

	
Policy Title:	Executive Compensation Recoupment Policy
Last Revised:	March 24, 2020
Policy Owner:	Board of Directors
Scope:	Applies to Chipotle’s Section 16 Executive Officers

This policy applies to all current and former Executive Officers of Chipotle Mexican Grill, Inc. (the “Company”) and sets forth the circumstances under which the Company would be authorized to seek recoupment of incentive compensation awarded or paid to the Executive Officers. For purposes of this Policy, the following definitions apply:

- “Executive Officer” means those persons who are designated by the Board of Directors of the Company (the “Board”) as “officers” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.
- “Covered Compensation” means cash and/or equity-based compensation that was paid, earned, vested or granted to any Executive Officer, excluding severance benefits awarded under a Change in Control agreement.
- “Egregious conduct substantially detrimental to the Company” means any one of the following:
 - any act or omission that would constitute “Cause” under the terms of the Amended and Restated Chipotle Mexican Grill, Inc. 2011 Stock Incentive Plan (or any award agreement issued thereunder, if the term is separately defined) or other applicable agreement or plan of the Company;
 - the material breach of a written policy applicable to the Executive Officer, including, but not limited to, the Code of Ethics;
 - egregious misconduct by the Executive Officer including, but not limited to, fraud, criminal activities, falsification of Company records, theft, violent acts or threats of violence, or a violation of law, unethical conduct or inappropriate behavior that causes substantial reputational harm to the Company or exposes the Company to substantial legal liability; or
 - the commission of an act or omission that causes the Executive Officer or the Company to be in violation of federal or state securities laws, rules or regulations.

Recoupment Due to Financial Statement Restatement

The Board may, in its sole discretion, require the repayment of any Covered Compensation that was paid, earned, vested or granted to any Executive Officer during the three completed fiscal years immediately preceding, and the forfeiture of any Covered Compensation that remains unpaid, unearned or unexercised on, the date on which the Company is required to

prepare a restatement of its financial statements due to material noncompliance of the Company with any financial reporting requirement under the federal securities laws (a “Restatement”), if:

1. the Covered Compensation was paid, earned, vested or granted, in whole or in part, based upon the Company’s financial results that subsequently were modified by the Restatement, including any financial measure that is derived from such financial results but excluding Company stock price or total shareholder return;
2. the Board determines that intentional or unintentional management misconduct or failure to manage caused or significantly contributed to the need for the Restatement (the “Misconduct”), regardless of whether the Executive Officer subject to the recoupment engaged in any Misconduct; and
3. the amount of the Covered Compensation that the Executive Officer would have received had the Company’s financial results been properly reported, after giving effect to the Restatement, would have been lower than the amount actually received by the Executive Officer.

The amount required to be repaid or forfeited shall not be more than the amount by which the Executive Officer’s Covered Compensation for the relevant period exceeded the reduced Covered Compensation that would have been paid or awarded to the Executive Officer based on the financial results in the Restatement. The Company may initiate recoupment for up to two years after the date of the Restatement. Notwithstanding the foregoing, if egregious conduct that is substantially detrimental to the Company is a material contributor to a Restatement, the amount repaid or forfeited by the Executive Officer shall be at the discretion of the Board.

Forfeiture Due to Reputational Damage

The Board may require forfeiture from an Executive Officer of any unpaid, unearned or unexercised Covered Compensation if the Board determines, in its sole discretion, that the Executive Officer has engaged in egregious conduct that is substantially detrimental to the Company (financially, reputationally, or otherwise), even if such conduct does not result in termination of the Executive Officer’s employment.

Administrative Provisions

To the extent legally permitted, the Board may seek recovery of Covered Compensation in any manner it chooses, including by seeking cash payment from the Executive Officer, withholding unpaid compensation, set-off (from unpaid compensation, against planned future grants, or otherwise), or rescinding or canceling unvested or vested but unexercised equity awards.

The Board may consider the costs and benefits of seeking recoupment and, based on that consideration, exercise discretion in the application and operation of this Policy.

All determinations of the Board pursuant to this policy shall be final and binding.

Upon a Change in Control (as defined in the Stock Plan), this policy will be of no further force or effect unless, prior to such Change in Control, the Board expressly authorizes the continuation of this policy.

Compensation awarded or paid based on miscalculation of a performance measure also may be subject to the clawback requirements of §954 of the Dodd Frank Wall Street Reform and Consumer Protection Act, and any other law or regulation that the Board determines, in its discretion, is applicable.

The Board, based upon the recommendation of the Compensation Committee, may amend this Policy at any time for any reason, including as required to comply with the rules of the Securities and Exchange Commission and the New York Stock Exchange. The exercise by the Board of any rights pursuant to this Policy shall be without prejudice to any other rights that the Company, the Board, or the Compensation Committee may have with respect to any Executive Officer subject to this Policy.

Effective Date: March 24, 2020