



SHAKE SHACK INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Shake Shack Inc. (the “**Company**”) has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its shareholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s certificate of incorporation, bylaws, the Stockholders Agreement, among the Company and certain of its stockholders (as amended from time to time, the “**Stockholders Agreement**”), and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its shareholders or as required by applicable laws and regulations.

The Board

Size of the Board

The Company’s bylaws provide that the Board will consist of such number of directors as may be determined from time to time by resolution of the Board. Pursuant to the Stockholders Agreement, the Board shall initially be comprised of seven directors.

Independence of the Board

The Board will include at least such number or proportion of “independent” directors as is necessary to comply with the rules of the New York Stock Exchange (“**NYSE**”), including any exceptions permitted by the NYSE rules.

Separate Sessions of Independent Directors

The independent directors will meet in executive session without non-independent directors or non-management present on a regularly scheduled basis, but no less than twice per year. Each executive session will be presided over by the Presiding Director.

Presiding Director

The Board has created the position of presiding director (“**Presiding Director**”) to serve as the lead non-management director of the Board. Each independent director serving on the Board shall take turn serving as the Presiding Director on a rotating basis. The Presiding Director position will be rotated among the independent directors, in alphabetical order of last name, effective the first day of each calendar quarter. As of the date of these updated Governance Guidelines, Jeff Flug is serving as the Presiding Director.

The Presiding Director has the power and authority to do the following:

- (1) to preside at all meetings of non-management directors when they meet in executive session without management participation;
- (2) to set agendas, priorities and procedures for meetings of non-management directors meeting in executive session without management participation;
- (3) to generally assist the Chairman of the Board;
- (4) to add agenda items to the established agenda for meetings of the Board;
- (5) to request access to the Company's management, employees and its independent advisers for purposes of discharging his or her duties and responsibilities as a director; and
- (6) to retain independent outside financial, legal or other advisors at any time, at the expense of the Company, on behalf of the Board or any committee or subcommittee of the Board.

Selection of New Directors

The Board is divided into three (3) classes. As a result, approximately one-third (1/3) of the Board will stand for election by the shareholders of the Company each year at the Company's annual general meeting for three (3) year terms. Each year, at the annual general meeting, the Board will recommend a slate of directors for election by the shareholders. In accordance with the bylaws of the Company, and subject to the Stockholders Agreement, the Board will also be responsible for filling vacancies on the Board that may occur between annual general meetings of shareholders.

Director Qualification Standards and Additional Selection Criteria

The Nominating and Corporate Governance Committee, in recommending director candidates, and the Board, in nominating director candidates, will evaluate candidates in accordance with the qualification standards set forth in Attachment A to these Corporate Governance Guidelines. In addition, the Nominating and Corporate Governance Committee and the Board may also consider the additional selection criteria listed in Attachment A.

Director Orientation and Continuing Education

Management will provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management will provide opportunities for additional educational sessions for directors on matters relevant to the Company and its business.

No Specific Limitation on Other Board Service

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities. However, the Nominating and Corporate Governance Committee may take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies set forth below.

Directors Who Resign or Materially Change Their Current Positions With Their Own Company or Become Aware of Circumstances that May Adversely Reflect upon the Director or the Company

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should offer to resign from the Board. The Nominating and Corporate Governance Committee will recommend to the Board whether such resignation should be accepted.

Term Limits

As each director is periodically subject to election by stockholders, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees as set forth in the bylaws and committee charters. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

- (1) overseeing the conduct of the Company's business, to evaluate whether the business is being properly managed;
- (2) reviewing and, where appropriate, approving the Company's major financial objectives, plans and actions;
- (3) reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;

- (4) reviewing and, where appropriate, approving major changes in, and determinations under, the Company's Guidelines, Code of Business Conduct and Ethics and other Company policies;
- (5) reviewing and, where appropriate, approving actions to be undertaken by the Company that would result in a material change in the financial structure or control of the Company, the acquisition or disposition of any businesses or asset(s) material to the Company or the entry of the Company into any major new line of business;
- (6) reviewing the performance of the Chief Executive Officer and other executive officers, considering input from the Compensation Committee;
- (7) planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other key executives; and
- (8) ensuring that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations.

Compensation

The Company's executive officers will not receive additional compensation for their service as directors.

Except as otherwise permitted by the applicable NYSE rules, members of the Audit Committee and Compensation Committee may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.

Conflicts of Interest

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the director should immediately report all facts regarding the matter to the Board. Any significant conflict must be resolved or the director should resign. If a director has a personal interest in a matter before the Board, the director must disclose the interest to the Board, excuse himself or herself from discussion on the matter and not vote on the matter. The Board may delegate any decision with respect to such transaction to the Audit Committee and/or Nominating and Corporate Governance Committee.

Interaction with Institutional Investors, the Press and Customers

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers regarding the Company's operations to management. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

Board Access to Senior Management

The Board will have complete access to Company management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Chairman of the Board, or if neither are available or neither is appropriate, directly by the director. To the extent appropriate, such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to such advisors and such other independent advisors that the Company retains or that the Board considers necessary to discharge its responsibilities.

Annual Self-Evaluation

The Nominating and Corporate Governance Committee will oversee an annual assessment by the Board of the Board's and its committees' performance.

Board Meetings

Frequency of Meetings

The Board will meet at such times as the Board will from time to time determine. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

Director Attendance

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of the independent directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

Attendance of Non-Directors

The Board encourages the Chairman of the Board or of any committee to invite Company management and outside advisors or consultants from time to time to participate in Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the manager, advisor or consultant, (ii) make presentations to the Board on matters which involve the manager, advisor or consultant, and (iii) bring managers with high potential into

contact with the Board. Attendance of non-directors at Board meetings is at the discretion of the Board.

Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

Committee Matters

Number, Name, Responsibilities and Independence of Committees

The Board currently has three (3) committees: (i) the Audit Committee, (ii) the Compensation Committee and (iii) the Nominating and Corporate Governance Committee. From time to time and depending upon the circumstances, the Board may form a new committee or disband a current committee. Each committee will perform its duties as assigned by the Board in compliance with the Company's bylaws and the committee's charter. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

Appointment and Rotation of Committee Members

Committee members and committee chairs will be appointed by the Board according to criteria set forth in the applicable committee charter and such other criteria that the Board determines to be appropriate in light of the responsibilities of each committee. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interest of the Company.

Succession Planning

The Board (or a committee delegated by the Board) will work on a periodic basis with the Chief Executive Officer to evaluate the Company's succession plans upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence.

Communications with Stockholders and Other Interested Parties

Stockholders and other interested parties may contact an individual director, the Presiding Director, the Board as a group, or a specified Board committee or group, including the non-management directors as a group, by sending regular mail to the following address:

Board of Directors
Shake Shack Inc.

24 Union Square East, 5th Floor
New York, NY 10003
Attention: General Counsel

Each communication should specify the applicable addressee or addressees to be contacted, as well as the general topic of the communication. The Company initially will receive and process communications before forwarding them to the addressee. The Company also may refer communications to other departments at the Company. The Company generally will not forward to the directors a communication that is primarily commercial in nature, relates to an improper or irrelevant topic, or requests general information regarding the Company.

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SHAKE SHACK INC.

Attachment A

Director Qualification Standards and Additional Selection Criteria

Director Qualification Standards:

The Nominating and Corporate Governance Committee, in recommending director candidates for election to the Board, and the Board, in nominating director candidates, will consider candidates who have a high level of personal and professional integrity, strong ethics and values and the ability to make mature business judgments.

Additional Selection Criteria:

In evaluating director candidates, the Nominating and Corporate Governance Committee and the Board may also consider the following criteria as well as any other factor that they deem to be relevant:

- A. The candidate's experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- B. The candidate's experience as a board member of another publicly held company;
- C. The candidate's experience as an executive of a publicly held retail restaurant company;
- D. The candidate's professional and academic experience relevant to the Company's industry;
- E. The candidate's diversity (race, ethnicity, gender, geography, sexual orientation, age, nationality, religious beliefs, socio-economic status, physical and/or mental capabilities)
- F. The strength of the candidate's leadership skills;
- G. The candidate's experience in finance and accounting and/or executive compensation practices;
- H. The candidate's experience in successfully scaled technology business(es);
- I. Whether the candidate has the time required for preparation, participation and attendance at Board meetings and committee meetings, if applicable; and
- J. Appreciation/understanding for enlightened hospitality/culture/strong brand

In addition, the Board will consider whether there are potential conflicts of interest with the candidate's other personal and professional pursuits.

The Board should monitor the mix of specific experience, qualifications and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure.