
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2018

CHIPOTLE MEXICAN GRILL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-32731
(Commission
File Number)

84-1219301
(I.R.S. Employer
Identification No.)

1401 Wynkoop Street, Suite 500
Denver, CO 80202
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (303) 595-4000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 11, 2018, Chipotle Mexican Grill, Inc. (“Chipotle”) entered into an offer letter with Brian R. Niccol for Mr. Niccol to become Chief Executive Officer and a member of the Board of Directors of Chipotle on March 5, 2018.

Mr. Niccol, 43, previously served as Chief Executive Officer of Taco Bell, a division of Yum! Brands, Inc., since 2015. He joined Taco Bell in 2011 as Chief Marketing and Innovation Officer and served as President of Taco Bell from 2013 to 2014. Prior to his service at Taco Bell, from 2005 to 2011, he served in various executive positions at Pizza Hut, another division of Yum! Brands, including General Manager and Chief Marketing Officer. Before joining Yum! Brands, Mr. Niccol spent 10 years at Procter & Gamble Co., serving in various brand management positions. Mr. Niccol holds an undergraduate degree from Miami University and an MBA from the University of Chicago Booth School of Business. He serves as a director of Harley-Davidson, Inc. (NYSE: HOG).

There are no arrangements or understandings between Mr. Niccol and any other persons pursuant to which Mr. Niccol was selected as Chief Executive Officer or as a member of the Board of Directors. There are no family relationships between Mr. Niccol and any director, executive officer, or person nominated or chosen by Chipotle to become a director or executive officer. Chipotle has not entered into any transactions in which Mr. Niccol may have a direct or indirect material interest that would require disclosure pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934.

The offer letter provides that Mr. Niccol will have an annualized base salary of \$1.2 million, a target annual bonus opportunity for the 2018 fiscal year of 150% of his base salary, and a maximum annual bonus opportunity for the 2018 fiscal year of 225% of his base salary, and further provides that payment of his 2018 target annual bonus is guaranteed, subject to his continued employment through the date annual bonuses are paid to Chipotle’s senior executives generally. In addition, the offer letter provides that on or about March 5, 2018 and subject to his commencing employment with the company, Mr. Niccol will receive the following equity awards: (i) an annual equity award grant for 2018 consisting of (A) performance shares with a target value of \$3.0 million as of the grant date, which will have the same terms and conditions as applicable to annual 2018 performance share awards granted to senior executives of Chipotle generally; and (B) stock appreciation rights with a grant date value of \$2.0 million and an exercise price equal to the closing price of Chipotle’s common stock on the grant date, which will vest in equal amounts on the first, second and third anniversaries of the grant date, subject to possible acceleration of vesting in the event of a termination of employment by Chipotle without cause or by Mr. Niccol for good reason, and a seven-year term; (ii) a sign-on award consisting of stock appreciation rights with a grant date value of \$4.0 million and an exercise price equal to 125% of the closing price of Chipotle’s common stock on the grant date, which will vest in equal amounts on the first, second and third anniversaries of the grant date, subject to possible acceleration of vesting as previously described, and a seven-year term; and (iii) a make-whole award consisting of (A) stock appreciation rights with a grant date value of \$9.65 million and an exercise price equal to 110% of the closing price of Chipotle’s common stock on the grant date, which will vest in equal amounts on the first, second and third anniversaries of the grant date, subject to possible acceleration of vesting as previously described, and a seven-year term; and (B) restricted stock units with a grant date value of \$9.65 million, which will vest in equal amounts on the first, second and third anniversaries of the grant date, subject to possible acceleration of vesting as previously described. The offer letter further provides that if Mr. Niccol’s employment is terminated by Chipotle without cause, or by Mr. Niccol with good reason, in either case prior to the fifth anniversary of the commencement of his employment with the company, Mr. Niccol will be entitled to a severance payment of two times the sum of his annual base salary and target annual bonus opportunity (or, if higher, the amount of the annual bonus paid to him for the fiscal year immediately preceding the fiscal year in which such termination of employment occurs). The offer letter also entitles Mr. Niccol to employee benefits generally offered by Chipotle from time to time, and further provides for the payment to Mr. Niccol of a \$1.0 million signing bonus, which must be repaid if Mr. Niccol’s employment is terminated by Chipotle for cause or by Mr. Niccol without good reason, in either case prior to the first anniversary of his start date with Chipotle.

Under the offer letter, Mr. Niccol has agreed that, (i) while he is employed by Chipotle and for a one-year period thereafter, he will not, directly or indirectly, own, manage, operate, control, be employed, or engaged in any capacity (whether or not for compensation) by, or render services, advice, or assistance in any capacity to, a business operating fast-casual, quick-service or casual dining restaurants in the continental United States where Chipotle or any of its affiliates conduct business, and (ii) while he is employed by Chipotle and for a two-year period thereafter, he will not (a) solicit or hire Chipotle’s employees, or (b) induce any of Chipotle’s suppliers, licensees, or other business relations to cease doing business with Chipotle or interfere with the relationship between any such supplier, licensee, or other business relation and Chipotle. The offer letter also includes customary confidentiality and mutual non-disparagement provisions.

The foregoing description of the offer letter does not purport to be complete and is qualified in its entirety by reference to the full text of the offer letter, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

A copy of the press release issued by Chipotle announcing the appointment of Mr. Niccol is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

Exhibit 10.1 [Offer Letter, dated February 11, 2018, between Brian R. Niccol and Chipotle Mexican Grill, Inc.](#)

Exhibit 99.1 [Press release, dated February 13, 2018](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 14, 2018

Chipotle Mexican Grill, Inc.

By: /s/ Jack Hartung

Name: Jack Hartung

Title: Chief Financial Officer

February 11, 2018

Brian R. Niccol

Dear Brian:

We are pleased to offer you employment with Chipotle Mexican Grill, Inc. (the “Company”) on the terms and subject to the conditions set forth below.

Start Date

You shall commence employment with the Company on March 5, 2018 (the “Start Date”). It is expected that you will engage in a total review of the operations and strategy of the Company immediately following your commencement of employment with the Company.

Position; Reporting

Effective as of the Start Date, you shall be appointed to serve as Chief Executive Officer of the Company, reporting to the Board of Directors of the Company (the “Board”). In addition, you shall be appointed to the Board effective as of the Start Date.

Base Salary

Your base salary shall be at an annual rate of \$1,200,000 (“Base Salary”), payable in accordance with the Company’s payroll practices as in effect from time to time.

Annual Bonus

For the Company’s 2018 fiscal year, you shall be eligible to participate in the Company’s Annual Incentive Plan (the “AIP”) based on performance objectives established by the Compensation Committee of the Board (the “Committee”), with a target bonus opportunity of 150% of Base Salary (“2018 Target Bonus”), which shall be guaranteed for 2018 (without proration), and a maximum bonus opportunity of 225% of Base Salary. Payment of your annual bonus for the 2018 fiscal year is subject to your continued employment through the date on which AIP bonuses are paid to senior executives of the Company generally. Any payment under the AIP for the 2018 fiscal year in excess of the 2018 Target Bonus shall be payable in the discretion of the Committee and may be paid in the form of cash or equity awards, at the discretion of the Committee.

For the Company’s fiscal years following 2018, you shall be eligible to participate in the AIP based on performance objectives and bonus opportunities established by the Committee with your input.

Long-Term Incentive Compensation

2018 Annual Grants

On the later of (1) the Start Date and (2) the date on which 2018 annual equity awards are granted to senior executives of the Company generally, you shall be granted (a) an award of performance shares having an aggregate grant date fair market value (as determined by the Committee in accordance with its customary valuation methodology for performance share awards) based on target performance equal to \$3,000,000 (the “2018 Performance Share Award”); and (b) a stock-only stock appreciation rights (“SOSAR”) award (the “2018 SOSAR Award”) having an aggregate grant date fair value (as determined by the Committee in accordance with its customary Black-Scholes valuation methodology for SOSARs) of \$2,000,000 and an exercise price equal to the Fair Market Value (as defined in the Company’s 2011 Stock Incentive Plan (the “Equity Plan”)) of a share of the Company’s common stock (“Common Stock”) on the date of grant. The 2018 SOSAR Award and the 2018 Performance Share Award shall have the same terms and conditions as applicable to SOSAR awards and performance share awards, respectively, granted to senior executives of the Company generally in 2018; provided, however, that, if your employment is terminated prior to full vesting of the 2018 SOSAR Award either by the Company without Cause (as defined in the Equity Plan) or by you with Good Reason (as defined in the Equity Plan), then the unvested portion of the 2018 SOSAR Award shall fully vest as of the date of such termination of employment.

Inducement Grant

On or as soon as practicable following the Start Date, you shall be granted a SOSAR award (the “Inducement Award”) having an aggregate grant date fair value (as determined by the Committee in accordance with its customary Black-Scholes valuation methodology for SOSARs) of \$4,000,000 and an exercise price equal to 125% of the Fair Market Value of a share of Common Stock on the date of grant. The Inducement Award shall (1) vest in three equal installments on each of the first three anniversaries of the date of grant, subject to your continued employment through each applicable vesting date, (2) notwithstanding clause (1), shall fully vest (to the extent unvested) as of the date of your termination of employment if your employment is terminated prior to full vesting either by the Company without Cause or by you with Good Reason, (3) have a maximum term of seven years, and (4) otherwise have terms and conditions (excluding vesting terms and conditions) consistent with SOSAR awards granted to senior executives of the Company generally.

Make-Whole Awards

SOSAR Award

On or about the Start Date, you shall be granted a SOSAR award (the “Make-Whole SOSAR Award”) having an aggregate grant date fair value (as determined by the Committee in accordance with its customary Black-Scholes valuation methodology for SOSARs) of \$9,650,000 and an exercise price of 110% of the Fair Market Value of a share of Common Stock on the date of grant. The Make-Whole SOSAR Award shall (1) vest in three equal installments on each of the first three anniversaries of the date of grant, subject to your continued

employment through each applicable vesting date, (2) notwithstanding clause (1), shall fully vest (to the extent unvested) as of the date of your termination of employment if your employment is terminated prior to full vesting either by the Company without Cause or by you with Good Reason, (3) have a maximum term of seven years, and (4) otherwise have terms and conditions (excluding vesting terms and conditions) consistent with SOSAR awards granted to senior executives of the Company generally.

RSU Award

On or as soon as practicable following the Start Date, you shall be granted an award of restricted stock units (the "Make-Whole RSU Award") having an aggregate grant date fair market value (as determined by the Committee in accordance with its customary valuation methodology for restricted stock unit awards) of \$9,650,000. The Make-Whole RSU Award shall (1) vest in three equal installments on each of the first three anniversaries of the date of grant, subject to your continued employment through each applicable vesting date, (2) notwithstanding clause (1), shall fully vest as of the date of your termination of employment if your employment is terminated prior to full vesting either by the Company without Cause or by you with Good Reason, and (3) shall otherwise have terms and conditions (excluding vesting terms and conditions) consistent with restricted stock unit awards granted to employees of the Company generally.

Employee Benefits

You shall be eligible for employee benefits on the terms generally provided by the Company from time to time.

Signing Bonus

Within 10 business days following the Start Date, the Company shall pay you a cash signing bonus in an amount equal to \$1,000,000 (the "Signing Bonus"). If, prior to the first anniversary of the Start Date, your employment is terminated by the Company with Cause or by you without Good Reason, then you shall repay the Signing Bonus to the Company within 10 business days after such termination of employment.

Termination of Employment

If, prior to the fifth anniversary of the Start Date, your employment is terminated by the Company without Cause or by you with Good Reason, then, subject to your execution and delivery of a general release of claims in favor of the Company and its affiliates in the Company's customary form for senior executives (the "Release") within 45 days following such termination of employment (and your non-revocation of the Release during the time period set forth therein), the Company shall pay you an amount in cash equal to the product of (a) 2.0 and (b) the sum of (i) your then-current Base Salary and (ii) your then-current target bonus opportunity (or, if higher, the amount of the annual bonus paid to you under the AIP for the fiscal year immediately preceding the fiscal year in which such termination of employment occurs) (the "Severance Payment"), which amount shall be paid to you in equal monthly installments during the 24-month period following such termination of employment; provided, however, that the first such installment shall be paid on the 60th day following the date of such termination of employment and such first installment shall include any portion of the Severance Payment that

would have otherwise been payable during the period between such date of termination and such payment date.

Restrictive Covenants

Confidential Information

You agree to hold the Confidential Information (as defined below) in the strictest of confidence and further agree that, during your employment and at all times after your termination of employment for any reason, you shall not, in any capacity, directly or indirectly, use, disclose, publish, or make available to any person or entity any Confidential Information, except as may be necessary on behalf of the Company, on a "need to know" basis, in the ordinary course of your employment with the Company. Notwithstanding the foregoing, the confidentiality obligations under this paragraph shall not apply to any (1) information that is now in the public domain or subsequently enters the public domain by publication or otherwise through no action or fault of yours; or (2) information required to be disclosed by law or by a government agency or necessary to defend or prosecute a claim brought against you. For purposes of this letter, "Confidential Information" means the Company's and its affiliates' trade secrets and other secret or confidential information, knowledge, or data concerning the Company's and its affiliates' businesses, strategies, operations, clients, customers, prospects, financial affairs, organizational and personnel matters, policies, procedures, and other nonpublic matters, or concerning those of third parties.

Noncompetition

You acknowledge that, in the course of your employment with and service to the Company and its affiliates (including their predecessor and any successor entities), you will become familiar with Confidential Information, and that your employment with the Company will be of special, unique, and extraordinary value to the Company and its affiliates. Therefore, you agree that, during your employment with the Company and for the one-year period commencing on the date on which your employment terminates for any reason, you shall not, directly or indirectly, own, manage, operate, control, be employed by (whether as an employee, director, consultant, independent contractor, or otherwise, and whether or not for compensation), or render services, advice, or assistance in any capacity to, a Competing Business (as defined below) anywhere in the continental United States where the Company or any of its affiliates conducts business. For purposes of this letter, a "Competing Business" means any person, firm, corporation, or other entity, in whatever form, that operates fast-casual, quick-service, or casual dining restaurants (including, but not limited to, multi-unit, multi-market Mexican food, or burrito restaurant concepts offering dine-in, carry-out, catering, and delivery services). Nothing herein shall prohibit you from being a passive owner of not more than 1% of the outstanding equity interest in any entity that is publicly traded, so long as you have no active participation in the business of such entity.

Nonsolicitation

You agree that, during your employment with the Company and for the two-year period commencing on the date on which your employment terminates for any reason, you shall not

(1) solicit or hire, directly or by assisting others, any individual who is, on the date on which your employment terminates for any reason (or was, during the six-month period prior to such date), employed by the Company or its affiliates to terminate or refrain from renewing or extending such employment or to become employed by or become a consultant to any other individual or entity other than the Company or its affiliates, (2) contact or communicate with any employees of the Company or its affiliates for the purpose of inducing other employees to terminate their employment with the Company or its affiliates, or (3) induce or attempt to induce any supplier, licensee, or other business relation of the Company or its affiliates to cease doing business with the Company or its affiliates, or in any way interfere with the relationship between any such supplier, licensee, or business relation, on the one hand, and the Company or its affiliates, on the other hand.

Nondisparagement

You shall not at any time make any written or oral statements, representations, or other communications that disparage the business or reputation of the Company or any of its affiliates or any officer, director, employee, stockholder, agent, or representative of, or consultant to, the Company or any of its affiliates, other than to the extent necessary to respond in an appropriate and truthful manner to any legal process or give appropriate and truthful testimony in a legal or regulatory proceeding. The Company shall instruct its officers and directors not to make any written or oral statements, representations, or other communications that disparage your reputation, other than to the extent necessary to respond in an appropriate and truthful manner to any legal process or give appropriate and truthful testimony in a legal or regulatory proceeding. Nothing in this paragraph is intended to (1) prevent either party from conferring in confidence with their respective legal representatives, or (2) prevent either party from responding publicly to incorrect, disparaging, or derogatory public statements to the extent reasonably necessary to correct or refute such statements.

Remedies

You acknowledge and agree that: (1) the purpose of the restrictive covenants set forth herein is to protect the goodwill and trade secrets and other Confidential Information of the Company; and (2) because of the nature of the business in which the Company and its affiliates are engaged and because of the nature of the trade secrets and other Confidential Information to which you will have access, it would be impractical and excessively difficult to determine the actual damages of the Company if you breached the restrictive covenants set forth herein. In the event of your breach of this section, the Company shall be entitled to cease payment of the Severance Payment (if any). In addition to the foregoing remedies and other remedies that may be available, the Company shall be entitled to seek specific performance and other injunctive relief. If any portion of the covenants set forth in this section is finally held to be invalid, illegal, or unenforceable (whether in whole or in part), such covenant shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality, or unenforceability and the remaining covenants shall not be affected thereby. In the event of any dispute between the parties regarding the interpretation of terms contained in this letter, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

Whistleblower Rights

Nothing set forth in this section is intended to, and this section shall be interpreted in a manner that does not, limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended).

Legal Expenses

The Company shall reimburse you for the legal fees and expenses incurred by you in connection with the negotiation of this letter, subject to a maximum aggregate reimbursement of \$25,000.

Section 409A

This letter is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the “short-term deferral” exception under Treasury Regulations § 1.409A-1(b)(4), the “separation pay” exception under Treasury Regulations § 1.409A-1(b)(9)(iii), or any other exception under Section 409A of the Code shall be paid under the applicable exceptions to the greatest extent possible. Each payment under this letter shall be treated as a separate payment for purposes of Section 409A of the Code.

With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A of the Code, (1) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (2) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and (3) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense was incurred.

Notwithstanding any other provision of this letter to the contrary, if you are considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the date of your termination of employment), any payment that constitutes “nonqualified deferred compensation” within the meaning of Section 409A of the Code that is otherwise due to you under this letter during the six-month period following your “separation from service” (as determined in accordance with Section 409A of the Code) on account of your separation from service shall be accumulated and paid to you on the first business day of the seventh month following your separation from service (the “Delayed Payment Date”). If you die during the period between the date on which your employment terminates and the Delayed Payment Date, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of your estate on the first to occur of the Delayed Payment Date or 30 days after the date of your death.

Miscellaneous

By accepting this offer, you agree to devote all of your professional time and attention to the duties required by your positions with the Company. To that end, you represent and warrant to the Company that you are not subject to any obligation, written or oral, containing any

noncompetition provision or any other restriction (including, without limitation, any confidentiality provision) that would result in any restriction on your ability to accept and perform this or any other position with the Company or any of its affiliates. Notwithstanding the foregoing, you shall be permitted to serve as a member of the board of directors of other companies and organizations; provided that you have secured permission in writing in advance from the Board. As of the Start Date, the Board approves your service as a member of the board of directors of Harley Davidson, Inc. You acknowledge and agree that a breach of the foregoing representation and warranty shall constitute Cause.

This letter contains the entire agreement and understanding between you and the Company and its affiliates relating to your employment and there are no other written or oral agreements, understandings, or representations relating to such employment. Your employment will be "at-will," and as such, either the Company or you may terminate the employment relationship at any time for any or no reason at all. This letter does not constitute an employment contract for any specific period of time. The Company may assign this letter to any parent or direct or indirect subsidiary of the Company, or any successor to all or substantially all of its assets and business by means of liquidation, dissolution, merger, consolidation, transfer of assets, sale of stock, or otherwise. Your obligations hereunder are personal to you and may not be assigned by you, except by the laws of descent and distribution. You hereby agree that, if, on the date on which your employment with the Company terminates, you are a member of the Board or the board of directors of any subsidiary or affiliate of the Company, or hold any other position with the Company or its subsidiaries or affiliates, you shall be deemed to have resigned from all such positions effective as of the date of your termination of employment. You agree to execute such documents and take such other actions as the Company may request to reflect such resignations.

This letter may not be amended or modified, except by an instrument in writing signed by you and the Company. This letter shall be governed by, and construed in accordance with, the laws of the State of Colorado without reference to conflict of law rules. All benefits hereunder are subject to withholding for applicable income and payroll taxes or otherwise as required by law.

The offer of employment contained in this letter is contingent on you (1) executing and delivering this letter to the Company by February 11, 2018, (2) notifying your current employer of your resignation of employment on February 12, 2018, and (3) commencing employment with the Company on the Start Date, and shall be null and void *ab initio* if any such condition is not satisfied. This offer is also contingent upon proof of employment eligibility in the United States. Should you accept this offer, as required by law, we must verify your employment eligibility on a Form I-9. You will be asked on the first day of your employment to provide documentation that establishes your identity and authorizes you to work in the United States. You will also be required to present your original Social Security Card for payroll and tax purposes.

You and the Committee agree to meet no less than annually to review your compensation.

To accept this offer, please sign below and return this letter to my attention. Please let me know if you have any questions. Thank you.

* * * *

Please confirm your agreement to the foregoing by executing this letter as indicated below.

Sincerely,

CHIPOTLE MEXICAN GRILL, INC.

By: /s/ Steve Ells
Name: Steve Ells
Title: Chief Executive Officer

Acknowledged and Agreed:

/s/ Brian R. Niccol
Brian R. Niccol

[Signature Page to Offer Letter]

**NEWS**

Contact: Chris Arnold
303.222.5912
carnold@chipotle.com

CHIPOTLE NAMES BRIAN NICCOL CHIEF EXECUTIVE OFFICER

DENVER, February 13, 2018 -- Chipotle Mexican Grill (NYSE: CMG) today announced that its Board of Directors has appointed Brian Niccol as chief executive officer and a member of the Board, effective March 5, 2018. Niccol most recently served as CEO of Yum! Brands' Taco Bell Division, where he was responsible for the highly successful turnaround of the business.

Chipotle Chairman, CEO and Founder Steve Ells, who will become executive chairman, said, "Brian is a proven world-class executive, who will bring fresh energy and leadership to drive excellence across every aspect of our business. His expertise in digital technologies, restaurant operations and branding make him a perfect fit for Chipotle as we seek to enhance our customer experience, drive sales growth and make our brand more relevant. The Board is confident that Brian's passion and skillset ideally position him to make the bold moves needed to improve operations and take the company to the next level, all while remaining true to our purpose and the values that are essential to our customers."

Niccol said, "I am very excited to be joining Chipotle at this pivotal time in its history. I have tremendous respect for the Chipotle brand and its powerful purpose. At Chipotle's core is delicious food, which I will look to pair up with consistently great customer experiences. I will also focus on dialing up Chipotle's cultural relevance through innovation in menu and digital communications. This will attract customers, return the brand to growth, deliver value for shareholders and create opportunities for employees."

Brian Niccol Bio

Prior to joining Chipotle, Brian Niccol was at Taco Bell from 2011 and served as CEO from January, 2015 and president from 2013 to 2014. Under his leadership, he successfully repositioned Taco Bell as a lifestyle brand and successfully launched numerous product initiatives, including the new breakfast daypart, the fastest growing daypart in the industry. He transformed Taco Bell into a social media leader and revolutionized its digital approach through mobile ordering and payment across their 7,000 restaurants. He also created a people-centric innovation culture that has been recognized throughout the industry.

Prior to Taco Bell, Niccol held leadership roles at Pizza Hut, including vice president of strategy, chief marketing officer, and general manager. He led the brand strategy and positioning that achieved record transactions and market share. Additionally, his innovation in digital with on-line and mobile app ordering was industry leading during his time in the business.

Niccol began his career at Procter & Gamble where he spent 10 years in various brand management positions. He holds an undergraduate degree from Miami University (OH) and an MBA from The University of Chicago Booth School of Business. Niccol serves on the Board of Governors for the Boys & Girls Club of America and on the Board of Directors of Harley-Davidson, Inc.



NEWS

Contact: Chris Arnold
303.222.5912
carnold@chipotle.com

ABOUT CHIPOTLE

Steve Ells, founder, chairman and CEO, started Chipotle with the idea that food served fast did not have to be a typical fast food experience. Today, Chipotle continues to offer a focused menu of burritos, tacos, burrito bowls, and salads made from fresh, high-quality raw ingredients, prepared using classic cooking methods and served in an interactive style allowing people to get exactly what they want. Chipotle seeks out extraordinary ingredients that are not only fresh, but that are raised responsibly, with respect for the animals, land, and people who produce them. Chipotle prepares its food using real, wholesome ingredients, without the use of added colors, flavors or other additives typically found in fast food. Chipotle opened with a single restaurant in Denver in 1993 and now operates more than 2,400 restaurants. For more information, visit chipotle.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release, including statements regarding possible improvements or achievements in Chipotle's business, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. We use words and phrases such as "will", "seek", "confident that", and similar terms and phrases, including references to assumptions, to identify forward-looking statements. The forward-looking statements in this press release are based on information available to us as of the date any such statements are made and we assume no obligation to update these forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include, but are not limited to, the following: the uncertainty of our ability to achieve expected levels of comparable restaurant sales due to factors such as changes in consumers' perceptions of our brand, including as a result of actual or rumored food-borne illness incidents or other negative publicity, the impact of competition, including from sources outside the restaurant industry, decreased overall consumer spending, or our possible inability to increase menu prices or realize the benefits of menu price increases; the risk of food-borne illnesses and other health concerns about our food or dining out generally; factors that could affect our ability to achieve and manage our planned expansion, such as the availability of a sufficient number of suitable new restaurant sites and the availability of qualified employees; the performance of new restaurants and their impact on existing restaurant sales; the potential for increased labor costs or difficulty training and retaining qualified employees, including as a result of market pressures, enhanced food safety procedures in our restaurants, or new regulatory requirements; increases in the cost of food ingredients and other key supplies or higher food costs due to changes in supply chain protocols; risks related to our marketing and advertising strategies, which may not be successful and may expose us to liabilities; supply chain risks; risks relating to our expansion into new markets, including outside the U.S., or non-traditional restaurant sites; the impact of federal, state or local government regulations relating to our employees, our restaurant design, or the sale of food or alcoholic beverages; risks associated with our Food With Integrity philosophy, including supply shortages and potential liabilities from advertising claims and other marketing activities related to Food With Integrity; security risks associated with the acceptance of electronic payment cards or electronic storage and processing of confidential customer or employee information; risks relating to litigation,



NEWS

Contact: Chris Arnold
303.222.5912
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including possible governmental actions related to food-borne illness incidents, as well as class action litigation regarding employment laws, advertising claims or other matters; risks relating to our insurance coverage and self-insurance; risks regarding our ability to protect our brand and reputation; risks associated with our reliance on certain information technology systems; risks related to our ability to effectively manage our growth; risks associated with our pending leadership change and our dependence on key personnel; and other risk factors described from time to time in

our SEC reports, including our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q, all of which are available on the investor relations page of our website at ir.Chipotle.com.

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