



Chipotle Mexican Grill, Inc.

**EDUCATIONAL ASSISTANCE PLAN**  
November 15, 2019

The Educational Assistance Plan is in place to help you Cultivate Yourself and in turn Cultivate a Better World through Education

Chipotle Mexican Grill, Inc. established the Educational Assistance Plan on May 1, 2000.



## PREAMBLE

Chipotle Mexican Grill, Inc. established the Educational Assistance Plan on May 1, 2000. The Educational Assistance Plan has been amended since that time and was last amended and restated effective April 1, 2019.

Chipotle Mexican Grill, Inc. hereby amends and restates the Educational Assistance Plan effective November 15, 2019. The terms of the Educational Assistance Plan as amended and restated apply to all Qualifying Tuition Expenses incurred on or after November 15, 2019.

The Educational Assistance Plan is intended to qualify as an educational assistance plan within the meaning of Section 127 of the Internal Revenue Code, with the exception of any Non-Qualified Family Education Assistance Expense for Spouse, Domestic Partner, Child(ren), Siblings and/or Parents of Eligible Employees.

## ARTICLE I: DEFINITIONS

When used herein, the following terms shall have the meanings set forth below, unless a contrary meaning is clearly intended by the context.

- 1.1 Active Employee Status means an Eligible Employee that is not on any type of leave of absence.
- 1.2 Benefit Effective Date means the date on which an Eligible Employee's coverage under the Plan is effective. Refer to section 2.1 for specific enrollment requirements.
- 1.3 Child(ren) means a dependent of the Eligible Employee who is a biological child, legally adopted child, foster child and/or stepchild (where designated by statute).
- 1.4 Code means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- 1.5 Company means Chipotle Mexican Grill, Inc.
- 1.6 Company Designated Program means designated high school completion/general education degree courses and tests and English as second language classes or program(s) that the Company has approved. For information on the Company Designated Programs, Eligible Employees can contact the Company or Payment Administrator.
- 1.7 Course Commencement Date means the course start date as listed within the course registration catalog or otherwise published by the accredited institution.
- 1.8 Course Completion Date means the course end date as listed within the course registration catalog or otherwise published by the accredited institution.
- 1.9 Domestic Partner means an individual registered as a domestic partner of an Eligible Employee in a state or jurisdiction recognizing domestic partnership.
- 1.10 Effective Date means the effective date of the amended and restated Educational Assistance Plan which is November 15, 2019.



- 1.11 Eligible Employee means a common law employee of the Employer who meets the eligibility requirements in section 2.1. The term Eligible Employee does not include a person the Plan Administrator determines is an Employer's independent contractor or a person the Plan Administrator determines an Employer engages as a consultant or advisor on a retainer or fee basis.
- 1.12 Employer means the Company, a Participating Employer and any subsidiary and any successor which, with the approval of the Plan Administrator, and subject to such conditions as the Plan Administrator may impose, adopts the Plan.
- 1.13 Non-Qualified Family Education Assistance Expense means an eligible expense incurred on behalf of a Spouse, Domestic Partner, Child(ren), Sibling(s) or Parent(s) of an Eligible Employee for a Company Designated Program. Reimbursement for Non-Qualified Family Education Assistance Expenses is considered taxable income paid to an Eligible Employee and any applicable taxes will be withheld from the amounts reimbursed from this Plan through the Employee's paycheck as soon as administratively feasible. Non-Qualified Family and Education Assistance Expenses are subject to the same Eligibility and Participation rules outlined in Article II with the exception that eligibility requirements will be measured from purchase date of the eligible expense. Reimbursement of Qualifying Tuition Expenses and Non-Qualified Family and Education Assistance Expenses is limited to the amount set forth in Section 127(a)(2) of the Code (\$5,250 in 2019).
- 1.14 Parent means the natural parent of a child born, person who legally adopts a child and/or a stepparent where designated by statute.
- 1.15 Payment Administrator means the company or organization with whom the Company has contracted to administer the tuition assistance reimbursement, payment administrator in-network program, and to provide assistance with applying for financial aid as described in the Company's benefit documentation.
- 1.16 Payment Administrator In-Network Program means the program created in partnership between the Company, the Payment Administrator and designated educational institutions.
- 1.17 Participating Employer means an Employer as listed in Appendix A.
- 1.18 Plan means the Educational Assistance Plan, as may be amended from time to time.
- 1.19 Plan Administrator means the Plan Administrator provided for in Article IV.
- 1.20 Plan Year means January through December.
- 1.21 Qualifying Tuition Expense means an eligible expense, as further described below, incurred by an Eligible Employee for their own education and paid/owed by the Eligible Employee directly to an educational institution or other entity when due.

Courses commencing after an Eligible Employee's Benefit Effective Date that meet the below requirements will qualify for treatment as Qualifying Tuition Expenses. Qualifying Tuition Expenses are expenses for tuition, registration and lab fees for courses completed at one of the following institutions accredited by the Department of Education or are for job related courses taken independently, in accordance with the determination of the plan administrator.



- (a) Courses taken at a two- or four-year public or private college or university that is accredited by the Department of Education;
- (b) Courses taken at a business, technical or vocational school;
- (c) Courses taken at a graduate or post-graduate school that is accredited by the Department of Education;
- (d) Review courses, but not the exams, for CPA, GMAT, GRE, and LSAT;
- (e) Job related certifications;
- (f) High school completion/general education degree certificate courses;
- (g) English as a second language (ESL) classes.

Chipotle will pay 100% of Qualifying Tuition Expenses per year up to the IRS pretax limit (in 2019 this is \$5,250). The terms, schedule, and process of Qualifying Tuition Expenses payment is outlined in Article III. Books, laptop or tablet computers, course supplies and other equipment or supplies will not be considered Qualifying Tuition Expenses.

Notwithstanding any of the foregoing, an expense is only a Qualifying Tuition Expense if it is approved by the Payment Administrator and the Company as being eligible for assistance under the Plan.

- 1.22 Regulation means the applicable regulations issued under the Code by the Internal Revenue Service or any other governmental agency with appropriate authority pursuant to any other applicable federal law, and any rules, notices or releases promulgated by any such authorities.
- 1.23 Sibling means offspring having one or both Parents in common with an Eligible Employee, whether biologically related, legally adopted by the Parent(s) in common with the Eligible Employee and/or a stepsibling (where designated by statute).
- 1.24 Spouse means a person recognized as married to the Eligible Employee by a state, possession, or territory of the United States in which the marriage is entered into, regardless of domicile. Where the marriage was entered into in a foreign jurisdiction, Spouse means a person recognized as married to the Eligible Employee if the relationship is recognized as marriage under the laws of at least one state, possession or territory of the United States, regardless of domicile.

## ARTICLE II: ELIGIBILITY AND PARTICIPATION

- 2.1 Eligibility and Enrollment: Each Eligible Employee shall automatically be enrolled in the Plan upon his or her Benefit Effective Date as follows:
  - (a) Crew, Cashier, Takeout Specialists and FOH & BOH Trainers – Benefit Effective Date is the day the Eligible Employee reaches 120 days of uninterrupted service based on their Continuous Service Date.
  - (b) Kitchen/Service Managers, AP-R & Staff – Benefit Effective Date is the date of hire or promotion into one of these named roles.
- 2.2 Enrollment in a course that qualifies under Qualifying Tuition Expense does not guarantee payment of Qualifying Tuition Expense. In order to receive Qualifying Tuition Expense payments, the following requirements must be met:



- (a) Hours Worked Requirement For any course within the Payment Administrator Program, work an average of not less than 15 hours per week (minimum of 257 total hours) within the 120 days prior to the Course Commencement Date. For all other eligible courses, work an average of not less than 15 hours per week (minimum of 257 total hours) within the 120 days prior to the Course Completion Date.
- (b) Eligible Employee and Benefit Effective Date Upon Course Commencement Must be an Eligible Employee and meet Benefit Effective Date requirements outlined in 2.1 as of the Course Commencement Date.
- (c) Active Employee Status Days Requirement For any course within the Payment Administrator Program, must have an Active Employee Status for a minimum of 106 days within the 120 days prior to the Qualifying Tuition Expense Course Commencement Date with the exception of a protected State, Federal, Medical or Military Leave of Absence. For all other eligible courses, number of days requirement stated above will be measured at the Course Completion Date. An Employee who goes on a protected State, Federal, Medical or Military Leave of Absence after the Course Commencement date must have at least one day worked in the 120 days prior to the Qualifying Tuition Expense Course Completion Date.
- (d) Performance Score Upon the Course Completion Date, if the Eligible Employee's most recent Employer-assigned performance evaluation score does not meet the following, subsequent courses may not be eligible for tuition assistance until the performance evaluation score below is met.
  - i. Crew, Cashier, Takeout Specialists and FOH & BOH Trainers achieve a score of "ME/3" or better.
  - ii. Kitchen/Service Managers achieve a score of a "ME" or better.
  - iii. AP-R & Staff achieve a 3 or better.
- (e) Termination of Employment Upon termination of employment, participation in the Plan will generally cease and no reimbursement of Qualifying Tuition Expenses shall occur. If, however, an Eligible Employee submits and is approved for payment of an Eligible Tuition Expense and then subsequently terminates prior to that payment processing, Company will still process the payment based on reasonable administrative processes.

### **ARTICLE III: FUNDING, BENEFIT SCHEDULE AND PAYMENT OF BENEFITS**

3.1 Funding Benefits under this Plan shall be funded out of the general assets of the Employer.

3.2 Schedule of Benefits and Payment of Benefits

- (a) For Qualifying Tuition Expenses Eligible Employees must submit a Tuition Assistance request through the Plan Administrator site (accessible through the Cultivate Me portal, <http://benefits.unburrritable.net>) in order to receive reimbursement. The request for reimbursement with all accurate and complete documentation must be received within 60 days of Course Completion Date, including:
  - i. Evidence of completion with a grade of 'C' or better (or equivalent to a passing grade) if enrolled in a course not in the Payment Administrator Program



- ii. A G.P.A. of 2.0 or better at Course Commencement date if enrolled in a school in the Payment Administrator Program.
  
- (b) For Non-Qualified Family Education Assistance Expenses Eligible Employees need to visit the Cultivate Me portal, <http://benefits.unburritable.net> to get a list of Company Designated Programs prior to enrolling. Payment requests for Non-Qualified Family Education Assistance Expenses will need to be submitted by the Eligible Employee via Workday Expense. Eligible Employees will need to submit the Proof of enrollment dated no less than 31 days after the Company Designated Program start date, proof of payment and "Proof of Family Relationship Form".
  
- (c) If an Eligible Employee separates employment with the Employer, for any reason, within six calendar months from the date of reimbursement of Qualifying Tuition Expense or Non-Qualified Family Education Assistance Expense, such reimbursed amount(s) is forfeited and must be repaid to the Employer. The Employer will deduct any amount due to the Employer from any paycheck(s) including but not limited to the Eligible Employee's final paycheck and/or request payment directly from the Eligible Employee. Eligible Employees seeking approval of any Qualifying Tuition Expense or Non-Qualified Family Education Assistance Expense may be required to sign an acknowledgment regarding the terms of repayment.
  
- (d) Maximum benefit per Eligible Employee per calendar year is the applicable limit set forth in Section 127(a)(2) of the Code (\$5,250 in 2019).
  - (i) For this purpose, courses will be considered as taken in the calendar year in which the reimbursement occurs.
  
  - (ii) The Company, along with the Plan Administrator, reserves the right to determine in their discretion, whether any expense falls within a Qualifying Tuition Expense or a Non-Qualified Family Education Assistance Expense.
  
  - (iii) Effective as of the 2020 calendar year, Eligible Employees will be eligible for a maximum reimbursement of \$2,625 per 6-month reimbursement window. Windows will extend from the end-of-year cut-off to middle of June cutoff date; and from the middle of June cut-off date to the end-of-year cut-off. Precise window dates will be communicated by the Payment Administrator on an annual basis. Reimbursement requests will be assigned to the window in which they are approved. While funds cannot be rolled across reimbursement window, students may choose to submit individual courses across multiple payment windows so long as they meet the reimbursement requirements detailed above.

### 3.3 Debt-Free Degrees

- (a) Beginning as of the 2020 calendar year, Company will further enhance its Educational Assistance plan to provide Debt-Free degrees to Eligible Employees offered through the Payment Administrator.
  
- (b) Based on an Eligible Employee's academic history, the Eligible Employee may be required to complete college preparatory courses (as part of the Payment Administrator's College Start



program) as prerequisites, prior to full admission to a debt-free degree program. These courses will be administered through the Payment Administrator and can often be transferred for college credit. In these cases, Company will cover the full cost of the college preparatory courses until the Eligible Employee is ready to enroll in a degree program.

- (c) Eligible Employee must maintain a cumulative GPA of 2.0 or better for any completed coursework in the select college degree programs. An Eligible Employee's GPA will be checked on the first day of each course. This requirement is not relevant if an Eligible Employee has not pursued any coursework for the intended program previously. Failure to do so will result in loss of eligibility until the Eligible Employee is able to improve their GPA to 2.0 or better.
- (d) If entering a program eligible for Federal Financial Aid, the Eligible Employee must complete a FAFSA form and complete the Financial Aid awarding process to determine grant and loan eligibility. This should occur prior to program enrollment and annually thereafter. If eligible for any Federal or State Grants, Eligible Employees are required to accept grant aid, and grants will be applied to tuition and mandatory fees prior to payment of benefits by Company.
- (e) Company will cover 100% of the tuition and mandatory fees (e.g., registration fees, technology fees, lab fees) for all Eligible Employees that are accepted into, enrolled in, and meet all eligibility criteria for the online degree programs available through Company's Debt Free Payment Administrator catalog. Under the Internal Revenue Code section 127, Company may provide up to \$5,250 per calendar year in educational assistance to each Eligible Employee tax-free for federal and most state income tax purposes. Education assistance (tuition) in excess of \$5,250 in a calendar year will be treated as taxable to the Eligible Employee for federal income tax purposes and in all states except for AL, PA, NJ and Puerto Rico. The full amount of education assistance for Eligible Employees residing in AL, PA, NJ and Puerto Rico is fully taxable for state or Puerto Rico income tax purposes. Company will pay federal and applicable state and Puerto Rico income tax on behalf of the Eligible Employee for taxable portions of education assistance. Eligible Employees should contact a tax advisor for additional information

#### **ARTICLE IV: ADMINISTRATION**

- 4.1 Plan Administrator The Plan Administrator shall be appointed by the Company. In the absence of such appointment, the Plan Administrator is the Company.
- 4.2 Authority The Plan Administrator shall have authority to control and manage the administration of this Plan, and to delegate such authority as permitted by the Plan, subject to any procedure duly adopted by the Company.
- 4.3 Rights and Duties The Plan Administrator shall administer the Plan and shall have the power, duty and discretionary authority to take all action, and to make all decisions necessary or proper to carry out the Plan, and to interpret the provisions of the Plan. The determination of the Plan Administrator as to any questions involving the general administration and interpretation of the Plan shall be conclusive as to all parties thereto. Any discretionary actions to be taken under the Plan by the Plan Administrator with respect to the classification of employees, or with respect to benefits and reimbursements on behalf of employees, shall be uniform in their nature and applicable to all persons similarly situated and shall not



discriminate in favor of officers, shareholders or other highly compensated individuals. Without limiting the generality of the foregoing, the Plan Administrator shall have the following powers and duties:

- (a) To require any person to furnish such information as it may reasonably request for the purpose of the proper administration of the Plan as a condition of receiving any benefit under the plan;
- (b) To make and enforce such rules and Regulations and prescribe the use of such forms as it shall deem necessary for the administration of the Plan;
- (c) To interpret the Plan and to resolve ambiguities, inconsistencies, and omissions;
- (d) To decide on questions concerning the Plan and the eligibility of any employee to participate therein;
- (e) To determine the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan;
- (f) To select and/or hire advisors and appoint qualified parties to handle the day to day administrative requirements of the Plan; and
- (g) To direct all payments to be made pursuant to the Plan.

4.4 Reliance on Advisors The Plan Administrator, any person to whom he may delegate any duty or power in connection with administering this Plan, and the Company and the officers, directors, and employees thereof, shall be entitled to rely conclusively upon, and shall be fully protected in action taken or suffered by him in good faith in reliance upon any actuary, accountant, counsel, specialist, or other person selected by the Plan Administrator. No Plan Administrator, nor an Employer, nor the Company, nor the officers, nor directors thereof, shall be liable for any neglect, omission or wrongdoing of an advisor.

4.5 Fiduciary Responsibilities The Plan Administrator shall use ordinary care and reasonable diligence in the performance of his duties hereunder, but shall not be personally liable by virtue of any contract, agreement, bond, or other instrument made or executed by him or on his behalf, unless resulting from personal willful misconduct or lack of good faith, or for any act or failure to act, or for any mistake of judgment; and no Plan Administrator shall be liable for the neglect, omission, or wrong doing of any officer, actuary, or counsel of the Plan Administrator or any person to whom any authority, powers or duties have been delegated by the Plan Administrator. The Company shall indemnify and hold harmless the Plan Administrator, his heirs, executors, beneficiaries, and assigns from any liability, expenses or damages of any kind, arising out of any action or failure to act, whether or not such person was nor continued to be a Plan Administrator at the time such claim, suit, or cause of action occurred or was filed except when the same is judicially and finally determined to be due to the gross or willful misconduct of such person.

4.6 Administration Expenses All expenses that shall arise in connection with the administration of the Plan, including but not limited to administrative expenses, and compensation and other expenses and charges of any accountant, counsel, specialist, or other person who shall be employed by the Plan Administrator in connection with the administration thereof, shall be paid by the Company.

4.7 Delegation The Plan Administrator may authorize any agent to make any payment on his behalf, or to execute or deliver any instrument and/or to handle the day-to-day general administration of the Plan.





- 4.8 Right to Recover Payments Whenever a payment has been made by the Plan, including erroneous payments, in a total amount in excess of the amount payable under the Plan, irrespective of to whom paid, the Plan shall have the right to recover such payments, to the extent of the excess, from the person to or for whom the payment was made.
- 4.9 Forfeiture The Plan Administrator shall take reasonable steps to ascertain the whereabouts of a claimant so as to affect delivery of benefits payable under the Plan. If a claimant has not collected benefits payable to him or her within 15 months from the date the claim was filed, the Plan Administrator may deem the claimant's right to such benefit waived. Upon such waiver, the Plan shall have no liability for payment of the benefit otherwise payable.

#### **ARTICLE V: AMENDMENT AND TERMINATION**

- 5.1 Termination Procedure The Employer may terminate its participation in the Plan by giving the Plan Administrator prior written notice specifying a termination date which shall be the last day of a month at least sixty (60) days subsequent to the date such notice is received by the Plan Administrator.
- 5.2 Amendment by the Company The Company reserves the right at any time to amend, suspend, or terminate the Plan, in whole or in part, and for any reason, and to adopt any amendment or modification thereto, employee or other person.
- 5.3 Termination of the Plan Upon termination of the Plan, the Plan Administrator shall direct the payment or provision for the payment of benefits to each Eligible Employee who has completed the requirements for a benefit under the Plan as of the date of the Plan termination.

#### **ARTICLE VI: GENERAL PROVISIONS**

- 6.1 Employment Rights Nothing contained in the Plan shall give any employee the right to be retained in the employment of the Employer or affect the right of any such Employer to dismiss any employee at any time and for any reason. The adoption and maintenance of the Plan shall not constitute a contract between the Employer and any employee or consideration for, or an inducement to, or condition of the employment of any person.
- 6.2 Physical or Other Disability If the Plan Administrator shall find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died then any payment due him or his estate (unless a prior claim therefore has been made by a duly appointed legal representative) may, if the Plan Administrator so elects, be paid to his spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Plan Administrator to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Company, the Plan Administrator and the Plan.
- 6.3 Transmittal of Notices All notices, statements, reports, and other communications from the Plan Administrator to any employee or other person required or permitted under the Plan shall be deemed to have been duly given when delivered electronically, or when mailed by first-class mail, postage prepaid and addressed to such Eligible Employee or other person at the mailing address last appearing on the records of the Plan Administrator.
- 6.4 Rules of Construction Whenever used in the Plan, the masculine gender shall include the feminine, and the singular shall include the plural.



6.5 Controlling Law This Plan and all rights thereunder shall be governed by and construed in accordance with the laws of the State of California and all applicable Federal laws and Regulations.

6.6 Text Prevails Over Captions The headings and subheadings of the Articles and sections of the Plan are included herein solely for the convenience of reference, and if there is any conflict between such headings and subdivisions and the text of this Plan, the text shall control.

6.7 Successors and Assigns This plan shall inure to the benefit of, and be binding upon, the parties hereto and their successors and assigns.

IN WITNESS HEREOF, Chipotle Mexican Grill, Inc. has caused this instrument to be executed by its duly authorized officers this 17 day of October, 2019.

#### APPENDIX A

##### PARTICIPATING EMPLOYERS

PL Restaurant Holdings, LLC

Chipotle Mexican Grill of Colorado, LLC

Chipotle Mexican Grill US Finance CO, LLC

CMGGC, LLC

CMG Strategy Co, LLC

CMG Pepper, LLC

Chipotle Services, LLC

CMG Concessions LLC