



SHAKE SHACK INC.  
COMPENSATION COMMITTEE CHARTER

(As of December 4, 2019)

**I. Purpose**

The purpose of the Compensation Committee (the “Committee”) is to oversee the discharge of the responsibilities of the Board of Directors (the “Board”) of Shake Shack Inc. (the “Company”) relating to (1) compensation of the Company’s executive officers and directors, (2) the production of an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”), (3) the establishment and maintenance of the Company’s compensation and incentive programs, (4) the development and implementation of succession planning for members of the Company’s executive team, and (5) risks relating to the Company’s people practices, including, without limitation, recruiting and retention, culture and labor.

**II. Composition**

The Committee must consist of at least two directors, each of whom must satisfy the independence requirements of the New York Stock Exchange (the “NYSE”), except as otherwise permitted by applicable NYSE rules, and meet all other eligibility requirements of applicable laws. Committee members must be appointed and may be removed, 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**

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, in its sole discretion, retain or obtain advice from compensation consultants, legal counsel or other advisers (independent or otherwise); *provided* that, preceding any such retention or advice, the Committee must take into consideration all factors, including any applicable factors under NYSE rules, relevant to the adviser’s independence from management (subject to any applicable exceptions under NYSE rules, including the “controlled company” exception). The Committee will be directly responsible for the appointment, compensation and oversight of any adviser it retains. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.

In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities

consistent with this Charter, the purposes of the Committee, the Company's bylaws and applicable NYSE rules.

The Committee has the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any officer, employee or adviser of the Company to meet with the Committee or any advisers engaged by the Committee.

#### **IV. Duties and Responsibilities**

1. *Executive Compensation Strategy.* The Committee will review annually and approve the Company's executive compensation strategy to ensure that management is rewarded appropriately for its contributions to the Company's profitability. In connection with this review, the Committee will identify and approve the Company's peer group companies as a benchmark to evaluate how competitive the Company's executive compensation program is and to establish appropriate targets, as well as the level and mix of compensation elements for executive compensation.

2. *CEO Compensation.* The Committee will review and approve the corporate goals and objectives with respect to the compensation of the Chief Executive Officer. The Committee will evaluate the Chief Executive Officer's performance in light of these goals and objectives and, based upon this evaluation (either alone or, if directed by the Board, in conjunction with a majority of the independent directors on the Board), will set the Chief Executive Officer's compensation. In determining the long-term incentive component of CEO compensation, the Committee shall consider the Company's performance, both in absolute terms and relating to the performance of comparable companies, the Company's relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the Chief Executive Officer in past years and/or such other factors deemed relevant by the Committee.

3. *Other Executive Officer Compensation.* The Committee will review and set or make recommendations to the Board regarding the compensation of the executive officers other than the Chief Executive Officer and in connection with such review will oversee the evaluation of the executive officers.

4. *Director Compensation.* The Committee will review and make recommendations to the Board regarding director compensation.

5. *Incentive and Equity Compensation.* The Committee will review and approve or make recommendations to the Board regarding the Company's incentive compensation and equity-based plans and arrangements.

6. *Compensation Discussion and Analysis.* To the extent that the Company is required to include a "Compensation Discussion and Analysis" ("CD&A") in the Company's Annual Report on Form 10-K or annual proxy statement, the Committee will review and discuss with management the Company's CD&A and will consider whether it will recommend to the Board that the Company's CD&A be included in the appropriate filing.

7. *Compensation Committee Report.* The Committee will prepare the annual Compensation Committee Report to the extent it is required.

8. *Succession Planning.* In collaboration with the Chief Executive Officer, the Committee will at least annually review the executive organization of the Company and oversee the succession planning process, including the development of personnel to fill executive team positions and implementation of succession planning for executive team positions. Succession plans will be reviewed annually by the full Board, with the Committee's input.

9. *Oversight of People Risks.* The Committee must review risk assessments from management with respect to the Company's people practices, including without limitation, recruiting and retention, culture and labor. In fulfilling its oversight responsibilities, the Committee may ask for regular or periodic reporting from management.

10. *Reports to the Board of Directors.* The Committee must report regularly to the Board regarding the activities of the Committee.

11. *Committee Self-Evaluation.* The Committee must annually perform an evaluation of the performance of the Committee.

12. *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 has the authority to delegate any or all of its responsibilities to a subcommittee of the Committee.