

THE MARCUS CORPORATION
Proposed Amended and Restated
Compensation Committee Charter

Adopted: January 11, 2005

This Compensation Committee Charter (“Charter”) is intended to assist the Compensation Committee (“Committee”) of the Board of Directors (“Board”) of The Marcus Corporation (“Company”) in carrying out its duties and responsibilities. This Charter is in addition to, and is not intended to change or interpret, any federal or state law or regulation, the rules of the Securities and Exchange Commission (“SEC”), the listing standards of the New York Stock Exchange (“NYSE”), the Wisconsin Business Corporation Law, or the Company’s Articles of Incorporation or Bylaws. This Charter is not intended to, and does not, create any legal or fiduciary duties or responsibilities or form the basis for a breach of fiduciary duty or potential liability. This Charter is subject to modification and interpretation by the Board.

A. General Role.

The Committee is responsible for determining the compensation of the Company’s directors, officers and other key executives. The Committee is also responsible for overseeing that a satisfactory system is in place for the education, development and orderly succession of the Company’s management.

B. Members.

The Committee shall consist of at least three directors, one of whom shall be designated the Chairman of the Committee, all of whom shall meet the independence and other requirements of the SEC, the listing standards of the NYSE, the Internal Revenue Code, other applicable laws and the Company’s Bylaws, except as otherwise determined by the Board in accordance with the requirements of the SEC, the listing standards of the NYSE, the Internal Revenue Code, other applicable laws and the Company’s Bylaws. Committee members may be removed in accordance with the Company’s Bylaws.

C. Meetings.

Absent unusual circumstances, the Committee shall meet at least twice annually in accordance with the Company’s Bylaws. In addition, special meetings shall be held as circumstances require as determined by the Committee’s Chairman or by any two other members of the Committee in accordance with the Company’s Bylaws. The Committee may invite to its meetings such other directors, members of Company management and such other persons or advisors as the Committee or its Chairman deems necessary or appropriate in order to carry out the Committee’s duties and responsibilities. The Committee, through its Chairman, shall report its activities to the Board at the Board meeting next following each Committee meeting so that the Board is kept fully informed of the Committee’s activities on a current basis. Minutes of each Committee meeting shall also be distributed to the Board as and when appropriate.

D. Executive Compensation Responsibilities.

In carrying out its responsibilities related to the compensation of the Company's officers and other key executives, the Committee, in consultation with the Chairman of the Board and Chief Executive Officer, shall strive to advance the Company's executive compensation policy of providing to the Company's officers and other key executives compensation packages that help (i) align the interests of the Company's officers and other key executives with the interests of the Company's shareholders; (ii) provide fair and competitive compensation which rewards corporate and individual performance; (iii) attract, retain and motivate highly qualified individuals who contribute to the Company's long-term growth and success; and (iv) advance the Company's philosophy of encouraging its officers and other key executives to take appropriate market responsive risk-taking actions that facilitate the growth and success of the Company by encouraging the continuation of the Company's entrepreneurial spirit. The Committee believes that there should be a strong link between executive compensation levels and the relative financial performance of the Company.

The Committee's responsibilities related to executive compensation shall include the following:

1. To, at least annually, review the Company's executive compensation philosophy and take such actions as the Committee deems necessary or appropriate.
2. To, at least annually, review the Company's executive compensation plans, programs and arrangements (including equity incentive plans) and take such actions as the Committee deems necessary or appropriate.
3. To administer the Company's executive compensation plans, programs and arrangements (including equity incentive plans) and take such actions as the Committee deems necessary or appropriate.
4. To, on an annual basis, review the performance of, and determine the salaries, bonuses, stock option grants, and other benefits for, the Company's Chairman and Chief Executive Officer, officers and other key executives.
5. In determining the appropriate compensation level for the Company's Chairman and Chief Executive Officer, the Committee shall compare such person's performance with objectives deemed appropriate by this Committee, and take into account such other factors and circumstances the Committee believes are necessary or appropriate.
6. In determining the appropriate compensation levels for the Company's officers and other key executives (other than the Chairman and Chief Executive Officer), the Committee shall review and consider the recommendations of the Chairman and Chief Executive Officer, recognizing broad discretion in these matters, and taking into account such other factors and circumstances the Committee believes are necessary or appropriate.

7. To, at least annually, review the Company's policies and practices for evaluating the performance of the Company's Chairman and Chief Executive Officer, officers and other key executives and take such actions as the Committee deems necessary or appropriate.
8. To, on an annual basis, prepare and approve the executive compensation report required by the rules of the SEC to be included in the Company's proxy statement for its annual meeting of shareholders.
9. To, from time to time, if the Committee determines it to be necessary or appropriate, select and retain independent compensation and benefits consultants and experts to provide independent advice to the Committee with respect to the Company's current and proposed executive compensation and employee benefit programs, and to otherwise assist the Committee in carrying out its duties and responsibilities. The cost of such consultants and experts will be paid for by the Company.
10. To, from time to time, if the Committee determines it to be necessary or appropriate, conduct such reviews, investigations and surveys as the Committee may consider necessary or appropriate in the exercise of its duties and responsibilities.

E. Non-Employee Director Compensation Responsibilities.

In carrying out its responsibilities related to the compensation of the Company's non-employee directors, the Committee's philosophy is to strive to provide compensation that is competitive and that helps attract, motivate and retain non-employee directors of the highest quality. The Committee's responsibilities related to director compensation, which shall be exercised in consultation with the Company's Chairman of the Board and Chief Executive Officer, shall include the following:

1. To, from time to time, if the Committee determines it to be necessary or appropriate, review the compensation paid to the Company's non-employee directors, including in their roles as committee chairmen and members, and take such actions as the Committee deems necessary or appropriate.
2. To, from time to time, if the Committee determines it to be necessary or appropriate, select and retain independent compensation and benefits consultants and experts to provide independent advice to the Committee with respect to the Company's current and proposed non-employee director compensation and benefit programs, and to otherwise assist the Committee in carrying out its duties and responsibilities. The cost of such consultants and experts will be paid for by the Company.
3. To, from time to time, if the Committee determines it to be necessary or appropriate, conduct such reviews, investigations and surveys as the Committee may consider necessary or appropriate in the exercise of its duties and responsibilities.

F. Other Responsibilities.

To, from time to time, if the Committee determines it to be necessary or appropriate, take such actions as it deems appropriate to ensure that a satisfactory system is in effect for the education, development, and orderly succession of officers, key executives and mid-level managers throughout the Company. In this regard, on an annual basis, the Chairman and Chief Executive Officer shall prepare and distribute to the Committee, for its review and approval, a report on succession planning for all officers and key executives of the Company. In addition, on an annual basis, the Chairman and Chief Executive Officer shall prepare and distribute to the Committee, for its review and approval, a short-term succession plan which delineates a temporary delegation of authority to certain officers and other key executives of the Company, if all or a portion of the officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be in effect until the Committee has the opportunity to more fully consider the applicable situation and take any appropriate or necessary action.

G. Unrestricted Committee Communications.

The Committee shall have unrestricted lines of communication with the Company's Chairman of the Board and Chief Executive Officer, Chief Financial Officer, General Counsel, independent auditors and outside legal counsel at all times. The Committee may, as it deems necessary or appropriate, obtain advice and assistance from outside legal, accounting or other advisors, which advisors shall be paid for by the Company.

H. Annual Review of Charter.

To, at least annually, review and reassess the adequacy of this Charter and, if determined necessary or appropriate, make recommendations to the Board. During this review process, the Committee may seek the input of the Company's Chairman of the Board and Chief Executive Officer, Chief Financial Officer, General Counsel and/or other experts or advisors with regard to the adequacy of this Charter and the necessity or desirability of any amendments.

I. Annual Performance Review.

The Committee shall, at least annually, be subject to a performance evaluation by the Board's Corporate Governance and Nominating Committee in accordance with the Company's Corporate Governance Policy Guidelines.