

# **NOODLES & COMPANY**

## **PRINCIPLES OF CORPORATE GOVERNANCE**

The Board of Directors of Noodles & Company (the “Company”) has adopted the corporate governance principles set forth below (the “Principles”) as a framework for the governance of the Company. The Nominating and Corporate Governance Committee reviews the Principles annually and recommends changes to the Board of Directors as appropriate.

### **1. Role and Composition of the Board of Directors**

#### **Role of the Board**

The Board of Directors, which is elected by the Company’s stockholders, oversees the management of the Company and its business. The Board selects the CEO, who is responsible for operating the Company’s business, and monitors the performance of the CEO and the senior management team. Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- Reviewing the Company’s strategies and monitoring their implementation and results;
- Assessing the performance of the Chief Executive Officer (the “CEO”) and other senior management and setting their compensation;
- Planning for CEO and senior management succession and overseeing senior management development;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Nominating the Company’s director candidates and appointing committee members;
- Providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions.
- Monitoring diversity across all levels of the company, including the Board, to track progress towards a representation that reflects the diversity of the Company’s guests and the communities served.
- Considering the needs and interests of all stakeholders — including our team members, guests, and the communities we serve as well as our

shareholders, vendors and franchise partners. These considerations are consistent with our values, mission and culture, and we believe they serve to increase the overall value of our brand and our business.

### **Size, Composition and Membership Criteria**

The Board determines the appropriate size of the Board from time to time, within the range of five to eleven directors specified in the Company's Bylaws. A majority of the Board is made up of independent directors. An "independent" director is a director who meets the NASDAQ Stock Market LLC definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. In addition, the Nominating and Corporate Governance Committee is responsible for establishing processes and procedures for the selection and nomination of directors, and for developing and recommending to the Board factors to be considered in selecting Board nominees and periodically reviewing these factors.

The Nominating and Corporate Governance Committee reviews the qualifications of director candidates and incumbent directors in light of criteria approved by the Board. The Committee recommends the Company's candidates to the Board for interim approval and for election by the Company's stockholders at the annual meeting. The Committee also considers director candidates recommended by Company stockholders in accordance with the procedures set forth in the proxy statement.

We consider the following criteria when selecting candidates for the Board:

- Honesty, integrity, transparency, and a commitment to doing what's best for our shareholders, team members, guests and the communities we serve.
- Curiosity, intellectual rigor, and independent thinking to help inform the right decisions.
- A history of professional accomplishment coupled with knowledge and experiences that will inform and enhance the Board's deliberations.
- Commitment to our brand, business, shareholders, and stakeholders, and a willingness and ability to dedicate time and energy
- Diversity of backgrounds, skills, experiences, and characteristics that help us to reflect the diversity of the Company's shareholders, team members, guests and the communities we serve.

## **Board Leadership**

The Board believes that it is in the best interests of the Company for the Board periodically to evaluate and make a determination regarding whether to separate the roles of Chairman and CEO based upon the circumstances.

Currently, the roles of Chairman and CEO are separate. The Board believes that presently it is in the best interests of the Company for the Company to have an Independent Chairman. The Chairman presides at meetings of the Board and stockholders, facilitates communication between the Board and the Company's management, assists the Chief Executive Officer in formulating long-term strategy, coordinates agendas and schedules for Board meetings, information flow to the Board, and other matters pertinent to the Company and the Board, and is available for consultation and communication with major stockholders as appropriate.

## **Change in Principal Occupation**

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must inform the Nominating and Corporate Governance Committee.

## **Service on Other Boards**

2. Directors must notify the Chairperson of the Nominating and Corporate Governance Committee, the General Counsel of the Company as well as the Chairman of the Board in advance of accepting an invitation to serve on the board of another organization to allow for a conflict review.

## **3. Functioning of the Board Agendas**

The Chairman of the Board establishes the agenda for each Board meeting in consultation with the Chief Executive Officer. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

## **Distribution and Review of Board Materials**

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

## **Meetings**

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

### **Executive Sessions**

The independent directors meet in executive session without management present at every regular Board meeting. The Independent Chairman of the Board presides at executive sessions of the independent directors.

### **Strategic Planning**

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

### **Confidentiality**

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

### **Attendance at Annual Meeting of Stockholders**

Directors are expected to attend the annual meeting of stockholders absent unusual circumstances.

## **4. Structure and Functioning of Committees**

### **Number, Structure and Independence of Committees**

The Board has three standing committees: Audit, Nominating and Corporate Governance and Compensation.

The Audit, Nominating and Corporate Governance and Compensation Committees consist solely of independent directors. In addition, directors who serve on the Audit Committee and the Compensation Committee must meet additional, heightened independence criteria applicable to directors serving on these committees under NASDAQ Stock Market LLC listing standards.

The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

### **Assignment of Committee Members**

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Nominating and Corporate Governance Committee and appointed by the full Board.

## **Responsibilities**

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

## **Meetings and Agendas**

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

## **5. Director Access to Management, Employees and Advisors**

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating and Corporate Governance and Compensation Committees has similar authority to retain outside advisors as it determines appropriate to assist it in the performance of its functions.

## **6. Director Compensation**

The Compensation Committee annually reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee. Management directors do not receive compensation for service on the Board.

## **7. Succession Planning**

The Nominating and Corporate Governance Committee is responsible for oversight of succession planning for certain senior management positions. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO or another member of senior management unexpectedly become unable to perform the duties of their positions.

## **8. Formal Evaluation of the CEO**

The Compensation Committee is responsible for evaluating the CEO's performance against annual and long-term performance goals and setting the CEO's compensation. Both the goals and the evaluation are submitted for consideration by the independent directors meeting in

executive session. The results of the evaluation are shared with the CEO and used by the Compensation Committee in setting the CEO's compensation.

## **9. Director Orientation and Continuing Education**

The Company has an orientation process for Board members that is designed to familiarize new directors with various aspects of the Company's business, including the Company's strategy, operations, finances, risk management processes, compliance program and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

## **10. Board and Committee Performance Evaluations**

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating and Corporate Governance and Compensation Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the re-nomination process. In addition, each director annually evaluates his or her performance as a director.

The Nominating and Corporate Governance Committee is responsible for developing, administering, and overseeing processes for conducting evaluations.

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