

CEC ENTERTAINMENT, INC. COMPENSATION COMMITTEE CHARTER

Organization

There shall be a committee of the Board of Directors (the “Board”) of CEC Entertainment, Inc. (the “Company”) to be known as the Compensation Committee (the “Committee”). Committee members shall be elected by the Board annually; members shall serve until their successors shall be duly elected and qualified or until their earlier resignation, removal or death. The Committee’s chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Committee may form and delegate authority to subcommittees when appropriate.

Statement of Policy

The Compensation Committee shall discharge the Board’s responsibilities with respect to all forms of compensation of the Company’s executive officers, administer the Company’s equity incentive plans and produce an annual report on executive compensation for use in the Company’s proxy statement.

Composition

The Committee shall be comprised solely of three or more directors as determined by the Board, each of whom shall (i) meet the independence requirements of the New York Stock Exchange and any other regulatory requirements, (ii) qualify as a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (iii) satisfy the requirements of an “outside director” for purposes of the Tax Laws (as hereinafter defined). If any member of the Committee ceases to meet the requirements discussed above, such member will no longer be able to serve as a member of the Committee and will be removed from the Committee.

Meetings

The chairperson of the Compensation Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. As necessary or desirable, the chairperson of the Committee may request that members of the Board, management and Company advisors be present at meetings of the Committee.

Responsibilities

The Compensation Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- review the performance of executive officers of the Company, and review and recommend to the Board, or determine, their compensation;
- review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of these goals and objectives, and set the Chief Executive Officer's compensation based on this evaluation;
- make recommendations to the Board with respect to incentive-compensation plans and equity-based plans, and establish criteria for the granting of options to the Company's directors, officers and other employees and review and approve the granting of options in accordance with such criteria, unless otherwise reviewed and approved by the full Board, provided that the Committee may delegate to the Company's Chief Executive Officer the authority to grant options to employees of the Company who are not directors or executive officers;
- establish and periodically review policies for the administration of executive compensation programs, review on a periodic basis the operation of the Company's executive compensation programs to determine whether they are properly coordinated, and review new executive compensation programs;
- establish and periodically review management benefits and perquisites, including retirement and termination benefits;
- review director compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Board with equity ownership in the Company encouraged;
- periodically review the Company's policies and procedures with respect to employee loans, provided that the Committee shall not approve any arrangement in which the Company, directly or indirectly, extends or maintains credit, arranges for the extension of credit, or renews an extension of credit, in the form of a personal loan to or for any director or executive officer (or the equivalent thereof) of the Company;
- maintain minutes of the Committee's meetings, provide periodic reports on the Committee's activities to the Board and circulate Committee minutes of meetings to all directors;
- annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval;

- review and implement appropriate procedures to enable the Company to follow the requirements of Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated thereunder, any Internal Revenue Service rulings, pronouncements, procedures or other administrative guidance and all applicable judicial authority relating thereto (the “Tax Laws”) with respect to the deduction of all performance-based compensation payable to the Chief Executive Officer and other executive officers;
- at least annually conduct a self-evaluation to assess the effectiveness of the Compensation Committee;
- perform any other activities consistent with this Charter, the Company’s Articles of Incorporation and Bylaws, and governing laws as the Committee or the Board deem appropriate; and
- prepare a report on executive compensation as required by the rules of the Securities and Exchange Commission for inclusion in the Company’s annual proxy statement.

Committee Resources

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain compensation consultants, outside counsel and other advisors. The Committee shall have sole authority to approve the fees and other retention terms with respect to such advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any advisors engaged or employed by the Committee. The Committee shall also have the authority, to the extent it deems necessary or appropriate, to delegate duties to a subcommittee, composed of members of the Committee.