AGREEMENT
BETWEEN
THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
AND
CHIPOTLE MEXICAN GRILL, INC.

I. PARTIES
A. The Commonwealth of Massachusetts, through the Office of the Attorney General ("Attorney General") is charged with enforcement of, among other things, various wage and hour laws, including but not limited to, the Wage Act (G.L. c. 149, § 148), Child Labor Laws (G.L. c. 149, §§ 56, 65-67, 86), the Earned Sick Time Law (G.L. c. 149, § 148C), as well as the laws requiring true and accurate payroll record retention and furnishing to the Attorney General upon request (G.L. c. 151, §§ 15, 19(3)), and other related statutes and regulations.

B. Chipotle Mexican Grill, Inc. ("Chipotle" or the "Employer") is a publicly traded restaurant company, incorporated in Delaware in 1998, and registered with the Massachusetts Secretary of the Commonwealth as a foreign corporation in 2006, that maintains a principal place of business at 610 Newport Center Drive, Suite 1400, Newport Beach, CA 92660, and dozens of active business locations in Massachusetts municipalities for all time periods in question, including, but not limited to Beverly, Hyannis, Seekonk, Norwood, Framingham, Methuen, Randolph, and Quincy.

II. THE ATTORNEY GENERAL'S INVESTIGATION AND FINDINGS
A. In September of 2016, an employee of Chipotle's, working at Chipotle's Beverly, Massachusetts location, filed a complaint with the Attorney General alleging child labor violations. Since that time additional Chipotle employees, working in Massachusetts, have filed complaints with the Attorney General alleging child labor, earned sick time, and non-payment of wage violations. As a result of an investigation conducted by the Attorney General, with the cooperation of Chipotle, including auditing within the relevant time period a sample number of Massachusetts Chipotle locations for multiple months, the Attorney General determined the following conduct occurred between January 1, 2015 and September 30, 2019:
1. Chipotle violated G.L. c. 149, § 66, permitting minors ages 16 and 17 to work after 10:00 p.m. on a school night and after 12:00 a.m. on a non-school night.

2. Chipotle violated G.L. c. 149, § 67, permitting minors ages 16 and 17 to work more than 48 hours per week, and more than nine hours per day.

3. Chipotle violated G.L. c. 149, § 86, failing to keep child labor permits for all employed minors.

4. Chipotle violated G.L. c. 149, § 148C, failing to provide proper notice of a Massachusetts compliant Earned Sick Time policy.

5. Chipotle violated G.L. c. 151, §§ 15, 19(3), failing to furnish true and accurate sick leave and timekeeping records to the Attorney General.

6. Chipotle violated G.L. c. 149, § 148, failing to pay certain employees for all hours worked, as listed in the civil citations attached as Appendix D.

Pertaining to findings 1, 2, and 3, the Attorney General reviewed findings from a sample audit in order to identify an extrapolated number of child labor violations for all Chipotle Massachusetts restaurants within the relevant time period.

B. Chipotle disputes and does not admit the alleged violations and findings by the Attorney General as set forth in this Settlement Agreement and the Citations referred to below. Nothing in this Settlement Agreement shall be construed as an admission by Chipotle of any wrongful or unlawful act whatsoever, including with respect to any employment practices or payment of wages.

C. The Attorney General and the Employer wish to amicably resolve this matter. To that end, the Attorney General and Chipotle are entering into this Settlement Agreement. Without admitting liability, the Employer is willing to pay restitution, penalties, and other monies according to the Terms of Agreement set forth below.

III. TERMS OF AGREEMENT

WHEREAS,

A. This Settlement Agreement ("Settlement Agreement") is entered into between the Commonwealth of Massachusetts, acting through its Attorney General, and the Employer.

B. The effective date of this Settlement Agreement is the date the Settlement Agreement is fully executed.
C. The Attorney General wishes to assure compliance by the Employer with the Commonwealth's wage and hour laws.

D. The Employer is committed to compliance with the Commonwealth's wage and hour laws and, without admitting any liability, wishes to avoid the costs associated with litigation and to resolve fully and finally any and all claims or causes of action that may be brought by the Attorney General, now or in the future, under the Commonwealth of Massachusetts' wage and hour laws, pertaining to the alleged conduct and time period described in Paragraph II.A above.

NOW, THEREFORE, the parties set forth the following Terms of Agreement:

E. The Employer agrees to accept the following four (4) civil citations with the execution of this settlement, and waives any and all rights to appeal, including any substantive or procedural grounds for an appeal:

1. Failure to comply with G.L. c. 149, §§ 66, 67, and 86, penalty of $1,301,075.00. (See Appendix A);

2. Failure to comply with G.L. c. 149, § 148C, penalty of $50,000.00. (See Appendix B);

3. Failure to comply with G.L. c. 151, §§ 15, 19(3), penalty of $20,000.00. (See Appendix C); and

4. Failure to comply with G.L. c. 149, § 148, restitution of $2,280.60, penalty of $500.00 (See Appendix D);

(herereinafter collectively referred to as the “Citations”).

F. The Employer agrees to make full payment of restitution to all of the employees listed in the attached document (“Appendix D”) in the total amount of $2,280.60 (two thousand two-hundred and eighty dollars and sixty cents). The Employer shall mail to the Office of the Attorney General, Fair Labor Division, P.O. Box #6303, Boston, MA 02114, no later than ten (10) business days from the effective date of this Settlement Agreement, checks made out to the individuals listed in Appendix D in the respective amounts, less standard withholding and deductions.

G. The Employer shall maintain a record of all restitution checks that remain uncashed for 120 days after issuance. The Employer may cancel all such uncashed checks 120 days after issuance. The Employer shall calculate and send a check for the total net amount of uncashed checks to the Attorney General along with a list containing the name, social security number, date of birth and last known address of all employees to whom
such checks were sent. This amount, and the list, shall be provided no later than May 31, 2020. The method of payment shall be by cashier’s check payable to the Office of the Attorney General and mailed to: Office of the Attorney General, Fair Labor Division, P.O. Box #6303, Boston, MA 02114.

H. The Employer further agrees to make payment of penalty to the Commonwealth via the Attorney General in the amount of $1,371,575.00 (one million, three-hundred seventy-one thousand five hundred and seventy-five dollars and zero cents) no later than ten (10) business days from the effective date of this Settlement Agreement.

I. The Employer further agrees to pay an additional $500,000.00 (five hundred thousand dollars and zero cents) to the Attorney General within ten (10) business days of the execution of this settlement, as a special assessment that will be treated as a voluntary payment pursuant to M.G.L. c. 12, § 4A and shall be used for education and enforcement oversight related to the child labor laws, or for the training and skills development of young workers, or to otherwise assist Massachusetts youth. This payment shall be used at the sole discretion of the Attorney General.

J. The method of payment for payments set forth in Paragraph III.H and III.I, shall be by cashier’s check payable to the Office of the Attorney General and mailed to: Office of the Attorney General, Fair Labor Division, P.O. Box #6303, Boston, MA 02114. In the event that the method of payment changes, the Attorney General’s Office will provide updated instructions in writing to Employer at least 30 days prior to the payment due date.

K. The Employer agrees to abide by all applicable wage and hour laws, both state and federal, in Massachusetts as well as other employment-related provisions, including but not limited to, those set forth by chapters 149 and 151 of the Massachusetts General Laws and the Code of Massachusetts Regulations pertaining to child labor, earned sick time, and timely payment of wages, as well as those regulating unemployment insurance payments, workers’ compensation insurance and income taxation. The Employer further agrees to take reasonable best efforts to comply with all such laws, including in the form outlined by the Employer in its attached Compliance Plan. (See Appendix E).

L. The Employer further agrees to submit a self-audit to the Attorney General of the Employer’s timekeeping and payroll records at six (6) Massachusetts locations to be determined by the Attorney General in accordance with the schedule listed in Paragraph III.M of this Settlement Agreement. The Employer’s self-audit shall identify any instances in which the Employer failed to comply with the Commonwealth’s Child
Labor Laws (G.L. c. 149, §§ 56, 65-67, 86), Earned Sick Time Law (G.L. c. 149, § 148C), and Timely Payment of Wage Law (G.L. c. 149, § 148). Per the Attorney General’s authority under G.L. c. 454-151, § 15, the Employer’s self-audit shall also include production of all supporting documentation evidencing the identified violations, and all records reviewed by the Employer in conducting their self-audit, including, but not limited to payroll; timekeeping; employee names, addresses, email addresses, phone numbers, and dates of birth; child labor permits; and earned sick time accruals, requests, usage, and denials.

M. The Employer shall comply with the following self-audit schedule.

<table>
<thead>
<tr>
<th>Self-Audit #</th>
<th>Date by which the Employer shall provide the Attorney General with a list of all Massachusetts locations, and the total number of minors at each location</th>
<th>Date by which the Attorney General shall notify Chipotle of 6 selected locations</th>
<th>Time Period to be Audited</th>
<th>Due Date of Self-Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 31, 2020</td>
<td>February 17, 2020</td>
<td>November 1, 2019 - January 31, 2020</td>
<td>March 2, 2020</td>
</tr>
<tr>
<td>2</td>
<td>June 15, 2020</td>
<td>July 1, 2020</td>
<td>April 1, 2020 - June 30, 2020</td>
<td>July 31, 2020</td>
</tr>
<tr>
<td>3</td>
<td>December 15, 2020</td>
<td>January 1, 2021</td>
<td>October 1, 2020 - December 31, 2020</td>
<td>February 1, 2021</td>
</tr>
<tr>
<td>4</td>
<td>June 15, 2021</td>
<td>July 1, 2021</td>
<td>April 1, 2021 - June 30, 2021</td>
<td>August 2, 2021</td>
</tr>
<tr>
<td>5</td>
<td>December 15, 2021</td>
<td>January 3, 2022</td>
<td>October 1, 2021 - December 31, 2021</td>
<td>February 1, 2022</td>
</tr>
<tr>
<td>6</td>
<td>June 15, 2022</td>
<td>July 1, 2022</td>
<td>April 1, 2022 - June 30, 2022</td>
<td>August 1, 2022</td>
</tr>
</tbody>
</table>

If the Employer submits three (3) consecutive self-audits within which less than 5% of the audited minors permitted to work; less than 5% of the audited earned sick time requests; and less than 5% of the audited instances of payment for an employee’s hours worked are identified as consisting of violations, and the Attorney General does not object to the accuracy of said audits in writing, the Employer shall no longer be required to provide self-audits to the Attorney General as described in Paragraphs III.L-III.M of this Settlement Agreement.

N. The Employer’s obligations to the Commonwealth of Massachusetts under this Settlement Agreement shall be fully discharged upon completion of the obligations described in Paragraphs III.E-III.J and III.L-III.M of this Settlement Agreement. Material failure by the Employer to comply with
the provisions of Paragraphs III.E–III.M shall constitute a material breach of this Settlement Agreement (the “Material Breach”). Following a Material Breach, this Settlement Agreement shall be voidable by the Attorney General, and shall allow the Attorney General to pursue enforcement actions against the Company, including, but not limited to, any criminal, civil, or administrative proceedings that were available to the Attorney General prior to the entry of this Settlement Agreement. The Attorney General agrees that until and unless a Material Breach occurs, it shall not pursue any enforcement action against the Company for any claim relating to the underlying violations described in Paragraph II.A, including, but not limited to, any criminal, civil, or administrative proceeding alleging violation of G.L. c. 149, §§ 66, 67, 86, 148, and 148C, or G.L. c. 151, §§ 15 and 19(3), for the time period beginning on January 1, 2015 through September 30, 2019. The Employer agrees that any statute of limitations, doctrine of laches or other time-related defense shall be tolled as to any subsequent enforcement action arising out of Employer’s Material Breach of this Settlement Agreement, from the signing of this Settlement Agreement to the date of the subsequent enforcement action.

O. In consideration of the foregoing obligations set forth in this Settlement Agreement, and conditioned upon full compliance with all terms of this Settlement Agreement, the Attorney General hereby releases the Employer from any criminal, civil, or administrative enforcement action or penalty for violations of law identified in Paragraph II.A.

P. Roger Theodoredis warrants and represents that he is the Chief Legal Officer and General Counsel of Chipotle and that he has authority to bind the corporation to the terms of this Settlement Agreement.

Q. This Settlement Agreement shall be governed by the laws of the Commonwealth of Massachusetts for all purposes including enforcement, and may be amended or modified only in writing executed by the parties.

R. The terms of this final settlement between the parties shall not be subject to appeal in any forum. This Settlement Agreement constitutes the entire agreement between the Employer and the Attorney General with respect to the matters discussed herein only, and it shall not bind any other private or governmental entity, nor release the Employer from liability for any other conduct not identified or described herein.

S. The Employer understands that the Attorney General cannot waive any statutory rights provided to individuals to pursue additional remedies, but nothing in this Settlement Agreement is intended to or shall prohibit the
Employer from asserting in a private action any and all defenses to such action, including that the Employer should be entitled to a set-off for amounts accepted as a result of this Settlement Agreement.

T. This Settlement Agreement shall be deemed to have been mutually drafted by the parties and shall not be construed against any party as the author thereof.

COMMONWEALTH OF MASSACHUSETTS
MAURA HEALEY
ATTORNEY GENERAL

By: Andrew H. Cahill
Assistant Attorney General
Fair Labor Division
One Ashburton Place, Room 1813
Boston, MA 02108
Dated: 1-27-20

CHIPOTLE MEXICAN GRILL, INC.,

By: Roger Theodoredis,
Chief Legal Officer and General Counsel
Chipotle Mexican Grill, Inc.
610 Newport Center Drive, Suite 1400,
Newport Beach, CA 92660
Dated: _