



## COMPENSATION COMMITTEE CHARTER

### 1. Designation and Membership

The Board of Directors (the "Board") of McCormick & Schmick's Seafood Restaurants, Inc. (including its subsidiaries, the "Company") will appoint from among its members a Compensation Committee (the "Committee") and will designate one such member to serve as the Chairman of the Committee. The Committee will consist of at least three members of the Board, each of whom must be determined by the Board to be independent under Nasdaq rules.

### 2. Purposes

The primary purposes of the Committee are to:

- 2.1. Assist the Board in fulfilling its responsibilities relating to the design, administration and oversight of employee compensation programs and benefit plans.
- 2.2. Discharge the Board's duties relating to compensation of the Company's directors and executive officers.
- 2.3. Review the performance of the Company's chief executive officer.

### 3. Duties and Responsibilities

The Committee shall conduct meetings as it deems necessary or advisable and shall:

- 3.1. Determine annual base and incentive compensation, benefit plans and perquisites for directors, the chief executive officer and executive officers, including performance targets and incentive awards.
- 3.2. Administer any executive officer incentive compensation plans.
- 3.3. Review and approve procedures for reviewing the performance of the Company's executive officers.
- 3.4. Establish annual performance criteria for the chief executive officer.
- 3.5. Establish annual performance goal to be used in the executive and Company bonus plans.

- 3.6. Evaluate the annual performance of the chief executive officer.
- 3.7. Review the Company's succession planning for executive officers.
- 3.8. Take action to disgorge chief executive officer and chief financial officer compensation to the extent required by law if the Company is required to restate its financial statements as a result of misconduct.
- 3.9. Monitor the Company's compliance with prohibitions on loans to directors and executive officers.
- 3.10. Review the design, administration and effectiveness of the Company's compensation programs and benefit plans for employees who are not executive officers of the Company.
- 3.11. Make recommendations to the Board of Directors with respect to the adoption and amendment of employee compensation programs and benefit plans.
- 3.12. Exercise all authority delegated by the Board of Directors to the Compensation Committee under the Company's 2004 Stock Incentive Plan, including the authority to approve periodic stock option grants.
- 3.13. Obtain advice and assistance from internal and external legal, accounting, and other advisors or consultants as necessary or advisable to assist in the evaluation of compensation and benefit plans.
- 3.14. Retain a consulting firm to assist in the evaluation of director, chief executive officer or senior executive compensation if the Committee in its discretion determines that the firm's services are advisable and on terms and conditions the Committee determines.
- 3.15. Periodically review all compensation and benefit plans and perquisites.
- 3.16. Review and approve disclosures relating to shareholder votes on equity compensation plans.
- 3.17. Review and approve the Compensation Committee Report for the Company's proxy statement.
- 3.18. Delegate to a subcommittee any of its duties as it deems necessary or advisable.
- 3.19. Perform such other functions as may be assigned by the Board from time to time.
- 3.20. Annually evaluate the performance of the Committee.