactions with directors and officers of the Company and with firms that employ directors, as well as any other related persons transactions.

19. *Ethics Compliance and Complaint Procedures.* The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

20. *Significant Legal of Compliance Matters.* The Committee must review and discuss periodically, but no less frequently than annually, with the Company's counsel and such members of management as the Committee deems appropriate, (a) any legal or compliance matter that could have a significant impact on the Company's financial statements and (b) the implementation and effectiveness of the Company's compliance and ethics program, including "whistleblowing" procedures.

21. *Regulatory Inquiries.* The Committee must review the findings resulting from any examinations of the Company's financial statements by federal regulatory agencies, including the SEC and the Internal Revenue Service.

22. *Reports to the Board of Directors.* The Committee must report regularly to the Board regarding the activities of the Committee and make such recommendations to the Board as deemed appropriate.

23. *Hiring of Independent Auditor Employees.* The Committee must establish clear hiring policies for employees or former employees of the Company's independent auditor.

24. *Committee Self-Evaluation.* The Committee must at least annually perform an evaluation of the performance of the Committee.

25. *Review of this Charter.* The Committee must periodically review and reassess this Charter and submit any recommended changes to the Board for its consideration.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.