

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 3, 2017

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-35987

NOODLES & COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

84-1303469

(I.R.S. Employer Identification No.)

520 Zang Street, Suite D

Broomfield, CO

(Address of principal executive offices)

80021

(Zip Code)

(720) 214-1900

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 6, 2017
Class A Common Stock, \$0.01 par value per share	39,596,738 shares
Class B Common Stock, \$0.01 par value per share	1,522,098 shares

TABLE OF CONTENTS

	Page
PART I	
Item 1. Financial Statements (unaudited)	2
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statements of Operations	3
Condensed Consolidated Statements of Comprehensive Income (Loss)	4
Condensed Consolidated Statements of Cash Flows	5
Notes to Condensed Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3. Quantitative and Qualitative Disclosures About Market Risk	25
Item 4. Controls and Procedures	26
PART II	
Item 1. Legal Proceedings	27
Item 1A. Risk Factors	27
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 3. Defaults Upon Senior Securities	28
Item 4. Mine Safety Disclosures	28
Item 5. Other Information	28
Item 6. Exhibits	29
SIGNATURES	30

PART I

Item 1. Financial Statements

Noodles & Company
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	October 3, 2017	January 3, 2017
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,088	\$ 1,837
Accounts receivable	2,268	5,438
Inventories	9,965	11,285
Prepaid expenses and other assets	7,338	6,972
Income tax receivable	98	256
Total current assets	21,757	25,788
Property and equipment, net	155,210	173,533
Goodwill	6,400	6,400
Intangibles, net	1,586	1,715
Other assets, net	2,120	2,025
Total long-term assets	165,316	183,673
Total assets	\$ 187,073	\$ 209,461
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 9,718	\$ 10,601
Accrued payroll and benefits	7,607	10,723
Accrued expenses and other current liabilities	21,090	27,709
Total current liabilities	38,415	49,033
Long-term debt, net	63,861	84,676
Deferred rent	38,792	44,929
Deferred tax liabilities, net	665	435
Other long-term liabilities	9,444	4,570
Total liabilities	151,177	183,643
Convertible Series A preferred stock—\$0.01 par value, 50,000 shares authorized and designated as of October 3, 2017; zero shares issued and outstanding as of October 3, 2017 and zero shares designated, issued or outstanding as of January 3, 2017	—	—
Stockholders' equity:		
Preferred stock—\$0.01 par value, 950,000 shares authorized and undesignated as of October 3, 2017 and 1,000,000 shares authorized and undesignated as of January 3, 2017; zero shares issued and outstanding as of October 3, 2017 and January 3, 2017	—	—
Common stock—\$0.01 par value, authorized 180,000,000 shares as of October 3, 2017 and January 3, 2017; 43,542,707 issued and 41,118,836 outstanding as of October 3, 2017 and 30,300,925 issued and 27,877,054 outstanding as of January 3, 2017	435	303
Treasury stock, at cost, 2,423,871 shares as of October 3, 2017 and January 3, 2017	(35,000)	(35,000)
Additional paid-in capital	171,233	124,272
Accumulated other comprehensive loss	(71)	(51)
Accumulated deficit	(100,701)	(63,706)
Total stockholders' equity	35,896	25,818
Total liabilities and stockholders' equity	\$ 187,073	\$ 209,461

See accompanying notes to condensed consolidated financial statements.

Noodles & Company
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data, unaudited)

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Revenue:				
Restaurant revenue	\$ 113,020	\$ 121,442	\$ 340,175	\$ 354,511
Franchising royalties and fees	1,191	1,239	3,543	3,563
Total revenue	114,211	122,681	343,718	358,074
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	29,955	33,112	91,640	95,465
Labor	36,897	40,973	112,921	117,723
Occupancy	12,709	13,792	39,340	40,794
Other restaurant operating costs	15,811	18,470	49,152	53,958
General and administrative	9,807	15,251	29,866	35,128
Depreciation and amortization	6,183	7,006	18,729	20,983
Pre-opening	69	856	860	2,689
Restaurant impairments, closure costs and asset disposals	10,263	2,283	35,147	14,547
Total costs and expenses	121,694	131,743	377,655	381,287
Loss from operations	(7,483)	(9,062)	(33,937)	(23,213)
Interest expense, net	893	738	2,828	1,964
Loss before income taxes	(8,376)	(9,800)	(36,765)	(25,177)
(Benefit) provision for income taxes	(41)	41	230	1,124
Net loss	(8,335)	(9,841)	(36,995)	(26,301)
Accretion of preferred stock to redemption value	—	—	(7,967)	—
Net loss attributable to common stockholders	\$ (8,335)	\$ (9,841)	\$ (44,962)	\$ (26,301)
Loss per share of Class A and Class B common stock, combined:				
Basic	\$ (0.20)	\$ (0.35)	\$ (1.23)	\$ (0.95)
Diluted	\$ (0.20)	\$ (0.35)	\$ (1.23)	\$ (0.95)
Weighted average shares of Class A and Class B common stock outstanding, combined:				
Basic	41,109,827	27,802,020	36,639,382	27,786,827
Diluted	41,109,827	27,802,020	36,639,382	27,786,827

See accompanying notes to condensed consolidated financial statements.

Noodles & Company
Condensed Consolidated Statements of Comprehensive Income (Loss)
(in thousands, unaudited)

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Net loss	\$ (8,335)	\$ (9,841)	\$ (36,995)	\$ (26,301)
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(11)	(24)	(20)	(103)
Other comprehensive loss	(11)	(24)	(20)	(103)
Comprehensive loss	\$ (8,346)	\$ (9,865)	\$ (37,015)	\$ (26,404)

See accompanying notes to condensed consolidated financial statements.

Noodles & Company
Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016
Operating activities		
Net loss	\$ (36,995)	\$ (26,301)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	18,729	20,983
Deferred income taxes	230	1,124
Restaurant impairments, closure costs and asset disposals	28,867	12,903
Amortization of debt issuance costs	288	91
Stock-based compensation	1,193	2,021
Gain on insurance proceeds received for property damage	—	(416)
Changes in operating assets and liabilities:		
Accounts receivable	3,142	194
Inventories	(358)	(717)
Prepaid expenses and other assets	(460)	(1,315)
Accounts payable	(1,093)	(3,182)
Deferred rent	1,517	4,480
Income taxes	158	121
Accrued expenses and other liabilities	(22,147)	6,078
Net cash (used in) provided by operating activities	(6,929)	16,064
Investing activities		
Purchases of property and equipment	(17,468)	(33,784)
Insurance proceeds received for property damage	—	500
Net cash used in investing activities	(17,468)	(33,284)
Financing activities		
Net borrowings from swing line loan	6,042	2,365
Proceeds from issuance of long-term debt	10,532	14,900
Payments on long-term debt	(37,015)	(1,000)
Issuance of preferred stock and common stock warrants, net of transaction expenses (see Note 9)	16,589	—
Issuance of common stock, net of transaction expenses (see Note 9)	29,110	—
Proceeds from exercise of stock options and employee stock purchase plan	56	1,065
Debt issuance costs	(662)	(98)
Net cash provided by financing activities	24,652	17,232
Effect of exchange rate changes on cash	(4)	42
Net increase in cash and cash equivalents	251	54
Cash and cash equivalents		
Beginning of period	1,837	1,912
End of period	\$ 2,088	\$ 1,966

See accompanying notes to condensed consolidated financial statements.

NOODLES & COMPANY
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Business Summary and Basis of Presentation

Business

Noodles & Company (the “Company”), a Delaware corporation, develops and operates fast casual restaurants that serve globally inspired noodle and pasta dishes, soups, salads and appetizers. As of October 3, 2017, the Company had 413 company-owned restaurants and 66 franchise restaurants in 29 states and the District of Columbia. The Company operates its business as one operating and reportable segment.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Noodles & Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The accompanying interim unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America (“GAAP”) for complete financial statements. In the opinion of the Company, all adjustments considered necessary for the fair presentation of the Company’s results of operations, financial position and cash flows for the periods presented have been included and are of a normal, recurring nature. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The results of operations for any interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in the Company’s annual consolidated financial statements on Form 10-K have been condensed or omitted. The condensed consolidated balance sheet as of January 3, 2017 was derived from audited financial statements. These financial statements should be read in conjunction with the audited financial statements and the related notes included in the Company’s Annual Report on Form 10-K for the fiscal year ended January 3, 2017.

Fiscal Year

The Company operates on a 52- or 53-week fiscal year ending on the Tuesday closest to December 31. Fiscal year 2017, which ends on January 2, 2018, contains 52 weeks, and fiscal year 2016, which ended on January 3, 2017, contained 53 weeks. The Company’s fiscal quarters each contain 13 operating weeks, with the exception of the fourth quarter of a 53-week fiscal year, which contains 14 operating weeks. The Company’s fiscal quarter that ended October 3, 2017 is referred to as the third quarter of 2017, and the fiscal quarter ended September 27, 2016 is referred to as the third quarter of 2016.

Reclassification

As of January 3, 2017, the Company changed its presentation on the Condensed Consolidated Statements of Cash Flows of borrowings and repayments from its swing line loan to a net basis. Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation, which had no impact on the net change in cash and cash equivalents or the amount of net cash provided by financing activities for the applicable prior period presented. This reclassification had no effect on reported net loss.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606),” which supersedes the revenue recognition requirements in Accounting Standards Codification (“ASC”) 605, “Revenue Recognition.” This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of the new revenue standard by one year, and would allow entities the option to early adopt the new revenue standard as of the original effective date. There have been multiple standards updates amending this guidance or providing corrections or improvements on issues in the guidance. The Company plans to adopt the new standards using the modified retrospective approach for the fiscal year and quarter beginning January 3, 2018. The Company does not expect the adoption to have an impact on its recognition of revenue from restaurant operations of company-owned restaurants or its recognition of continuing royalty fees from franchisees. The adoption of the new standard will impact

the Company's recognition of revenue from initial fees charged to franchisees. Currently, the Company recognizes revenue from initial franchise fees when it has performed all of its material obligations and initial services, which is generally upon the opening of a franchised restaurant. Upon the adoption of Topic 606, the Company will recognize the revenue related to initial franchise fees over the term of the related franchise agreement, which is generally 20 years. The Company is currently quantifying the impact of adopting this standard and evaluating the impact the adoption of this accounting standard will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases." The pronouncement amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheet and making targeted changes to lessor accounting. This pronouncement will be effective for interim and annual periods beginning after December 15, 2018 (the Company's first quarter of fiscal 2019), with early adoption permitted. The new lease standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company believes the adoption of ASU No. 2016-02 will have a significant impact on its consolidated balance sheets by significantly increasing its non-current assets and non-current liabilities in order to record the right of use assets and related lease liabilities for its existing operating leases. The Company is currently evaluating the impact the adoption of this accounting standard will have on its results of operations and cash flows and related disclosures.

In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory." ASU 2016-16 provides guidance on the income tax consequences of an intra-entity transfer of an asset other than inventory. The guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted for any entity as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. The Company does not believe the adoption of this standard will materially impact the Company's financial position or results of operations and cash flows.

2. Supplemental Financial Information

Property and equipment, net, consists of the following (in thousands):

	October 3, 2017	January 3, 2017
Leasehold improvements	\$ 200,249	\$ 205,687
Furniture, fixtures and equipment	117,941	120,248
Construction in progress	3,969	8,044
	322,159	333,979
Accumulated depreciation and amortization	(166,949)	(160,446)
	<u>\$ 155,210</u>	<u>\$ 173,533</u>

Accrued expenses and other current liabilities consist of the following (in thousands):

	October 3, 2017	January 3, 2017
Gift card liability	\$ 2,768	\$ 3,857
Occupancy related	4,505	2,069
Utilities	1,580	1,753
Data breach liabilities	7,605	11,622
Legal settlement	—	3,000
Other accrued expenses	4,632	5,408
	<u>\$ 21,090</u>	<u>\$ 27,709</u>

3. Long-Term Debt

The Company has a credit facility consisting of a revolving line of credit of \$100.0 million, expiring in June 2020. As of October 3, 2017, the Company had \$65.0 million of indebtedness and \$3.0 million of letters of credit outstanding under the revolving line of credit. The Company's ability to borrow funds pursuant to the revolving line of credit is further limited by the requirement that it comply with the revolving line of credit's financial covenants upon the measurement dates specified therein. These financial covenants include a maximum lease-adjusted leverage ratio and a minimum consolidated fixed charge coverage ratio. The credit agreement also contains other customary covenants, including limitations on additional borrowings, acquisitions, dividend payments and lease commitments.

Subsequent to the three quarters ended October 3, 2017, the Company entered into an amendment to its credit facility on November 8, 2017. Among other things, the amendment (i) increases the lease adjusted leverage ratios and decreases the fixed charge coverage ratios, (ii) increases the interest rate margin applicable to the total lease adjusted leverage levels at and above 3.75:1.00, (iii) adds mandatory prepayments of \$2.5 million per quarter beginning with the fourth quarter of 2017, (iv) provides for a maturity date of June 4, 2019, (v) modifies the capital expenditure covenant so that it applies to the capital expenditures and not only growth capital expenditures and permits total capital expenditures of up to \$22.0 million in 2017 and \$10.0 million per year thereafter, and (vi) makes certain other changes. Borrowings under the agreement as amended bear interest, at the Company's option, at either (i) LIBOR plus 2.50% to 3.75%, based on the lease-adjusted leverage ratio or (ii) the highest of the following rates plus 1.50% to 2.75%: (a) the federal funds rate plus 0.50%; (b) the Bank of America prime rate or (c) the one month LIBOR plus 1.00%. The credit facility includes a commitment fee of 0.35% to 0.55%, based on the lease-adjusted leverage ratio, per year on any unused portion of the credit facility.

The credit facility bore interest between 3.77% and 6.50% during the first three quarters of 2017. The Company also maintains outstanding letters of credit to secure obligations under its workers' compensation program and certain lease obligations. The Company was in compliance with all of its debt covenants as of October 3, 2017.

4. Fair Value Measurements

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and all other current liabilities approximate their fair values due to their short-term nature. The carrying amounts of borrowings under the credit facility approximate fair value as the line of credit and term borrowings vary with market interest rates and negotiated terms and conditions are consistent with current market rates. The fair value of the Company's line of credit borrowings is measured using Level 2 inputs.

Adjustments to the fair value of non-financial assets measured at fair value on a non-recurring basis as of October 3, 2017 and September 27, 2016 are discussed in Note 7, Restaurant Impairments, Closure Costs and Asset Disposals.

5. Income Taxes

The following table presents the Company's (benefit) provision for income taxes (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
(Benefit) provision for income taxes	\$ (41)	\$ 41	\$ 230	\$ 1,124
Effective tax rate	0.5%	(0.4)%	(0.6)%	(4.5)%

During the first quarter of 2016, the Company recorded a valuation allowance against Canadian deferred tax assets. During the second quarter of 2016, the Company determined that it was appropriate to record a valuation allowance against U.S. deferred tax assets. As a result, the effective tax rates for all periods presented reflect the impact of a valuation allowance against U.S. and Canadian deferred tax assets. For the remainder of fiscal 2017, the Company does not anticipate material income tax expense or benefit as a result of the valuation allowance recorded. The Company will maintain the valuation allowance against deferred tax assets until there is sufficient evidence to support a full or partial reversal. The reversal of a previously recorded valuation allowance will generally result in a benefit to the effective tax rate.

6. Stock-Based Compensation

The Company's Stock Incentive Plan, as amended and restated in May of 2013, authorizes the grant of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs") and incentive bonuses to employees, officers, nonemployee directors and other service providers. The number of shares of common stock available for issuance pursuant to awards granted under the Stock Incentive Plan on or after the Company's initial public offering shall not exceed 3,750,500 shares.

The following table shows total stock-based compensation expense (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Stock-based compensation expense	\$ 248	\$ 1,172	\$ 1,193	\$ 2,021
Capitalized stock-based compensation expense	\$ 44	\$ 47	\$ 145	\$ 171

Included in stock-based compensation expense in the third quarter of 2016 and in the first three quarters of 2016 is a \$0.7 million charge for modifying the outstanding stock options for Kevin Reddy, who resigned from his positions as the Chairman of the Board and Chief Executive Officer of the Company in July 2016. In connection with Mr. Reddy's departure from the Company, the Company extended the exercise period of Mr. Reddy's vested options and, as a result, he had the right to exercise his vested options to purchase the Company's Class A common stock through October 23, 2017. These vested options expired unexercised.

7. Restaurant Impairments, Closure Costs and Asset Disposals

The following table presents restaurant impairments, closure costs and asset disposals (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Restaurant impairments ⁽¹⁾	\$ 9,080	\$ 79	\$ 15,053	\$ 10,620
Closure costs ⁽¹⁾	779	642	19,194	1,729
Loss on disposal of assets and other ⁽²⁾	404	1,562	900	2,198
	<u>\$ 10,263</u>	<u>\$ 2,283</u>	<u>\$ 35,147</u>	<u>\$ 14,547</u>

(1) Restaurant impairments and closure costs in all periods presented above include amounts related to restaurants previously impaired or closed.

(2) Included in loss on disposal of assets and other for both the third quarter of 2016 and first three quarters of 2016 is a \$1.1 million charge to reduce capitalized labor and overhead as a result of the reduced growth for new restaurant development. Additionally, the third quarter of 2016 and the first three quarters of 2016 include a \$0.4 million gain from insurance proceeds received for property damage in excess of the loss recognized.

During the third quarter of 2017, 18 restaurants were identified as impaired, compared to no restaurant impairments during the third quarter of 2016. During the first three quarters of 2017, 31 restaurants were identified as impaired, compared to 12 restaurants impaired during the first three quarters of 2016. Impairment is based on management's current assessment of the expected future cash flows of a restaurant based on recent results and other specific market factors. Impairment expense is a Level 3 fair value measure and was determined by comparing the carrying value of restaurant assets to the estimated fair market value of the restaurant assets at resale value.

The closure costs of \$0.8 million recognized during the third quarter of 2017 and \$19.2 million during the first three quarters of 2017 are related to the 55 restaurants closed during the first quarter of 2017, as well as ongoing costs of restaurants closed in the fourth quarter of 2015. Additionally, the \$19.2 million of closure costs recognized during the first three quarters of 2017 is net of a gain of \$3.6 million which was primarily due to adjustments to the liabilities to landlords as lease terminations occurred for 27 of the 55 restaurants closed during the first quarter of 2017. The closure costs of \$0.6 million recognized during the third quarter of 2016 and \$1.7 million during the first three quarters of 2016 are related to the ongoing costs of restaurants closed in the fourth quarter of 2015. These expenses are included in the "Restaurant impairments, closure costs and asset disposals" line in the Condensed Consolidated Statements of Operations.

8. Earnings (Loss) Per Share

Basic earnings per share ("EPS") is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during each period. Diluted EPS is calculated using net income (loss)

available to common stockholders divided by diluted weighted-average shares of common stock outstanding during each period. Potentially dilutive securities include shares of common stock underlying stock options, warrants and restricted common stock. Diluted EPS considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect.

The following table sets forth the computations of basic and diluted EPS (in thousands, except share and per share data):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Net loss attributable to common stockholders	\$ (8,335)	\$ (9,841)	\$ (44,962)	\$ (26,301)
Shares:				
Basic weighted average shares outstanding	41,109,827	27,802,020	36,639,382	27,786,827
Effect of dilutive securities	—	—	—	—
Diluted weighted average shares outstanding	41,109,827	27,802,020	36,639,382	27,786,827
Loss per share:				
Basic loss per share	\$ (0.20)	\$ (0.35)	\$ (1.23)	\$ (0.95)
Diluted loss per share	\$ (0.20)	\$ (0.35)	\$ (1.23)	\$ (0.95)

The Company computes the effect of dilutive securities using the treasury stock method and average market prices during the period. Potential common shares are excluded from the computation of diluted earnings (loss) per share when the effect would be anti-dilutive. All potential common shares are anti-dilutive in periods of net loss. The number of shares issuable on the vesting or exercise of share based awards or exercise of outstanding warrants excluded from the calculation of diluted loss per share because the effect of their inclusion would have been anti-dilutive totaled 4,575,537 and 2,813,079 for the third quarters of 2017 and 2016, respectively, and totaled 7,031,639 and 1,494,700 for first three quarters of 2017 and 2016, respectively.

9. Stockholders' Equity

Securities Purchase Agreement with L Catterton

On February 8, 2017, the Company entered into a securities purchase agreement with L Catterton, pursuant to which the Company agreed, in return for aggregate gross proceeds of \$18.5 million, to sell to L Catterton an aggregate of 18,500 shares of preferred stock convertible into 4,252,873 shares of the Company's Class A common stock, par value \$0.01 per share, at a price per share of \$1,000, plus warrants exercisable for five years beginning six months following their issuance for the purchase of 1,913,793 shares of the Company's Class A common stock, at a price per share of \$4.35 (such transactions, collectively, the "private placement"). The proceeds have been, and will continue to be used, in conjunction with cash flow from the Company's operations and the proceeds received from the transaction with Mill Road (see below), to satisfy existing and anticipated liabilities and to fund, in part, certain capital expenditures related to business initiatives in its company-owned restaurants. Any remaining proceeds are expected to be used for general corporate purposes. The funding of the private placement occurred on February 9, 2017 and the net proceeds from the transaction were \$16.6 million, after \$1.9 million of transaction expenses.

The Company determined that the preferred stock was more akin to an equity security than debt primarily because the preferred stock was contingently redeemable upon the occurrence of an event that was outside of the Company's control. The proceeds were allocated between the three features of the private placement: the warrants, the embedded beneficial conversion feature in the preferred stock, and the preferred stock itself. The fair values of the warrants of \$3.1 million and the embedded beneficial conversion feature of \$3.1 million were recorded as a discount against the stated value of the preferred stock on the date of issuance. The fair value of the warrants was estimated using a Black-Scholes option pricing model which is a Level 2 estimate of fair value. This discount is amortized, using the interest method, and treated as a deemed dividend through the date of conversion, which results in the accretion of the preferred stock to its full redemption value.

On April 5, 2017, the Company delivered a notice to L Catterton of its election to exercise the conversion option with respect to the Series A Convertible Preferred Stock. The terms of the preferred stock provided that the Company could, at its option upon the satisfaction of certain conditions, cause all outstanding shares of preferred stock to be automatically converted into the Company's Class A common stock. The conversion of the preferred stock into 4,252,873 shares of the Company's Class A Common Stock occurred on April 12, 2017. After the conversion, no shares of preferred stock are outstanding.

At the conversion date, all unamortized discounts were recognized immediately as a deemed dividend, which increased the net loss attributable to common stockholders. The amortized discount was \$8.0 million for the three quarters ending October 3, 2017.

Securities Purchase Agreement with Mill Road Capital

On March 13, 2017, the Company entered into a securities purchase agreement with Mill Road Capital II, L.P. (“Mill Road”), pursuant to which the Company agreed, in return for aggregate gross proceeds of \$31.5 million, to issue to Mill Road an aggregate of 8,873,240 shares of its Class A common stock, par value \$0.01 per share, at a price per share of \$3.55, which was equal to the closing sale price for the Company’s Class A common stock on March 10, 2017. On April 3, 2017, such shares were issued and the funding of the private placement occurred. The net proceeds from the transaction were \$29.1 million during the first three quarters ended October 3, 2017, after \$2.4 million of transaction expenses.

10. Supplemental Disclosures to Condensed Consolidated Statements of Cash Flows

The following table presents the supplemental disclosures to the Condensed Consolidated Statements of Cash Flows for the three quarters ended October 3, 2017 and September 27, 2016 (in thousands):

	October 3, 2017	September 27, 2016
Interest paid (net of amounts capitalized)	\$ 3,028	\$ 1,983
Income taxes refunded	(158)	(121)
Changes in purchases of property and equipment accrued in accounts payable, net	(2,144)	(2,014)
Conversion of Series A convertible preferred stock to common stock	18,500	—

11. Commitments and ContingenciesData Security Incident*Overview*

On June 28, 2016, the Company announced that a data security incident compromised the security of the payment information of some customers who used debit or credit cards at certain Noodles & Company locations between January 31, 2016 and June 2, 2016. The malware involved in the incident has been removed, and the Company believes that it no longer poses a risk to credit or debit cards currently being used at affected locations. The Company continues to implement additional security procedures to further secure customers’ debit and credit card information.

Card Company Assessments

In the fourth quarter of 2016, the Company recorded a charge of \$10.6 million for estimated losses, at the low end of an estimated range, associated with claims and anticipated claims by payment card companies for non-ordinary course operating expenses, card issuer losses and card replacement costs for which it expects to be liable (the “Data Breach Liabilities”). However, the Company may ultimately be subject to Data Breach Liabilities that are up to \$5.5 million greater than that amount. The Company has used and intends to use a portion of the net proceeds of the private placement transactions entered into with L Catterton and Mill Road (both discussed in Note 9, Stockholders’ Equity) to fund the Data Breach Liabilities.

Data Security Litigation

In addition to claims by payment card companies with respect to the data security incident, the Company was a defendant in a purported class action lawsuit in the United States District Court for the District of Colorado (the “Court”), Selco Community Credit Union vs. Noodles & Company, alleging that the Company negligently failed to provide adequate security to protect the payment card information of customers of the plaintiffs and those of other similarly situated credit unions, banks and other financial institutions alleged to be part of the putative class, causing those institutions to suffer financial losses (the “Selco Litigation”). The complaint in the Selco Litigation also claimed the Company was negligent per se based on alleged violations of Section 5 of the Federal Trade Commission Act and sought monetary damages, injunctive relief and attorneys’ fees. On July 21, 2017, the Court granted a Motion to Dismiss in the Selco Litigation in favor of the Company. A notice of appeal of the dismissal was filed on August 15, 2017. Subsequent to the three quarters ended October 3, 2017, on November 2, 2017 a mediation was held and a settlement, which will be funded entirely by insurance proceeds, was reached, which will result in a dismissal of the appeal and a resolution of the Selco Litigation.

Fees and Costs

The Company has incurred fees and costs associated with this data security incident, including legal fees, investigative fees, other professional fees and costs of communications with customers. The Company expects to continue to incur significant fees and costs associated with the data security incident in future periods, consisting primarily of liabilities to a payment card company that are not covered by insurance for which the Company has already recorded a charge of \$10.6 million (see Note 2, Supplemental Financial Information).

Insurance Coverage

As discussed above, to limit its exposure to losses arising from matters such as the data security incident, the Company maintained at the time of the incident and continues to maintain data privacy liability insurance coverage. This coverage, and certain other customary business insurance coverage, has reduced the Company's exposure related to the data security incident.

General

It is possible that losses associated with the data security incident could have a material adverse effect on the Company's results of operations in future periods. The Company will continue to evaluate information as it becomes known and will record an estimate for additional losses at the time or times when it is probable that an additional loss, if any, will be incurred and the amount of any such loss is reasonably estimable.

Delaware Gift Card Litigation

As previously disclosed in prior reports filed with the SEC, the Company is named as a defendant in an action filed in the Superior Court of Delaware in New Castle County (the "Court"), entitled The State of Delaware, William French v. Card Compliant, LLC, et. al. The case was filed under seal in June 2013 and was unsealed on March 26, 2014. The complaint in this case alleges that a number of large retailers and restaurant companies, including the Company, knowingly refused to fulfill obligations under Delaware's Abandoned Property Law by failing to report and deliver "unclaimed gift card funds" to the State of Delaware, and knowingly made, used or caused to be made or used, false statements and records to conceal, avoid or decrease an obligation to pay or transmit money to Delaware in violation of the Delaware False Claims and Reporting Act. The complaint seeks an order that the Company cease and desist from violating the Delaware Abandoned Property Law, monetary damages (including treble damages under the False Claims and Reporting Act), penalties, and attorneys' fees and costs. On November 23, 2015, the Court ruled on a motion to dismiss the complaint. While the Court granted the motion to dismiss with respect to a claim alleging that the defendants intended to defraud the government or willfully concealed property owed to the government and for which a certificate or receipt was provided, it did not dismiss the other claims alleging that the defendants knowingly made false statements to avoid transmitting money to the government. The trial date with respect to this matter is set for May 21, 2018. The defendants have filed a motion for summary judgment in the case. A motion and supplemental motion for summary judgment have been filed on behalf of the Company. Oral argument on the motion for summary judgment is set for November 8, 2017. In 2015 the Company recorded a loss contingency accrual based on a reasonable estimate of the probable losses that might arise from this matter; this loss contingency accrual did not have a material effect on our results of operations. However, the Company may ultimately be subject to greater losses resulting from the litigation. The Company intends to continue to vigorously defend this action.

Other Matters

In the normal course of business, the Company is subject to other proceedings, lawsuits and claims. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, the Company is unable to ascertain the ultimate aggregate amount of monetary liability or financial impact with respect to these matters as of October 3, 2017. These matters could affect the operating results of any one financial reporting period when resolved in future periods. The Company believes that an unfavorable outcome with respect to these matters is remote or a potential range of loss is not material to its consolidated financial statements. Significant increases in the number of these claims, or one or more successful claims that result in greater liabilities than the Company currently anticipates, could materially and adversely affect its business, financial condition, results of operations or cash flows.

NOODLES & COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Noodles & Company is a Delaware corporation that was organized in 2002. Noodles & Company and its subsidiaries are sometimes referred to as "we," "us," "our" and the "Company" in this report. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for our fiscal year ended January 3, 2017. We operate on a 52- or 53-week fiscal year ending on the Tuesday closest to December 31. Our fiscal quarters each contain 13 operating weeks, with the exception of the fourth quarter of a 53-week fiscal year, which contains 14 operating weeks. Fiscal year 2017 contains 52 weeks and fiscal year 2016 contained 53 weeks.

Cautionary Note Regarding Forward-Looking Statements

In addition to historical information, this discussion and analysis contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties such as the number of restaurants we intend to open, projected capital expenditures and estimates of our effective tax rates. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan" or the negative of these terms and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on currently available operating, financial and competitive information. Examples of forward-looking statements include all matters that are not historical facts, such as statements regarding estimated costs associated with our closure of underperforming restaurants, the implementation and results of strategic initiatives and our future financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements due to reasons including, but not limited to, our ability to achieve and maintain increases in comparable restaurant sales and to successfully execute our business strategy, including new restaurant initiatives and operational strategies to improve the performance of our restaurant portfolio; our ability to maintain compliance with debt covenants and continue to access financing necessary to execute our business strategy; costs associated with our data security incident, including losses associated with settling payment card networks' expected claims; the success of our marketing efforts; our ability to open new restaurants on schedule; current economic conditions; price and availability of commodities; our ability to adequately staff our restaurants; changes in labor costs; consumer confidence and spending patterns; consumer reaction to industry related public health issues and perceptions of food safety; seasonal factors; weather; and those discussed in "Special Note Regarding Forward-Looking Statements" and "Risk Factors" as filed in our Annual Report on Form 10-K for our fiscal year ended January 3, 2017.

Key Measures We Use to Evaluate Our Performance

To evaluate the performance of our business, we utilize a variety of financial and performance measures. These key measures include revenue, average unit volumes ("AUVs"), comparable restaurant sales, restaurant contribution, EBITDA and adjusted EBITDA.

Revenue

Restaurant revenue represents sales of food and beverages in company-owned restaurants. Several factors affect our restaurant revenue in any period, including the number of restaurants in operation and per-restaurant sales.

Franchise royalties and fees represent royalty income and initial franchise fees. While we expect that the majority of our revenue and net income growth will be driven by company-owned restaurants, our franchise restaurants remain an important factor impacting our revenue and financial performance.

Seasonal factors cause our revenue to fluctuate from quarter to quarter. Our revenue per restaurant is typically lower in the first and fourth quarters, due to reduced winter and holiday traffic, and is higher in the second and third quarters. As a result of these factors, our quarterly and annual operating results and comparable restaurant sales may fluctuate significantly.

Average Unit Volumes (“AUVs”)

AUVs consist of the average annualized sales of all company-owned restaurants for the trailing 12 periods. AUVs are calculated by dividing restaurant revenue by the number of operating days within each time period and multiplying by 361, which is the number of operating days we have in a typical year. This measurement allows management to assess changes in consumer traffic and per-person spending patterns at our restaurants.

Comparable Restaurant Sales

Comparable restaurant sales refer to year-over-year sales comparisons for the comparable restaurant base. We define the comparable restaurant base to include restaurants open for at least 18 full periods. This measure highlights performance of existing restaurants, as the impact of new restaurant openings is excluded. Changes in comparable restaurant sales are generated by changes in traffic, which we calculate as the number of entrées sold, or changes in per-person spend, calculated as sales divided by traffic. Per-person spend can be influenced by changes in menu prices and the mix and number of items sold per person.

Measuring our comparable restaurant sales allows us to evaluate the performance of our existing restaurant base. Various factors impact comparable restaurant sales, including:

- consumer recognition of our brand and our ability to respond to changing consumer preferences;
- overall economic trends, particularly those related to consumer spending;
- our ability to operate restaurants effectively and efficiently to meet consumer expectations;
- pricing;
- the number of restaurant transactions, per-person spend and average check amount;
- marketing and promotional efforts;
- weather;
- food safety and foodborne illness concerns;
- local competition;
- trade area dynamics;
- introduction of new and seasonal menu items and limited time offerings; and
- opening new restaurants in the vicinity of existing locations.

Since opening new company-owned and franchise restaurants is a part of our growth strategy and we anticipate new restaurants will be a component of our revenue growth (albeit to a lesser extent in future periods, as discussed below), comparable restaurant sales are only one measure of how we evaluate our performance.

Restaurant Contribution and Restaurant Contribution Margin

Restaurant contribution represents restaurant revenue less restaurant operating costs which are cost of sales, labor, occupancy and other restaurant operating costs. Restaurant contribution margin represents restaurant contribution as a percentage of restaurant revenue.

Management believes that restaurant contribution and restaurant contribution margin are important tools for investors and other interested parties because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency and performance. Management also uses restaurant contribution and restaurant contribution margin as metrics to evaluate the profitability of incremental sales at our restaurants, restaurant performance across periods and restaurant financial performance compared with competitors. Restaurant contribution and restaurant contribution margin are supplemental measures of the operating performance of our restaurants and are not reflective of the underlying performance of our business because corporate-level expenses are excluded from these measures.

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss) before interest expense, provision (benefit) for income taxes and depreciation and amortization. We define adjusted EBITDA as net income (loss) before interest expense, provision (benefit) for income taxes, depreciation and amortization, restaurant impairments, closure costs and asset disposals, litigation settlements, severance costs and stock-based compensation.

Management believes that EBITDA and adjusted EBITDA provide clear pictures of our operating results by eliminating certain non-cash expenses that may vary widely from period to period and are not reflective of the underlying business performance.

The presentation of restaurant contribution, restaurant contribution margin, EBITDA and adjusted EBITDA is not intended to be considered in isolation or as a substitute for, or to be superior to, the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We use these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. We believe that they provide useful information to management and investors about operating results, enhance the overall understanding of past financial performance and future prospects and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making.

Recent Trends, Risks and Uncertainties

Restaurant Development. In 2016, we significantly reduced our rate of company-owned restaurant unit growth, which we anticipate will result in our revenue growing at a slower rate than would be expected if our unit growth rate continued at the historical rate. In 2017, we will open 13 company-owned restaurants; 11 openings occurred in the first three quarters of 2017. We will not open restaurants in new markets for the remainder of 2017 or 2018, and most of our openings have been and will continue to be in well-established markets where we maintain strong brand awareness and restaurant-level financial performance that exceeds company averages. We believe this more moderate growth strategy will enhance our ability to focus on improving restaurant operations and profitability. We will continue to evaluate our company-owned restaurant growth rate based on our operational and financial performance, capital resources and real estate opportunities. Furthermore, pre-opening costs have decreased and we anticipate them to continue to decrease as a result of the more moderate anticipated growth rate.

Certain Restaurant Closures. We closed 55 restaurants in the first quarter of 2017. These restaurants significantly underperformed our restaurant averages, as measured by AUVs, restaurant contribution margin and cash flow. Many of these restaurants were opened in the last two to three years in newer markets where brand awareness of our restaurants is not as strong and where it has been more difficult to adequately staff our restaurants. We believe closing these restaurants will favorably affect our future restaurant contribution, restaurant contribution margin, adjusted EBITDA, adjusted EBITDA margin and net income.

Comparable Restaurant Sales. In the third quarter of 2017, comparable restaurant sales decreased 3.5% system-wide, decreased 3.8% for company-owned restaurants, and decreased 1.6% for franchise restaurants. During the first three quarters of 2017, comparable restaurant sales decreased 3.0% system-wide, decreased 3.4% for company-owned restaurants, and decreased 0.3% for franchise restaurants. Comparable restaurant sales represent year-over-year sales comparisons for restaurants open for at least 18 full periods. Our comparable restaurant sales decreased primarily as a result of underperformance at company-owned restaurants.

Increased Labor Costs. Similar to much of the restaurant industry, our labor costs have risen in recent periods and we expect that labor costs will continue to rise in future periods as wage rates and benefit costs increase. Some jurisdictions, including some of those in which we operate, have recently increased their minimum wage by a significant amount, and other jurisdictions are considering similar actions. Significant additional government-imposed increases could materially affect our labor costs.

Results of Operations

The following table presents a reconciliation of net loss to EBITDA and adjusted EBITDA:

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
	(in thousands, unaudited)			
Net loss	\$ (8,335)	\$ (9,841)	\$ (36,995)	\$ (26,301)
Depreciation and amortization	6,183	7,006	18,729	20,983
Interest expense, net	893	738	2,828	1,964
(Benefit) provision for income taxes	(41)	41	230	1,124
EBITDA	\$ (1,300)	\$ (2,056)	\$ (15,208)	\$ (2,230)
Restaurant impairments, closure costs and asset disposals ⁽¹⁾	10,263	2,283	35,147	14,547
Litigation settlement ⁽²⁾	—	3,000	(421)	3,000
Fees and costs related to the registration statement and related transactions ⁽³⁾	—	—	679	—
Severance costs ⁽⁴⁾	248	1,740	580	1,740
Stock-based compensation expense ⁽⁵⁾	248	1,219	1,193	2,192
Adjusted EBITDA	\$ 9,459	\$ 6,186	\$ 21,970	\$ 19,249

- (1) The third quarter of 2017 includes the impairment of 18 restaurants, compared to no restaurant impairments during the third quarter of 2016. The first three quarters of 2017 include the closure costs related to the 55 restaurants closed in the first quarter of 2017 and the impairment of 31 restaurants. The first three quarters of 2016 include the impairment of 12 restaurants. All periods include the ongoing closure costs of restaurants closed in the fourth quarter of 2015. See Note 7, Restaurant Impairments, Closure Costs and Asset Disposals.
- (2) The first three quarters of 2017 includes a gain on an employment-related litigation settlement due to final settlement being less than what the Company had previously accrued. The third quarter of 2016 included the initial charge of \$3.0 million recorded to cover the estimated costs of an employment-related litigation settlement.
- (3) The first three quarters of 2017 include expenses related to the registration statement the Company filed in the first quarter of 2017, which registration statement was later withdrawn.
- (4) The first three quarters of 2017 include severance costs related to the departure of our Chief Operations Officer and additional changes to operations departmental structure. The third quarter of 2016 included severance costs from a reduction in headcount as a result of reducing new restaurant development.
- (5) Included in stock-based compensation expense in the third quarter of 2016 and in the first three quarters of 2016 is a \$0.7 million charge for modifying the outstanding stock options for Kevin Reddy, who resigned from his positions as the Chairman of the Board and Chief Executive Officer of the Company in July 2016.

Restaurant Openings, Closures and Relocations

The following table shows restaurants opened or closed during the periods indicated:

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Company-Owned Restaurant Activity				
Beginning of period	413	443	457	422
Openings	—	12	11	34
Closures	—	—	(55)	(1)
Restaurants at end of period	413	455	413	455
Franchise Restaurant Activity				
Beginning of period	73	71	75	70
Openings	1	2	3	4
Closures	(8)	—	(12)	(1)
Restaurants at end of period	66	73	66	73
Total restaurants	479	528	479	528

The following table summarizes key components of our results of operations for the periods indicated as a percentage of our total revenue, except for the components of restaurant operating costs, which are expressed as a percentage of restaurant revenue.

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016	October 3, 2017	September 27, 2016
Revenue:				
Restaurant revenue	99.0 %	99.0 %	99.0 %	99.0 %
Franchising royalties and fees	1.0 %	1.0 %	1.0 %	1.0 %
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below): ⁽¹⁾				
Cost of sales	26.5 %	27.3 %	26.9 %	26.9 %
Labor	32.6 %	33.7 %	33.2 %	33.2 %
Occupancy	11.2 %	11.4 %	11.6 %	11.5 %
Other restaurant operating costs	14.0 %	15.2 %	14.4 %	15.2 %
General and administrative	8.6 %	12.4 %	8.7 %	9.8 %
Depreciation and amortization	5.4 %	5.7 %	5.4 %	5.9 %
Pre-opening	0.1 %	0.7 %	0.3 %	0.8 %
Restaurant impairments, closure costs and asset disposals	9.0 %	1.9 %	10.2 %	4.1 %
Total costs and expenses	106.6 %	107.4 %	109.9 %	106.5 %
Loss from operations	(6.6)%	(7.4)%	(9.9)%	(6.5)%
Interest expense, net	0.8 %	0.6 %	0.8 %	0.5 %
Loss before income taxes	(7.3)%	(8.0)%	(10.7)%	(7.0)%
(Benefit) provision for income taxes	— %	— %	0.1 %	0.3 %
Net loss	(7.3)%	(8.0)%	(10.8)%	(7.3)%

(1) As a percentage of restaurant revenue.

Third Quarter Ended October 3, 2017 Compared to Third Quarter Ended September 27, 2016

The table below presents our unaudited operating results for the third quarters of 2017 and 2016, and the related quarter-over-quarter changes.

	Fiscal Quarter Ended		Increase / (Decrease)	
	October 3, 2017	September 27, 2016	\$	%
(in thousands)				
Revenue:				
Restaurant revenue	\$ 113,020	\$ 121,442	\$ (8,422)	(6.9)%
Franchising royalties and fees	1,191	1,239	(48)	(3.9)%
Total revenue	114,211	122,681	(8,470)	(6.9)%
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	29,955	33,112	(3,157)	(9.5)%
Labor	36,897	40,973	(4,076)	(9.9)%
Occupancy	12,709	13,792	(1,083)	(7.9)%
Other restaurant operating costs	15,811	18,470	(2,659)	(14.4)%
General and administrative	9,807	15,251	(5,444)	(35.7)%
Depreciation and amortization	6,183	7,006	(823)	(11.7)%
Pre-opening	69	856	(787)	(91.9)%
Restaurant impairments, asset disposals and closure costs	10,263	2,283	7,980	*
Total costs and expenses	121,694	131,743	(10,049)	(7.6)%
Loss from operations	(7,483)	(9,062)	1,579	17.4 %
Interest expense, net	893	738	155	21.0 %
Loss before income taxes	(8,376)	(9,800)	1,424	14.5 %
(Benefit) provision for income taxes	(41)	41	(82)	*
Net loss	\$ (8,335)	\$ (9,841)	\$ 1,506	15.3 %
Company-owned:				
Average unit volumes	\$ 1,066	\$ 1,087	\$ (21)	(1.9)%
Comparable restaurant sales	(3.8)%	(0.9)%		

* Not meaningful.

Revenue

Total revenue decreased \$8.5 million in the third quarter of 2017, or 6.9%, to \$114.2 million, compared to \$122.7 million in the third quarter of 2016. This decrease was due to the impact of closing 55 company-owned restaurants in the first quarter of 2017 and the decline in comparable company-owned restaurant sales, partially offset by additional restaurant openings since the beginning of the third quarter of 2016. Additionally, AUVs decreased \$21,000 compared to the prior year. AUV's for the trailing twelve months were \$1,066,000.

Comparable restaurant sales decreased by 3.8% at company-owned restaurants, decreased by 1.6% at franchise-owned restaurants and decreased by 3.5% system-wide in the third quarter of 2017.

Cost of Sales

Cost of sales decreased by \$3.2 million, or 9.5%, in the third quarter of 2017 compared to the same period of 2016, due primarily to the decrease in restaurant revenue in the third quarter of 2017. As a percentage of restaurant revenue, cost of sales decreased to 26.5% in the third quarter of 2017 from 27.3% in third quarter of 2016. The decrease as a percentage of restaurant revenue was primarily due to less promotional activity and favorable beef pricing.

Labor Costs

Labor costs decreased by \$4.1 million, or 9.9%, in the third quarter of 2017 compared to the same period of 2016, due primarily to the decrease in restaurant revenue in the third quarter of 2017. As a percentage of restaurant revenue, labor costs decreased to 32.6% in the third quarter of 2017 from 33.7% in the third quarter of 2016. The decrease as a percentage of restaurant revenue was driven by the benefit of closing underperforming restaurants in the first quarter of 2017 and labor savings initiatives.

Occupancy Costs

Occupancy costs decreased by \$1.1 million, or 7.9%, in the third quarter of 2017 compared to the third quarter of 2016. As a percentage of revenue, occupancy costs decreased to 11.2% in the third quarter of 2017, compared to 11.4% in the third quarter of 2016. The decrease was due primarily to the favorable impact of restaurant closures during the first quarter of 2017.

Other Restaurant Operating Costs

Other restaurant operating costs decreased by \$2.7 million, or 14.4%, in the third quarter of 2017 compared to the third quarter of 2016, due primarily to decreased restaurant revenue in the third quarter of 2017 and lower marketing expense. As a percentage of restaurant revenue, other restaurant operating costs decreased to 14.0% in the third quarter of 2017 from 15.2% in the third quarter of 2016, due primarily to a reduction in marketing spending.

General and Administrative Expense

General and administrative expense decreased by \$5.4 million, or 35.7%, in the third quarter of 2017 compared to the third quarter of 2016, primarily attributable to the recognition of \$2.5 million of severance expenses and the initial \$3.0 million charge related to the employment-related litigation settlement in the third quarter of 2016. As a percentage of revenue, general and administrative expense decreased to 8.6% in the third quarter of 2017 from 12.4% in the third quarter of 2016.

Depreciation and Amortization

Depreciation and amortization decreased by \$0.8 million, or 11.7%, in the third quarter of 2017 compared to the third quarter of 2016. As a percentage of revenue, depreciation and amortization decreased to 5.4% in the third quarter of 2017 from 5.7% in the third quarter of 2016, due primarily to restaurants impaired or closed in prior quarters.

Pre-Opening Costs

Pre-opening costs decreased by \$0.8 million, or 91.9%, in the third quarter of 2017 compared to the third quarter of 2016. As a percentage of revenue, pre-opening costs decreased to 0.1% in the third quarter of 2017 from 0.7% in the third quarter of 2016. The decrease in pre-opening costs was due to fewer restaurants under construction compared to the comparable period in the prior year.

Restaurant Impairments, Closure Costs and Asset Disposals

Restaurant impairments, closure costs and asset disposals increased by \$8.0 million in the third quarter of 2017 compared to the third quarter of 2016. The increase was primarily due to the impairment of 18 restaurants during the third quarter of 2017, partially offset by a \$1.1 million charge to reduce capitalized labor and overhead as a result of the reduced growth for new restaurant development recognized in the third quarter of 2016. Additionally, the third quarter of 2016 included a \$0.4 million gain from insurance proceeds received for property damage in excess of the loss recognized.

Each quarter we evaluate possible impairment of fixed assets at the restaurant level and record an impairment loss whenever we determine that the fair value of these assets is less than their carrying value. There can be no assurance that such evaluations will not result in additional impairment costs in future periods.

Interest Expense

Interest expense increased by \$0.2 million in the third quarter of 2017 compared to the third quarter of 2016. The increase was the result of an increase in the average interest rate on our credit facility in the third quarter of 2017 compared to the third quarter of 2016 and higher amortization of debt issuance costs, partially offset by lower average debt balances during the third quarter of 2017 compared to the prior year.

Provision (Benefit) for Income Taxes

The effective tax rate for both the third quarter of 2017 and 2016 reflects the impact of a valuation allowance against U.S. and Canadian deferred tax assets. As of October 3, 2017, we continued to maintain a full valuation allowance on our U.S. and Canadian deferred tax assets due to uncertainty regarding the realizability of future tax benefits. The effective tax rate was 0.5% for the third quarter of 2017 compared to (0.4)% for the third quarter of 2016 due to changes in pre-tax book income. For the remainder of fiscal 2017 we do not anticipate material income tax expense or benefit because of the valuation allowance recorded.

Three Quarters Ended October 3, 2017 Compared to Three Quarters Ended September 27, 2016

The table below presents our unaudited operating results for the first three quarters of 2017 and 2016, and the related period-over-period changes.

	Three Fiscal Quarters Ended		Increase / (Decrease)	
	October 3, 2017	September 27, 2016	\$	%
(in thousands, except percentages)				
Revenue:				
Restaurant revenue	\$ 340,175	\$ 354,511	\$ (14,336)	(4.0)%
Franchising royalties and fees	3,543	3,563	(20)	(0.6)%
Total revenue	343,718	358,074	(14,356)	(4.0)%
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	91,640	95,465	(3,825)	(4.0)%
Labor	112,921	117,723	(4,802)	(4.1)%
Occupancy	39,340	40,794	(1,454)	(3.6)%
Other restaurant operating costs	49,152	53,958	(4,806)	(8.9)%
General and administrative	29,866	35,128	(5,262)	(15.0)%
Depreciation and amortization	18,729	20,983	(2,254)	(10.7)%
Pre-opening	860	2,689	(1,829)	(68.0)%
Restaurant impairments, asset disposals and closure costs	35,147	14,547	20,600	*
Total costs and expenses	377,655	381,287	(3,632)	(1.0)%
Loss from operations	(33,937)	(23,213)	(10,724)	(46.2)%
Interest expense, net	2,828	1,964	864	44.0 %
Loss before income taxes	(36,765)	(25,177)	(11,588)	(46.0)%
Provision for income taxes	230	1,124	(894)	(79.5)%
Net loss	\$ (36,995)	\$ (26,301)	\$ (10,694)	(40.7)%
Company-owned:				
Average unit volumes	\$ 1,066	\$ 1,087	\$ (21)	(1.9)%
Comparable restaurant sales	(3.4)%	(0.6)%		

* Not meaningful.

Revenue

Total revenue decreased by \$14.4 million, or 4.0%, in the first three quarters of 2017, to \$343.7 million compared to \$358.1 million in the same period of 2016. This decrease was due to the impact of closing 55 company-owned restaurants in the first quarter of 2017 and the decline in comparable company-owned restaurant sales, partially offset by additional restaurant openings since the beginning of 2016.

Comparable restaurant sales decreased by 3.4% at company-owned restaurants, decreased by 0.3% at franchise-owned restaurants and decreased by 3.0% system-wide in the first three quarters of 2017.

Cost of Sales

Cost of sales decreased by \$3.8 million, or 4.0%, in the first three quarters of 2017 compared to the same period of 2016, due primarily to the decrease in restaurant revenue in the first three quarters of 2017. As a percentage of restaurant revenue, cost of sales remained flat at 26.9% in the first three quarters of 2017 compared to the first three quarters of 2016.

Labor Costs

Labor costs decreased by \$4.8 million, or 4.1%, in the first three quarters of 2017 compared to the same period of 2016, due primarily to the decrease in restaurant revenue in the first three quarters of 2017. As a percentage of restaurant revenue, labor costs remained flat at 33.2% in the first three quarters of 2017 compared to the first three quarters of 2016.

Occupancy Costs

Occupancy costs decreased by \$1.5 million, or 3.6%, in the first three quarters of 2017 compared to the first three quarters of 2016, due primarily to the favorable impact of restaurant closures during the latter part of the first quarter of 2017. As a percentage of revenue, occupancy costs increased to 11.6% in first three quarters of 2017, compared to 11.5% in the first three quarters of 2016, primarily due to deleverage on lower AUVs.

Other Restaurant Operating Costs

Other restaurant operating costs decreased by \$4.8 million, or 8.9%, in the first three quarters of 2017 compared to the first three quarters of 2016, due primarily to decreased restaurant revenue in the first three quarters of 2017 and lower marketing expense. As a percentage of restaurant revenue, other restaurant operating costs decreased to 14.4% in the first three quarters of 2017, compared to 15.2% in the first three quarters of 2016, due primarily to a reduction in marketing spending.

General and Administrative Expense

General and administrative expense decreased by \$5.3 million, or 15.0%, in the first three quarters of 2017 compared to the first three quarters of 2016, due primarily to the recognition of \$2.5 million of severance expenses and the initial \$3.0 million charge related to the employment-related litigation settlement in the third quarter of 2016. As a percentage of revenue, general and administrative expense decreased to 8.7% in the first three quarters of 2017 compared to 9.8% in the first three quarters of 2016.

Depreciation and Amortization

Depreciation and amortization decreased by \$2.3 million, or 10.7%, in the first three quarters of 2017 compared to the first three quarters of 2016. As a percentage of revenue, depreciation and amortization decreased to 5.4% in the first three quarters of 2017, compared to 5.9% in the first three quarters of 2016, due to restaurants impaired or closed in prior quarters.

Pre-Opening Costs

Pre-opening costs decreased by \$1.8 million, or 68.0%, in the first three quarters of 2017 compared to the first three quarters of 2016. As a percentage of revenue, pre-opening costs decreased to 0.3% in the first three quarters of 2017 compared to 0.8% in the first three quarters of 2016. The decrease in pre-opening costs was due to fewer restaurants under construction compared to the comparable period in the prior year.

Restaurant Impairments, Closure Costs and Asset Disposals

Restaurant impairments, closure costs and asset disposals increased by \$20.6 million in the first three quarters of 2017 compared to the first three quarters of 2016. The increase was primarily due to the closure of 55 restaurants in the first quarter of 2017 and the impairment of 31 restaurants during the first three quarters of 2017, compared to the impairment of 12 restaurants during the first three quarters of 2016. Both periods include ongoing costs of restaurants closed in the fourth quarter of 2015.

Interest Expense

Interest expense increased by \$0.9 million in the first three quarters of 2017 compared to the same period of 2016. The increase was the result of an increase in the average interest rate on our credit facility in the first three quarters of 2017 compared to the first three quarters of 2016, and higher amortization of debt issuance costs, partially offset by lower average debt balances during the first three quarters of 2017 compared to the prior year.

Provision for Income Taxes

In the first three quarters of 2017, we had a provision for income taxes of \$0.2 million compared to a provision for income taxes of \$1.1 million in the first three quarters of 2016. During the first quarter of 2016, the Company recorded a valuation allowance against Canadian deferred tax assets. During the second quarter of 2016, the Company determined that it was appropriate to record a valuation allowance against U.S. deferred tax assets. As a result, the effective tax rate for the first three quarters of 2017 and 2016, reflects the impact of a valuation allowance against U.S. and Canadian deferred tax assets. The provision for income taxes for the first three quarters of 2016 was primarily related to the establishment of the valuation allowance against U.S. deferred tax assets. As of October 3, 2017, we continued to maintain a full valuation allowance on our U.S. and Canadian deferred tax assets due to uncertainty regarding the realizability of future tax benefits. As a result, the effective tax rate was (0.6)% for the first three quarters of 2017 compared to (4.5)% for the first three quarters of 2016. For the remainder of fiscal 2017 we do not anticipate material income tax expense or benefit because of the valuation allowance recorded.

Liquidity and Capital Resources**Summary of Cash Flows**

Historically, our primary sources of liquidity and cash flows were operating cash flows and borrowings on our revolving line of credit. In the first quarter of 2017, in order to pursue our operational strategies and fund obligations such as the liabilities to landlords from the termination of our leases for the restaurants closed in the first quarter of 2017, fees to be paid to our real estate advisor and brokers related to such terminations and other costs of closing restaurants, including severance for terminated employees (“Restaurant Closing Liabilities”) and the Data Breach Liabilities, we determined that we needed additional sources of liquidity. We executed the following transactions to provide us with additional liquidity: (i) we completed two private placement transactions for aggregate gross proceeds to us of \$50.0 million, and (ii) we also amended our credit agreement to increase our flexibility under the credit facility.

We have historically used cash to fund capital expenditures for new restaurant openings, reinvest in our existing restaurants, invest in infrastructure and information technology and maintain working capital; however, due to our anticipated modest unit growth, cash required for new restaurant openings has been correspondingly reduced. Our working capital position benefits from the fact that we generally collect cash from sales to customers the same day, or in the case of credit or debit card transactions, within several days of the related sale, and we typically have up to 30 days to pay our vendors. We believe that expected cash flow from operations, the proceeds received from the private placement transactions and existing borrowing capacity under our credit facility are adequate to fund debt service requirements, operating lease obligations, capital expenditures, the Restaurant Closing Liabilities, the Data Breach Liabilities and working capital obligations for the remainder of fiscal year 2017.

Cash flows from operating, investing and financing activities are shown in the following table (in thousands):

	Three Fiscal Quarters Ended	
	October 3, 2017	September 27, 2016
Net cash (used in) provided by operating activities	\$ (6,929)	\$ 16,064
Net cash used in investing activities	(17,468)	(33,284)
Net cash provided by financing activities	24,652	17,232
Effect of exchange rate changes on cash	(4)	42
Net increase in cash and cash equivalents	<u>\$ 251</u>	<u>\$ 54</u>

Operating Activities

Net cash used in operating activities was \$6.9 million for the first three quarters of 2017, as compared to net cash provided by operating activities of \$16.1 million for the first three quarters of 2016. The decrease resulted primarily from payments to landlords for lease terminations of \$8.5 million, a litigation settlement payment of \$2.6 million, a payment for the data breach liabilities of \$4.0 million, and other working capital changes.

Investing Activities

Net cash flows used in investing activities decreased to \$17.5 million for the first three quarters of 2017 from \$33.3 million for the first three quarters of 2016, primarily due to the reduction in new restaurant development during 2017.

Financing Activities

Net cash provided by financing activities was \$24.7 million and \$17.2 million for first the three quarters of 2017 and 2016, respectively. The increase in net cash provided by financing activities is primarily due to the net proceeds received from the private placement transactions that occurred during the first quarter of 2017, net of repayments on long-term debt.

Capital Resources

Future Capital Expenditure Requirements. Our capital expenditure requirements are primarily dependent upon the pace of our real estate development program and resulting new restaurant openings. Our real estate development growth has been and will continue to be reduced in upcoming quarters, compared to our historical rates. Our real estate development program is dependent upon many factors, including economic conditions, real estate markets, site locations and the nature of lease agreements. Our capital expenditure outlays are also dependent on costs for maintenance and remodeling of our existing restaurants as well as information technology expenses and other general corporate capital expenditures.

We estimate capital expenditures for the remainder of 2017 to be in the range of approximately \$2.5 million to \$4.5 million for a total of \$20.0 million to \$22.0 million for the fiscal year, of which \$6.0 million to \$8.0 million relates to our construction of new restaurants before any reductions for landlord reimbursements, and the remainder relates primarily to reinvestment in existing restaurants and investments in technology. We expect such capital expenditures to be funded by a combination of cash from operations, funding received from the two private placements that occurred during the first quarter of 2017, and borrowings under our revolving credit facility.

Current Resources. Our operations have not required significant working capital and, like many restaurant companies, we operate with negative working capital. Restaurant sales are primarily paid for in cash or by credit or debit card, and restaurant operations do not require significant inventories or receivables. In addition, we receive trade credit for the purchase of food, beverages and supplies, therefore reducing the need for incremental working capital to support growth.

Liquidity. We believe that our current cash and cash equivalents, the expected cash flows from company-owned restaurant operations, the expected franchise fees and royalties and borrowings under the credit facility will be sufficient to fund our cash requirements for working capital needs and capital improvements and maintenance of existing restaurants for the next twelve months. Additionally, a significant use of cash in 2017, and continuing into 2018, relates to funding of the Restaurant Closing Liabilities, which we anticipate will total approximately \$18.0 million to \$23.0 million, including (i) \$17.0 million to \$22.0 million relating to the termination of leases, including related fees and expenses. We have paid approximately \$9.0 million to date and the remainder of approximately \$9.0 million to \$14.0 million is expected to be paid out over the next six to 12 months.

Credit Facility

We maintain a \$100.0 million revolving line of credit under our credit facility. The revolving line of credit includes a swing line loan of \$10.0 million used to fund working capital requirements. The credit facility matures in June 2020.

Subsequent to the three quarters ended October 3, 2017, we entered into an amendment to our credit facility on November 8, 2017. Among other things, the amendment (i) increases the lease adjusted leverage ratios and decreases the fixed charge coverage ratios, (ii) increases the interest rate margin applicable to the total lease adjusted leverage levels at and above 3.75:1.00, (iii) adds mandatory prepayments of \$2.5 million per quarter beginning with the fourth quarter of 2017, (iv) provides for a maturity date of June 4, 2019, (v) modifies the capital expenditure covenant so that it applies to all capital expenditures and not only growth capital expenditures and permits total capital expenditures of up to \$22.0 million in 2017 and \$10.0 million per year thereafter, and (vi) makes certain other changes.

As of October 3, 2017, we had \$65.0 million of indebtedness and \$3.0 million of letters of credit outstanding under our revolving line of credit. Borrowings under the agreement as amended bear interest, at the Company's option, at either (i) LIBOR plus 2.50% to 3.75%, based on the lease-adjusted leverage ratio or (ii) the highest of the following rates plus 1.50% to 2.75%: (a) the federal funds rate plus 0.50%; (b) the Bank of America prime rate or (c) the one month LIBOR plus 1.00%. The credit facility includes a commitment fee of 0.35% to 0.55%, based on the lease-adjusted leverage ratio, per year on any unused portion of the credit facility. We also maintain outstanding letters of credit to secure obligations under our workers' compensation program and certain lease obligations.

Availability of borrowings under the revolving line of credit is conditioned on our compliance with specified covenants, including a maximum lease-adjusted leverage ratio and a minimum consolidated fixed charge coverage ratio. We are subject to a number of other customary covenants, including limitations on additional borrowings, acquisitions, dividend payments and lease commitments. As of October 3, 2017, we were in compliance with all of our debt covenants.

We expect that we will meet all applicable financial covenants in our credit facility, including the maximum lease-adjusted leverage ratio, throughout the fiscal year ending January 2, 2018. However, there can be no assurance we will meet such financial covenants. If such covenants are not met, we would be required to seek a waiver or amendment from the banks participating in the credit facility. There can be no assurance that such waiver or amendment would be granted, which could have a material adverse impact on our liquidity.

Our credit facility is secured by a pledge of stock of substantially all of our subsidiaries and a lien on substantially all of our and our subsidiaries' personal property assets.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or obligations as of October 3, 2017.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by the application of our accounting policies. Our significant accounting policies are described in our Annual Report on Form 10-K for the year ended January 3, 2017. Critical accounting estimates are those that require application of management's most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. While we apply our judgment based on assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions. Our critical accounting estimates are identified and described in our annual consolidated financial statements and the related notes included in our Annual Report on Form 10-K for our fiscal year ended January 3, 2017.

JOBS Act

We qualify as an "emerging growth company" pursuant to the provisions of the Jumpstart our Business Startups ("JOBS") Act. For as long as we are an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding advisory "say-on-pay" votes on executive compensation and shareholder advisory votes on golden parachute compensation. We could be an "emerging growth company" until the end of our 2018 fiscal year.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An "emerging growth company" can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we have chosen to "opt out" of such extended transition period and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk from changes in interest rates on debt. Our exposure to interest rate fluctuations is limited to our outstanding bank debt, which bears interest at variable rates. As of October 3, 2017, we had \$65.0 million of indebtedness under our revolving line of credit. An increase or decrease of 1.0% in the effective interest rate applied on this loan would have resulted in a pre-tax interest expense fluctuation of approximately \$0.7 million on an annualized basis.

Commodity Price Risk

We purchase certain products that are affected by commodity prices and are, therefore, subject to price volatility caused by weather, market conditions and other factors which are not considered predictable or within our control. Although these products are subject to changes in commodity prices, certain purchasing contracts or pricing arrangements contain risk management techniques designed to minimize price volatility. The purchasing contracts and pricing arrangements we use may result in unconditional purchase obligations, which are not reflected in our consolidated balance sheets. Typically, we use these types of purchasing techniques to control costs as an alternative to directly managing financial instruments to hedge commodity prices. In many cases, we believe we will be able to address material commodity cost increases by adjusting our menu pricing or changing our product delivery strategy. However, increases in commodity prices, without adjustments to our menu prices, could increase restaurant operating costs as a percentage of company-owned restaurant revenue.

Inflation

The primary inflationary factors affecting our operations are food, labor costs, energy costs and materials used in the construction of new restaurants. Increases in the minimum wage requirements directly affect our labor costs. Many of our leases require us to pay taxes, maintenance, repairs, insurance and utilities, all of which are generally subject to inflationary increases. Finally, the cost of constructing our restaurants is subject to inflationary increases in the costs of labor and material. Over the past five years, inflation has not significantly affected our operating results with the exception of increased wage inflation that has affected our results from 2015 through the third quarter of 2017. We expect wage inflation to continue to affect our results in the near future.

Item 4. Controls and Procedures

Our management carried out an evaluation, under the supervision and with the participation of our chief executive officer and interim chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of October 3, 2017, pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our chief executive officer and interim chief financial officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and interim chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

Data Security Litigation

On June 28, 2016, we announced that a data security incident compromised the security of the payment information of some customers who used debit or credit cards at certain Noodles & Company locations between January 31, 2016 and June 2, 2016. In addition to claims by payment card companies with respect to the data security incident, we were a defendant in a purported class action lawsuit in the United States District Court for the District of Colorado (the “Court”), Selco Community Credit Union vs. Noodles & Company, alleging that we negligently failed to provide adequate security to protect the payment card information of customers of the plaintiffs and those of other similarly situated credit unions, banks and other financial institutions alleged to be part of the putative class, causing those institutions to suffer financial losses (the “Selco Litigation”). The complaint in the Selco Litigation also claimed we were negligent per se based on alleged violations of Section 5 of the Federal Trade Commission Act and sought monetary damages, injunctive relief and attorneys’ fees. On July 21, 2017, the Court granted a Motion to Dismiss in the Selco Litigation in favor of us. A notice of appeal of the dismissal was filed on August 15, 2017. Subsequent to the three quarters ended October 3, 2017, on November 2, 2017 a mediation was held and a settlement, which will be funded entirely by insurance proceeds, was reached, which will result in a dismissal of the appeal and a resolution of the Selco Litigation.

Delaware Gift Card Litigation

As previously disclosed in prior reports filed with the SEC, the Company is named as a defendant in an action filed in the Superior Court of Delaware in New Castle County (the “Court”), entitled The State of Delaware, William French v. Card Compliant, LLC, et. al. The case was filed under seal in June 2013 and was unsealed on March 26, 2014. The complaint in this case alleges that a number of large retailers and restaurant companies, including the Company, knowingly refused to fulfill obligations under Delaware’s Abandoned Property Law by failing to report and deliver “unclaimed gift card funds” to the State of Delaware, and knowingly made, used or caused to be made or used, false statements and records to conceal, avoid or decrease an obligation to pay or transmit money to Delaware in violation of the Delaware False Claims and Reporting Act. The complaint seeks an order that we cease and desist from violating the Delaware Abandoned Property Law, monetary damages (including treble damages under the False Claims and Reporting Act), penalties, and attorneys’ fees and costs. On November 23, 2015, the Court ruled on a motion to dismiss the complaint. While the Court granted the motion to dismiss with respect to a claim alleging that the defendants intended to defraud the government or willfully concealed property owed to the government and for which a certificate or receipt was provided, it did not dismiss the other claims alleging that the defendants knowingly made false statements to avoid transmitting money to the government. The trial date with respect to this matter is set for May 21, 2018. The defendants have filed a motion for summary judgment in the case. A motion and supplemental motion for summary judgment have been filed on behalf of us. Oral argument on the motion for summary judgment is set for November 8, 2017. In 2015 we recorded a loss contingency accrual based on a reasonable estimate of the probable losses that might arise from this matter; this loss contingency accrual did not have a material effect on our results of operations. However, we may ultimately be subject to greater losses resulting from the litigation. We intend to continue to vigorously defend this action.

Other Matters

In the normal course of business, we are subject to other proceedings, lawsuits and claims. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, we are unable to ascertain the ultimate aggregate amount of monetary liability or financial impact with respect to these matters as of October 3, 2017. These matters could affect the operating results of any one financial reporting period when resolved in future periods. We believe that an unfavorable outcome with respect to these matters is remote or a potential range of loss is not material to our consolidated financial statements. Significant increases in the number of these claims, or one or more successful claims that result in greater liabilities than we currently anticipate, could materially adversely affect our business, financial condition, results of operations or cash flows.

Item 1A. Risk Factors

A description of the risk factors associated with our business is contained in the “Risk Factors” section of our Annual Report on Form 10-K for our fiscal year ended January 3, 2017. There have been no material changes to our Risk Factors as previously reported.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibit Index

Exhibit Number	Description of Exhibit
10.1	Stock Option Agreement between Noodles & Company and Paul Murphy effective July 10, 2017
10.2	Restricted Stock Unit Agreement between Noodles & Company and Paul Murphy for time-vesting restricted stock units effective July 10, 2017
10.3	Restricted Stock Unit Agreement between Noodles & Company and Paul Murphy for performance-vesting restricted stock units effective July 10, 2017
10.4	Stock Option Agreement between Noodles & Company and Dave Boennighausen effective September 21, 2017
10.5	Restricted Stock Unit Agreement between Noodles & Company and Dave Boennighausen for time-vesting restricted stock units effective September 21, 2017
10.6	Restricted Stock Unit Agreement between Noodles & Company and Dave Boennighausen for performance-vesting restricted stock units effective September 21, 2017
10.7	Form of Noodles & Company Stock Option Agreement for Employees
10.8	Form of Noodles & Company Restricted Stock Unit Agreement for Employees
10.9	Form of Noodles & Company Restricted Stock Unit Agreement for Non-Employee Directors
10.10	Amendment No. 6 to the Amended and Restated Credit Agreement, dated as of November 8, 2017, by and among Noodles & Company, each of the Guarantors signatory thereto, Bank of America, N.A., as administrative agent and the lenders signatory thereto
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

NOODLES & COMPANY

By: /s/ DAVE BOENNIGHAUSEN

Dave Boennighausen
Chief Executive Officer

Date November 9, 2017

**STOCK OPTION AGREEMENT
(NONQUALIFIED STOCK OPTIONS)**

This STOCK OPTION AGREEMENT (this "Agreement") is made as of July 10, 2017 (the "Effective Date"), by and between Noodles & Company, a Delaware corporation (the "Company"), and Paul J.B. Murphy, III (the "Participant").

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the "Plan"), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the opportunity to acquire a proprietary interest in the Company to encourage the Participant's contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant an option to purchase 100,000 shares of the Common Stock of the Company, par value \$0.01 per share ("Shares"), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

"Agreement" has the meaning set forth in the Preamble.

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

"Cause" has the meaning in the Participant's employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of "Cause" shall be in the reasonable discretion of the Administrator.

"Company" has the meaning set forth in the Preamble.

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Exercise Price” means \$ 4.10 per Share, as such amount may be adjusted pursuant to Section 12(a) of the Plan.

“Option” has the meaning set forth in Section 2.

“Option Shares” has the meaning set forth in Section 2.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“Qualifying Termination” means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Vesting Commencement Date” means July 10, 2017.

“Vesting Period” has the meaning set forth in Section 3(a).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any Option.

2. Grant of Option. The Company grants to the Participant the right and option (the “Option”) to purchase, on the terms and conditions set forth herein, all or any part of 100,000 Shares (the “Option Shares”) at the Exercise Price, on the terms and conditions set forth herein. The Option is not intended to be an incentive stock option under Section 422 of the Code.

3. Exercisability.

(a) The Option shall become exercisable as stated in the Grant Details Future Vesting Schedule provided to you as part of your Grant Information, so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant's Termination Date (other than due to death or Disability) (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant's termination of employment was due to a Qualifying Termination or due to the Participant's death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the 12 months in that Vesting Period) shall also vest and become exercisable.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the unexercisable portion of the Option that has not previously expired pursuant to this Agreement shall become exercisable upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting and exercisability of all or any portion of the Option.

4. Expiration.

(a) The exercisable portion of the Option shall expire on the earliest of (i) the tenth (10th) anniversary of the Effective Date, (ii) the ninetieth (90th) day after the Termination Date if the Participant's employment terminates for any reason other than due to death, Disability or Cause, (iii) one (1) year after the Termination Date if the Participant's employment terminates due to death or Disability, or (iv) the Termination Date if the Participant's employment is terminated for Cause.

(b) Subject to Sections 3(b) and 3(c), the unexercisable portion of the Option that has not previously expired pursuant to this Agreement shall immediately expire on the Termination Date.

5. Nontransferability of the Option. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by the Participant during his or her lifetime. The Company may cancel the Participant's Option if the Participant attempts to assign or transfer it in a manner inconsistent with this Section 5.

6. Adjustments; Cash-Out.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the Option shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Exercise of the Option.

(a) Prior to the expiration or termination of the Option, the Participant may exercise the exercisable portion of the Option from time to time in whole or in part. Upon electing to exercise the Option, the Participant shall notify the Company of the Participant's election, including the number of Option Shares the Participant has elected to purchase and shall at the time of delivery of such notice tender cash or a cashier's or certified bank check to the order of the Company in the amount (the "Cost") of the aggregate Exercise Price of such Option Shares plus any amount required pursuant to Section 13; provided, however, that the Participant may pay the Cost, plus any amount required pursuant to Section 13, in whole or in part with previously-owned Shares or withheld Option Shares. The Administrator may, in its sole discretion, permit payment of the Cost in such other form or in such other manner as may be permissible under the Plan and applicable law.

(b) The Option may only be exercised (i) during the life of the Participant, only by the Participant, and (ii) in the event of the Participant's death or Disability, by his or her executor, guardian or legal representative.

8. Restrictions on Resales of Option Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Option Shares issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other optionholders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

9. No Interest in Shares Subject to Option. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person upon exercise of the Option or any part of it.

10. Plan Controls. The Option hereby granted is subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the Option without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

11. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause

(unless otherwise set forth in an employment agreement between the Company and the Participant).

12. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

13. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Option Shares or the exercise of the Option, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Option Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

14. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 14, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 14, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 14, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 14, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such

notice is to be delivered pursuant to this Section 14). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 14, designate another address or Person for receipt of notices hereunder.

15. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

16. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

17. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

18. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

20. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

21. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

22. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the Option and the Shares via Company web site or other electronic delivery

23. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Option Transferees and Permitted Share Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**THE COMPANY:
NOODLES & COMPANY**

By: /s/ Paul A. Strasen _____
Name: Paul A. Strasen
Title: Executive Vice President

PARTICIPANT:

/s/ Paul J.B. Murphy, III _____
Name: Paul J.B. Murphy, III

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is made as of July 10, 2017 (the “Effective Date”) by and between Noodles & Company, a Delaware corporation (the “Company”), and Paul J.B. Murphy, III (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to 150,000 shares of the Class A Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. **Definitions.** Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“Qualifying Termination” means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

“RSUs” has the meaning set forth in Section 2.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Vesting Period” has the meaning set forth in Section 3(a).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the “RSUs”) with respect to 150,000 Shares.

3. Vesting.

(a) The RSUs shall vest in 25% increments on each of the first through fourth anniversaries of the Effective Date (each such annual period, a “Vesting Period”) so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant’s Termination Date (other than due to death or Disability) (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant’s termination of employment was due to a Qualifying Termination or due to the Participant’s death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the 12 months in that Vesting Period) shall also vest.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the portion of the RSUs that has not previously expired pursuant to this Agreement shall vest upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting of all or any portion of the RSUs.

4. Settlement.

(a) Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

(b) Subject to Sections 3(b) and 3(c), the unvested RSUs shall immediately expire on the Termination Date.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

8. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or

reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

9. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

10. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

11. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

12. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

13. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D

Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 13, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 13, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 13, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 13, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 13). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 13, designate another address or Person for receipt of notices hereunder.

14. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

15. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

16. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the

original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

17. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

20. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

21. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery

22. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: /s/ Paul A. Strasen

Name: Paul A. Strasen

Title: Executive Vice President

PARTICIPANT:

/s/ Paul J.B. Murphy, III

Name: Paul J.B. Murphy, III

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is made as of July 10, 2017 (the “Effective Date”) by and between Noodles & Company, a Delaware corporation (the “Company”), and Paul J.B. Murphy, III (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to 50,000 shares of the Class A Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. **Definitions.** Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“RSUs” has the meaning set forth in Section 2.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the “RSUs”) with respect to 50,000 Shares.

3. Vesting.

(a) The RSUs shall vest only in the event (i) prior to a Change in Control, the Average Closing Price of Shares for two consecutive calendar quarters ending prior to the quarter ending December 31, 2020 equals or exceeds \$15, or (ii) a Change in Control occurs no later than December 31, 2020 and the price per share paid for the Shares in the Change in Control, or the Closing Price of shares of Class A Common Stock of the Company on the date the Change of Control occurs is no less than (A) \$6.50 for a Change in Control occurring prior to the first anniversary of the Effective Date, (B) \$8.50 for a Change in Control occurring on or after the first anniversary and before the second anniversary of the Effective Date, (C) \$11 for a Change in Control occurring on or after the second anniversary and before the third anniversary of the Effective Date, (D) \$14.50 for a Change in Control occurring on or after the third anniversary and before the fourth anniversary of the Effective Date, or (E) \$15 for a Change in Control occurring on or after the fourth anniversary of the Effective Date, subject in each case to the Participant remaining continuously employed by the Employer. For this purpose (i) the Closing Price of the Shares on any day shall be equal to the closing sales price per share of the Shares on the NASDAQ National Market on such day, and (ii) the Average Closing Price of the Shares for a calendar quarter shall be equal to the average of the Closing Prices of the Shares on the trading days occurring in such quarter.

(b) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting of all or any portion of the RSUs.

4. Settlement.

(a) Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

(b) The unvested RSUs shall immediately expire on the Termination Date.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

7. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

8. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

9. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

10. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the

Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

11. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

12. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

13. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 13, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 13, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 13, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address

as provided in this Section 13, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 13). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 13, designate another address or Person for receipt of notices hereunder.

14. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

15. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

16. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

17. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

20. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

21. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery

22. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: /s/ Paul A. Strasen

Name: Paul A. Strasen

Title: Executive Vice President

PARTICIPANT:

/s/ Paul J.B. Murphy, III

Name: Paul J.B. Murphy, III

**STOCK OPTION AGREEMENT
(NONQUALIFIED STOCK OPTIONS)**

This STOCK OPTION AGREEMENT (this “Agreement”) is made as of September 21, 2017 (the “Effective Date”), by and between Noodles & Company, a Delaware corporation (the “Company”), and Dave Boennighausen (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the opportunity to acquire a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant an option to purchase 100,000 shares of the Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Exercise Price” means \$ _____ per Share, as such amount may be adjusted pursuant to Section 12(a) of the Plan.

“Option” has the meaning set forth in Section 2.

“Option Shares” has the meaning set forth in Section 2.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“Qualifying Termination” means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Vesting Commencement Date” means September, ___ 2017.

“Vesting Period” has the meaning set forth in Section 3(a).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any Option.

2. Grant of Option. The Company grants to the Participant the right and option (the “Option”) to purchase, on the terms and conditions set forth herein, all or any part of 100,000 Shares (the “Option Shares”) at the Exercise Price, on the terms and conditions set forth herein. The Option is not intended to be an incentive stock option under Section 422 of the Code.

3. Exercisability.

(a) The Option shall become exercisable as stated in the Grant Details Future Vesting Schedule provided to you as part of your Grant Information, so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant's Termination Date (other than due to death or Disability) (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant's termination of employment was due to a Qualifying Termination or due to the Participant's death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the 12 months in that Vesting Period) shall also vest and become exercisable.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the unexercisable portion of the Option that has not previously expired pursuant to this Agreement shall become exercisable upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting and exercisability of all or any portion of the Option.

4. Expiration.

(a) The exercisable portion of the Option shall expire on the earliest of (i) the tenth (10th) anniversary of the Effective Date, (ii) the ninetieth (90th) day after the Termination Date if the Participant's employment terminates for any reason other than due to death, Disability or Cause, (iii) one (1) year after the Termination Date if the Participant's employment terminates due to death or Disability, or (iv) the Termination Date if the Participant's employment is terminated for Cause.

(b) Subject to Sections 3(b) and 3(c), the unexercisable portion of the Option that has not previously expired pursuant to this Agreement shall immediately expire on the Termination Date.

5. Nontransferability of the Option. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by the Participant during his or her lifetime. The Company may cancel the Participant's Option if the Participant attempts to assign or transfer it in a manner inconsistent with this Section 5.

6. Adjustments; Cash-Out.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the Option shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Exercise of the Option.

(a) Prior to the expiration or termination of the Option, the Participant may exercise the exercisable portion of the Option from time to time in whole or in part. Upon electing to exercise the Option, the Participant shall notify the Company of the Participant's election, including the number of Option Shares the Participant has elected to purchase and shall at the time of delivery of such notice tender cash or a cashier's or certified bank check to the order of the Company in the amount (the "Cost") of the aggregate Exercise Price of such Option Shares plus any amount required pursuant to Section 13; provided, however, that the Participant may pay the Cost, plus any amount required pursuant to Section 13, in whole or in part with previously-owned Shares or withheld Option Shares. The Administrator may, in its sole discretion, permit payment of the Cost in such other form or in such other manner as may be permissible under the Plan and applicable law.

(b) The Option may only be exercised (i) during the life of the Participant, only by the Participant, and (ii) in the event of the Participant's death or Disability, by his or her executor, guardian or legal representative.

8. Restrictions on Resales of Option Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Option Shares issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other optionholders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

9. No Interest in Shares Subject to Option. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person upon exercise of the Option or any part of it.

10. Plan Controls. The Option hereby granted is subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the Option without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

11. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

12. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

13. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Option Shares or the exercise of the Option, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Option Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

14. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921

Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 14, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 14, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 14, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 14, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 14). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 14, designate another address or Person for receipt of notices hereunder.

15. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

16. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

17. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

18. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

20. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

21. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that

any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

22. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the Option and the Shares via Company web site or other electronic delivery

23. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Option Transferees and Permitted Share Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**THE COMPANY:
NOODLES & COMPANY**

By: /s/ Paul A. Strasen
Name: Paul A. Strasen
Title: Executive Vice President

PARTICIPANT:

/s/ Dave Boennighausen
Name: Dave Boennighausen

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is made as of September 21, 2017 (the “Effective Date”) by and between Noodles & Company, a Delaware corporation (the “Company”), and Dave Boennighausen (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to 10,000 shares of the Class A Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“Qualifying Termination” means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

“RSUs” has the meaning set forth in Section 2.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Vesting Period” has the meaning set forth in Section 3(a).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the “RSUs”) with respect to 10,000 Shares.

3. Vesting.

(a) The RSUs shall vest in 25% increments on each of the first through fourth anniversaries of the Effective Date (each such annual period, a “Vesting Period”) so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant’s Termination Date (other than due to death or Disability) (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant’s termination of employment was due to a Qualifying Termination or due to the Participant’s death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the 12 months in that Vesting Period) shall also vest.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the portion of the RSUs that has not previously expired pursuant to this Agreement shall vest upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting of all or any portion of the RSUs.

4. Settlement.

(a) Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

(b) Subject to Sections 3(b) and 3(c), the unvested RSUs shall immediately expire on the Termination Date.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

8. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or

reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

9. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

10. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

11. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

12. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

13. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D

Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 13, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 13, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 13, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 13, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 13). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 13, designate another address or Person for receipt of notices hereunder.

14. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

15. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

16. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the

original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

17. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

20. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

21. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery

22. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: /s/ Paul A. Strasen

Name: Paul A. Strasen

Title: Executive Vice President

PARTICIPANT:

/s/ Dave Boennighausen

Name: Dave Boennighausen

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is made as of September 21, 2017 (the “Effective Date”) by and between Noodles & Company, a Delaware corporation (the “Company”), and Dave Boennighausen (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to 50,000 shares of the Class A Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“RSUs” has the meaning set forth in Section 2.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the “RSUs”) with respect to 50,000 Shares.

3. Vesting.

(a) The RSUs shall vest only in the event (i) prior to a Change in Control, the Average Closing Price of Shares for two consecutive calendar quarters ending prior to the quarter ending December 31, 2020 equals or exceeds \$15, or (ii) a Change in Control occurs no later than December 31, 2020 and the price per share paid for the Shares in the Change in Control, or the Closing Price of shares of Class A Common Stock of the Company on the date the Change of Control occurs is no less than (A) \$6.50 for a Change in Control occurring prior to the first anniversary of the Effective Date, (B) \$8.50 for a Change in Control occurring on or after the first anniversary and before the second anniversary of the Effective Date, (C) \$11 for a Change in Control occurring on or after the second anniversary and before the third anniversary of the Effective Date, (D) \$14.50 for a Change in Control occurring on or after the third anniversary and before the fourth anniversary of the Effective Date, or (E) \$15 for a Change in Control occurring on or after the fourth anniversary of the Effective Date, subject in each case to the Participant remaining continuously employed by the Employer. For this purpose (i) the Closing Price of the Shares on any day shall be equal to the closing sales price per share of the Shares on the NASDAQ National Market on such day, and (ii) the Average Closing Price of the Shares for a calendar quarter shall be equal to the average of the Closing Prices of the Shares on the trading days occurring in such quarter.

(b) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting of all or any portion of the RSUs.

4. Settlement.

(a) Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

(b) The unvested RSUs shall immediately expire on the Termination Date.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

7. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

8. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

9. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

10. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the

Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

11. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

12. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

13. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 13, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 13, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 13, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address

as provided in this Section 13, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 13). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 13, designate another address or Person for receipt of notices hereunder.

14. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

15. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

16. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

17. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

20. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

21. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery

22. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: /s/ Paul A. Strasen

Name: Paul A. Strasen

Title: Executive Vice President

PARTICIPANT:

/s/ Dave Boennighausen

Name: Dave Boennighausen

**FORM OF STOCK OPTION AGREEMENT
(NONQUALIFIED STOCK OPTIONS)**

This STOCK OPTION AGREEMENT (this “Agreement”) is made as of XXXXX (the “Effective Date”), by and between Noodles & Company, a Delaware corporation (the “Company”), and XXXXX (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the opportunity to acquire a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant an option to purchase XXXXX shares of the Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Competing Business” has the meaning set forth in Section 24(a).

“Confidential Information” has the meaning set forth in Section 24(b).

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Exercise Price” means \$XXXXXX per Share, as such amount may be adjusted pursuant to Section 12(a) of the Plan.

“Option” has the meaning set forth in Section 2.

“Option Shares” has the meaning set forth in Section 2.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“Qualifying Termination” means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Third Party Information” has the meaning set forth in Section 24(b).

“Vesting Commencement Date” means XXXXX.

“Vesting Period” has the meaning set forth in Section 3(a).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any Option.

2. Grant of Option. The Company grants to the Participant the right and option (the “Option”) to purchase, on the terms and conditions set forth herein, all or any part of XXXXX

Shares (the “Option Shares”) at the Exercise Price, on the terms and conditions set forth herein. The Option is not intended to be an incentive stock option under Section 422 of the Code.

3. Exercisability.

(a) The Option shall become exercisable as stated in the Grant Details Future Vesting Schedule provided to you as part of your Grant Information, so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant’s Termination Date (other than due to death or Disability) (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant’s termination of employment was due to a Qualifying Termination or due to the Participant’s death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the 12 months in that Vesting Period) shall also vest and become exercisable.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the unexercisable portion of the Option that has not previously expired pursuant to this Agreement shall become exercisable upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting and exercisability of all or any portion of the Option.

4. Expiration.

(a) The exercisable portion of the Option shall expire on the earliest of (i) the tenth (10th) anniversary of the Effective Date, (ii) the ninetieth (90th) day after the Termination Date if the Participant’s employment terminates for any reason other than due to death, Disability or Cause, (iii) one (1) year after the Termination Date if the Participant’s employment terminates due to death or Disability, or (iv) the Termination Date if the Participant’s employment is terminated for Cause.

(b) Subject to Sections 3(b) and 3(c), the unexercisable portion of the Option that has not previously expired pursuant to this Agreement shall immediately expire on the Termination Date.

5. Nontransferability of the Option. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by the Participant during his or her lifetime. The Company may cancel the Participant’s Option if the Participant attempts to assign or transfer it in a manner inconsistent with this Section 5.

6. Adjustments; Cash-Out.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash

dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the Option shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Exercise of the Option.

(a) Prior to the expiration or termination of the Option, the Participant may exercise the exercisable portion of the Option from time to time in whole or in part. Upon electing to exercise the Option, the Participant shall notify the Company of the Participant's election, including the number of Option Shares the Participant has elected to purchase and shall at the time of delivery of such notice tender cash or a cashier's or certified bank check to the order of the Company in the amount (the "Cost") of the aggregate Exercise Price of such Option Shares plus any amount required pursuant to Section 13; provided, however, that the Participant may pay the Cost, plus any amount required pursuant to Section 13, in whole or in part with previously-owned Shares or withheld Option Shares. The Administrator may, in its sole discretion, permit payment of the Cost in such other form or in such other manner as may be permissible under the Plan and applicable law.

(b) The Option may only be exercised (i) during the life of the Participant, only by the Participant, and (ii) in the event of the Participant's death or Disability, by his or her executor, guardian or legal representative.

8. Restrictions on Resales of Option Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Option Shares issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other optionholders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

9. No Interest in Shares Subject to Option. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person upon exercise of the Option or any part of it.

10. Plan Controls. The Option hereby granted is subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the Option without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

11. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

12. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

13. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Option Shares or the exercise of the Option, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Option Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

14. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 14, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 14, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 14, be deemed given on the earlier of the third Business

Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 14, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 14). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 14, designate another address or Person for receipt of notices hereunder.

15. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

16. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

17. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

18. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

20. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

21. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

22. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the Option and the Shares via Company web site or other electronic delivery

23. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Option Transferees and Permitted Share Transferees.

24. Participant Covenants.

(a) Covenant not to Compete. While employed by the Company or a subsidiary and for six (6) months thereafter, the Participant shall not, directly or indirectly, own any interest in, manage, control, participate in, consult with, render services for, or be employed in an executive, managerial or administrative capacity by any entity engaged in the fast or quick-casual restaurant business in North America that derives 20% or more of its revenues from the sale of noodles or pasta dishes (a "Competing Business"). Nothing herein shall prohibit the Participant from being a passive owner of not more than 5% of the outstanding stock of any class of a corporation which is publicly traded, so long as the Participant has no active participation in the business of such corporation.

(b) Non-Solicitation. While employed by the Company or a subsidiary and for six (6) months thereafter, other than in the course of performing his or her duties, the Participant shall not, directly or indirectly through another Person, induce or attempt to induce any employee of the Company or any of its subsidiaries (other than restaurant-level employees who are not managers) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any of its subsidiaries and any such employee.

(c) Confidentiality. The Participant acknowledges that the confidential business information generated by the Company and its subsidiaries, whether such information is written, oral or graphic, including, but not limited to, financial plans and records, marketing plans, business strategies and relationships with third parties, present and proposed products, present

and proposed patent applications, trade secrets, information regarding customers and suppliers, strategic planning and systems and contractual terms obtained by the Participant while employed by the Company and its subsidiaries concerning the business or affairs of the Company or any subsidiary of the Company (collectively, the “Confidential Information”) is the property of the Company or such subsidiary. The Participant agrees that he or she shall not disclose to any Person or use for the Participant’s own purposes any Confidential Information or any confidential or proprietary information of other Persons in the possession of the Company and its subsidiaries (“Third Party Information”), without the prior written consent of the Board, unless and to the extent that (i) the Confidential Information or Third Party Information becomes generally known to and available for use by the public, other than as a result of the Participant’s acts or omissions or (ii) the disclosure of such Confidential Information is required by law, in which case the Participant shall give notice to and the opportunity to the Company to comment on the form of the disclosure and only the portion of Confidential Information that is required to be disclosed by law shall be disclosed. The Participant shall deliver to the Company on the date of his or her termination of employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Third Party Information, Confidential Information, or the business of the Company or any of its subsidiaries which he or she may then possess or have under his or her control.

(d) Specific Performance. The Participant recognizes and agrees that a violation by him or her of his or her obligations under this Section 24 may cause irreparable harm to the Company that would be difficult to quantify and that money damages may be inadequate. As such, the Participant agrees that the Company shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. However, the foregoing shall not prevent the Participant from contesting the Company’s request for the issuance of any such injunction on the grounds that no violation or threatened violation of this Section 24 has occurred and that the Company has not suffered irreparable harm. If a court of competent jurisdiction determines that the Participant has violated the obligations of any covenant for a particular duration, then the Participant agrees that such covenant will be extended by that duration.

(e) Scope and Duration of Restrictions. The Participant expressly agrees that the character, duration and geographical scope of the restrictions imposed under this Section 24 are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character, duration or geographical scope of any of the covenants contained herein is unreasonable in light of the circumstances as they then exist, then it is the intention of both the Participant and the Company that such covenant shall be construed by the court in such a manner as to impose only those restrictions on the conduct of the Participant which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of such covenant.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: _____
Name:
Title:

PARTICIPANT:

Name:

EXHIBIT 1

NOODLES & COMPANY
AMENDED AND RESTATED
2010 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is made as of XXXXX (the “Effective Date”) by and between Noodles & Company, a Delaware corporation (the “Company”), and XXXXX (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to XXXXX shares of the Class A Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Cause” has the meaning in the Participant’s employment agreement with the Company or, if there is no such agreement or definition, means that the Participant (a) is convicted of, or pleads guilty or *nolo contendere* to, a felony (other than a traffic-related felony) or any other crime involving dishonesty or moral turpitude; or (b) willfully engages in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company; or (c) willfully violates any noncompetition or nonsolicitation covenant between the Participant and the Company. The determination of “Cause” shall be in the reasonable discretion of the Administrator.

“Company” has the meaning set forth in the Preamble.

“Competing Business” has the meaning set forth in Section 23(a).

“Confidential Information” has the meaning set forth in Section 23(b).

“Disability” has the meaning ascribed to such term in the Plan.

“Effective Date” has the meaning set forth in the Preamble.

“Employer” means the Company and/or any of its subsidiaries with which the Participant is employed.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“Qualifying Termination” means (i) if the Participant is party to an employment agreement with a “Good Reason” provision, termination of the Participant’s employment by the Participant for Good Reason in accordance with the terms of such employment agreement or (ii) the Participant’s termination of employment by the Company without Cause.

“RSUs” has the meaning set forth in Section 2.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date on which the Participant experiences a Termination of Employment (as defined in the Plan).

“Third Party Information” has the meaning set forth in Section 23(b).

“Vesting Period” has the meaning set forth in Section 3(a).

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the “RSUs”) with respect to XXXXX Shares.

3. Vesting.

(a) The RSUs shall vest in 25% increments on each of the first through fourth anniversaries of the Effective Date (each such annual period, a “Vesting Period”) so long as the Participant remains continuously employed by the Employer.

(b) Notwithstanding Section 3(a), upon receipt of a release of claims acceptable to the Company within forty-five days following the Participant’s Termination Date (other than due to death or Disability) (which, for any Participant subject to an employment agreement with an attached release of claims, shall be such attached release of claims), if the Participant’s termination of employment was due to a Qualifying Termination or due to the Participant’s death or Disability, a pro rata portion of the next vesting installment (based on time worked relative to the 12 months in that Vesting Period) shall also vest.

(c) Notwithstanding Sections 3(a) and 3(b), if the Participant experiences a termination of employment due to a Qualifying Termination within twelve (12) months following a Change in Control, the portion of the RSUs that has not previously expired pursuant to this Agreement shall vest upon such event.

(d) In addition, the Administrator may, at any time in its sole discretion, accelerate the vesting of all or any portion of the RSUs.

4. Settlement.

(a) Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

(b) Subject to Sections 3(b) and 3(c), the unvested RSUs shall immediately expire on the Termination Date.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant's RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. Restrictions on Resales of Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued as a result of the settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other grantees and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

8. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

9. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant's consent insofar as it adversely affects the Participant's material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

10. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the employ of the Employer or any affiliate thereof or shall affect the right of the Employer to terminate the employment of the Participant at any time with or without Cause (unless otherwise set forth in an employment agreement between the Company and the Participant).

11. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

12. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

13. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 13, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 13, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 13, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 13, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 13). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 13, designate another address or Person for receipt of notices hereunder.

14. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

15. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

16. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

17. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

20. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

21. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery

22. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

23. Participant Covenants.

(a) Covenant not to Compete. While employed by the Company or a subsidiary and for six (6) months thereafter, the Participant shall not, directly or indirectly, own any interest in, manage, control, participate in, consult with, render services for, or be employed in an executive, managerial or administrative capacity by any entity engaged in the fast or quick-casual restaurant business in North America that derives 20% or more of its revenues from the sale of noodles or pasta dishes (a "Competing Business"). Nothing herein shall prohibit the Participant from being a passive owner of not more than 5% of the outstanding stock of any class of a corporation which is publicly traded, so long as the Participant has no active participation in the business of such corporation.

(b) Non-Solicitation. While employed by the Company or a subsidiary and for six (6) months thereafter, other than in the course of performing his or her duties, the Participant shall not, directly or indirectly through another Person, induce or attempt to induce any employee of the Company or any of its subsidiaries (other than restaurant-level employees who are not managers) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any of its subsidiaries and any such employee.

(c) Confidentiality. The Participant acknowledges that the confidential business information generated by the Company and its subsidiaries, whether such information is

written, oral or graphic, including, but not limited to, financial plans and records, marketing plans, business strategies and relationships with third parties, present and proposed products, present and proposed patent applications, trade secrets, information regarding customers and suppliers, strategic planning and systems and contractual terms obtained by the Participant while employed by the Company and its subsidiaries concerning the business or affairs of the Company or any subsidiary of the Company (collectively, the “Confidential Information”) is the property of the Company or such subsidiary. The Participant agrees that he or she shall not disclose to any Person or use for the Participant’s own purposes any Confidential Information or any confidential or proprietary information of other Persons in the possession of the Company and its subsidiaries (“Third Party Information”), without the prior written consent of the Board, unless and to the extent that (i) the Confidential Information or Third Party Information becomes generally known to and available for use by the public, other than as a result of the Participant’s acts or omissions or (ii) the disclosure of such Confidential Information is required by law, in which case the Participant shall give notice to and the opportunity to the Company to comment on the form of the disclosure and only the portion of Confidential Information that is required to be disclosed by law shall be disclosed. The Participant shall deliver to the Company on the date of his or her termination of employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Third Party Information, Confidential Information, or the business of the Company or any of its subsidiaries which he or she may then possess or have under his or her control.

(d) Specific Performance. The Participant recognizes and agrees that a violation by him or her of his or her obligations under this Section 23 may cause irreparable harm to the Company that would be difficult to quantify and that money damages may be inadequate. As such, the Participant agrees that the Company shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. However, the foregoing shall not prevent the Participant from contesting the Company’s request for the issuance of any such injunction on the grounds that no violation or threatened violation of this Section 23 has occurred and that the Company has not suffered irreparable harm. If a court of competent jurisdiction determines that the Participant has violated the obligations of any covenant for a particular duration, then the Participant agrees that such covenant will be extended by that duration.

(e) Scope and Duration of Restrictions. The Participant expressly agrees that the character, duration and geographical scope of the restrictions imposed under this Section 23 are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character, duration or geographical scope of any of the covenants contained herein is unreasonable in light of the circumstances as they then exist, then it is the intention of both the Participant and the Company that such covenant shall be construed by the court in such a manner as to impose only those restrictions on the conduct of the Participant which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of such covenant.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: _____

Name:

Title:

PARTICIPANT:

Name:

EXHIBIT 1

NOODLES & COMPANY
AMENDED AND RESTATED
2010 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT FOR NONEMPLOYEE DIRECTORS

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is made as of _____ (the “Effective Date”), by and between Noodles & Company, a Delaware corporation (the “Company”), and _____ (the “Participant”).

RECITALS

A. The Company has adopted the Noodles & Company Amended and Restated 2010 Stock Incentive Plan (the “Plan”), a copy of which is attached hereto as Exhibit 1.

B. The Company desires to grant the Participant the right to a proprietary interest in the Company to encourage the Participant’s contribution to the success and progress of the Company.

C. In accordance with the Plan, the Administrator (as defined in the Plan) has granted to the Participant restricted stock units with respect to _____ shares of the Class A Common Stock of the Company, par value \$0.01 per share (“Shares”), subject to the terms and conditions of the Plan and this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings, and capitalized terms not otherwise defined herein shall have the meaning specified in the Plan:

“Agreement” has the meaning set forth in the Preamble.

“Board” means the board of directors of the Company.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“Company” has the meaning set forth in the Preamble.

“Effective Date” has the meaning set forth in the Preamble.

“Participant” has the meaning set forth in the Preamble.

“Person” means and includes an individual, a partnership, a corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental or regulatory body or agency or other authority.

“Plan” has the meaning set forth in the Recitals.

“RSUs” has the meaning set forth in Section 2.

“Shares” has the meaning set forth in the Recitals.

“Termination Date” means the date the Participant ceases to serve as a member of the Board.

“Withholding Obligation” means the amount determined in the Administrator’s sole discretion to be the minimum sufficient to satisfy all federal, state, local and other withholding tax obligations that the Administrator determines may arise with respect to the issuance of Shares or payment of income earned in respect of any RSUs.

2. Grant of RSUs. The Company grants to the Participant restricted stock units (the “RSUs”) with respect to _____ Shares, on the terms and conditions set forth herein. Each RSU represents the right to receive one (1) Share, subject to the terms and conditions hereof.

3. Vesting. The RSUs shall be fully vested upon grant.

4. Settlement. Unless deferred by the Participant to the extent permitted by the Board, the RSUs shall be settled promptly following their vesting pursuant to Section 3 by the Company delivering to the Participant one Share for each RSU that has vested. Unless deferred by the Participant, in no event shall such settlement occur later than March 15 of the year following the year in which the RSUs vest.

5. Nontransferability of the RSUs. Except as permitted by the Administrator or as permitted under the Plan, the Participant may not assign or transfer the RSUs to anyone other than by will or the laws of descent and distribution. The Company may cancel the Participant’s RSUs if the Participant attempts to assign or transfer them in a manner inconsistent with this Section 5.

6. Adjustments.

(a) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but excluding regular, quarterly and other periodic cash dividends), stock split or a combination or consolidation of the outstanding Shares into a lesser number of shares, is declared with respect to the Shares, then the RSUs shall be subject to adjustment as provided in Section 12(a) of the Plan.

(b) In connection with a Change in Control, the Administrator may provide for any adjustment or action specified in Section 12(b) of the Plan.

7. No Interest in Shares Subject to RSUs. Neither the Participant (individually or as a member of a group) nor any beneficiary or other Person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to this Agreement except as to such Shares, if any, as shall have been issued to such Person following vesting of the RSUs.

8. Plan Controls. The RSUs hereby granted are subject to, and the Company and the Participant agree to be bound by, all of the terms and conditions of the Plan as the same may be amended from time to time in accordance with the terms thereof; provided, however, that no such amendment shall be effective as to the RSUs without the Participant’s consent insofar as it adversely affects the Participant’s material rights under this Agreement, which consent will not be unreasonably withheld by the Participant.

9. Not an Employment Contract. Nothing in the Plan, this Agreement or any other instrument executed pursuant hereto or thereto shall confer upon the Participant any right to continue in the service of the Company or any affiliate thereof or shall affect the right of the Company to terminate the service of the Participant at any time and for any reason.

10. Governing Law. This Agreement, and any disputes or controversies arising hereunder, shall be construed and enforced in accordance with and governed by the internal laws of the State of Delaware other than principles of law that would apply the law of another jurisdiction.

11. Taxes. The Administrator may, in its sole discretion, make such provisions and take such steps as it may deem necessary or appropriate to satisfy the Withholding Obligations with respect to the issuance of Shares, including deducting the amount of any such Withholding Obligations from any other amount then or thereafter payable to the Participant, requiring the Participant to pay to the Company the amount of such Withholding Obligations or to execute such documents as the Administrator deems necessary or desirable to enable it to satisfy the Withholding Obligations, or any other means provided in the Plan; provided, however, that, the Participant may satisfy any Withholding Obligations by (i) directing the Company to withhold that number of Shares with an aggregate fair market value equal to the amount of the Withholding Obligations or (ii) delivering to the Company such number of previously held Shares that have been owned by the Participant with an aggregate fair market value equal to the amount of the Withholding Obligations.

12. Notices. All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to the Company to:

Noodles & Company
520 Zang Street, Suite D
Broomfield, CO 80021
Fax: (720) 214-1921
Attention: General Counsel

If to the Participant to the address set forth below the Participant's signature below.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 12, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 12, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 12, be deemed given on the earlier of the third Business Day following mailing or upon receipt, and (iv) if delivered by overnight courier to the address as provided in this Section 12, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such

notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 12). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

Either party may, by notice given to the other party in accordance with this Section 12, designate another address or Person for receipt of notices hereunder.

13. Amendments and Waivers. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto. The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement. Any waiver by any party of any provision hereof shall be effective only by a writing signed by the party to be charged.

14. Entire Agreement. This Agreement, together with the Plan, sets forth the entire agreement and understanding between the parties hereto as to the subject matter hereof and thereof and supersedes all prior oral and written and all contemporaneous oral discussions, agreements and understandings of any kind or nature, regarding the subject matter hereof and thereof between the parties hereto.

15. Separability. If any term or provision of this Agreement shall to any extent be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the invalid or unenforceable provisions, to the extent permitted by law, shall be deemed amended and given such interpretation so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

16. Headings; Construction. Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.”

17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

18. Further Assurances. The Participant shall cooperate and take such action as may be reasonably requested by the Company in order to carry out the provisions and purposes of this Agreement.

19. Remedies. In the event of a breach by any party to this Agreement of its obligations under this Agreement, any party injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived.

20. Electronic Delivery. By executing the Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the subsidiaries, the Plan, the RSUs and the Shares via Company web site or other electronic delivery

21. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns, including any Permitted Transferees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

THE COMPANY:

NOODLES & COMPANY

By: _____

Name:

Title:

PARTICIPANT:

Name:

EXHIBIT 1

NOODLES & COMPANY
AMENDED AND RESTATED
2010 STOCK INCENTIVE PLAN

AMENDMENT NO. 6
TO
AMENDED AND RESTATED CREDIT AGREEMENT

This **AMENDMENT NO. 6 TO AMENDED AND RESTATED CREDIT AGREEMENT** dated as of November 8, 2017 (this "**Amendment**") is by and among (a) **NOODLES & COMPANY** (the "**Borrower**"), (b) each of the Guarantors (as defined in the Credit Agreement referred to below) signatory hereto, (c) **BANK OF AMERICA, N.A.**, as administrative agent (in such capacity, the "**Administrative Agent**"), L/C Issuer and Swing Line Lender (each such term defined in the Credit Agreement referred to below) and (d) the lenders signatory hereto and amends that certain Amended and Restated Credit Agreement, dated as of November 22, 2013, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement, dated as of June 4, 2015, that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated as of November 24, 2015, that certain Amendment No. 3 to Amended and Restated Credit Agreement, dated as of August 2, 2016, that certain Amendment No. 4 to Amended and Restated Credit Agreement, dated as of November 4, 2016, and that certain Amendment No. 5 to Amended and Restated Credit Agreement, dated as of February 8, 2017 (as further amended, restated, extended, supplemented, modified and otherwise in effect from time to time, the "**Credit Agreement**"), by and among the Borrower, the other Loan Parties (as defined in the Credit Agreement) party thereto, the Lenders party thereto, the Administrative Agent, and Bank of America, N.A., as L/C Issuer and Swing Line Lender. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders agree to amend certain of the terms and provisions of the Credit Agreement, as specifically set forth in this Amendment; and

WHEREAS, the Borrower, the Administrative Agent and the Lenders have agreed to amend certain provisions of the Credit Agreement as provided more fully herein below.

NOW THEREFORE, in consideration of the mutual agreements contained in the Credit Agreement and herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

§1. Amendments to the Credit Agreement

§1.1. Amendment to Section 1.01. The definition of "**Applicable Percentage**" in Section 1.01 of the Credit Agreement is hereby amended by deleting the text "and 2.16" immediately following the text "subject to adjustment as provided in Section 2.15" in the first sentence thereof.

§1.2. Amendment to Section 1.01. The definition of "**Applicable Rate**" in Section 1.01 of the Credit Agreement is hereby amended as of the Sixth Amendment Effective Date (as defined below) by (i) deleting the table contained therein, (ii) replacing it with the following table, and (iii) deleting clause (x) of the sentence starting "Notwithstanding anything to the contrary" and replacing it with the new clause (x) set forth below:

Pricing Level	Consolidated Total Lease Adjusted Leverage Ratio	Eurodollar Rate Loans and Letter of Credit Fees	Base Rate Loans	Commitment Fee
1	<3.75:1.00	2.50%	1.50%	0.35%
2	≥3.75:1.00 but <4.25:1.00	2.75%	1.75%	0.40%
3	≥4.25:1.00 but <4.75:1.00	3.25%	2.25%	0.45%
4	≥4.75:1.00 but <5.25:1.00	3.50%	2.50%	0.50%
5	≥5.25:1.00	3.75%	2.75%	0.55%

“(x) from the Sixth Amendment Effective Date to the date on which the Administrative Agent receives a Compliance Certificate pursuant to Section 6.02(a) for the first full Fiscal Quarter ending after the Sixth Amendment Effective Date, the Applicable Rate shall be not less than the percentage per annum set forth in Pricing Level 4, and”

§1.3. Amendment to Section 1.01. The definition of “Consolidated EBITDA” in Section 1.01 of the Credit Agreement is hereby amended by restating clause (a)(viii) of such definition in its entirety as follows:

“(viii) without duplication of any add backs pursuant to clause (vii) above, (x) non-recurring cash expenses (including severance payments) or charges and non-recurring non-cash charges and (y) pro forma general and administrative cash cost savings resulting from headcount reductions in Fiscal Years 2017 and 2018, on a combined basis as to clauses (x) and (y) in an aggregate amount not to exceed \$2,000,000 in any Measurement Period,”

§1.4. Amendment to Section 1.01. The definition of “Consolidated Fixed Charge Coverage Ratio” in Section 1.01 of the Credit Agreement is hereby amended by restating such definition in its entirety as follows:

“Consolidated Fixed Charge Coverage Ratio” means, at any date of determination, the ratio of (a) (i) Consolidated EBITDAR for the most recently completed Measurement Period, less (ii) Consolidated Maintenance Capital Expenditures paid in cash during such Measurement Period other than up to \$2,900,000 of Consolidated Maintenance Capital Expenditures paid in cash during or prior to the third Fiscal Quarter of Fiscal Year 2017 for one-time Consolidated Maintenance Capital Expenditures in technology assets less (iii) the aggregate amount of Federal, state, local and foreign income taxes paid in cash during such Measurement Period to (b) the sum of (i) Consolidated Interest Charges paid in cash, (ii) the aggregate principal amount of all regularly scheduled principal payments or redemptions or similar acquisitions for value of outstanding debt for borrowed money, but excluding any such payments to the extent refinanced through the incurrence of additional Indebtedness otherwise expressly permitted under Section 7.02 and any such payments under Section 2.05(b)(i) due to a reduction of the Revolving Credit Commitments pursuant to Section 2.06(b)(i), and (iii) Consolidated Cash Rental Expense, in each case, of or by the Borrower and its Subsidiaries for the most recently completed Measurement Period; provided that if any Permitted Acquisition shall have been consummated during such Measurement Period, the Consolidated Fixed Charge Coverage Ratio shall be calculated on a Pro Forma Basis.

§1.5. Amendment to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended by adding the following new definition in the appropriate alphabetical order:

“Sixth Amendment Effective Date” means November 8, 2017.

§1.6. Amendment to Section 1.01. The definition of “Maturity Date” in Section 1.01 of the Credit Agreement is hereby amended by restating such definition in its entirety as follows:

“Maturity Date” means June 4, 2019; provided, however, that, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

§1.7. Amendment to Section 1.01. The definition of “Required Quarterly RL Payment” in Section 1.01 of the Credit Agreement is hereby amended by deleting such definition in its entirety.

§1.8. Amendment to Section 1.01. The definition of “Revolving Credit Commitment” in Section 1.01 of the Credit Agreement is hereby amended by deleting the text “, including, without limitation, pursuant to Section 2.16 hereof” immediately following the text “as such amount may be adjusted from time to time in accordance with this Agreement” at the end of such definition.

§1.9. Amendment to Section 1.01. The definition of “Revolving Credit Increase Effective Date” in Section 1.01 of the Credit Agreement is hereby amended by deleting such definition in its entirety.

§1.10. Amendment to Section 2.05. Section 2.05(b)(iii) of the Credit Agreement is hereby deleted in its entirety.

§1.11. Amendment to Section 2.06. Section 2.06(b)(i) of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“(i) Beginning on the last Business Day of the fourth Fiscal Quarter of Fiscal Year 2017, the Revolving Credit Commitments shall be automatically and permanently reduced on such date and on the last Business Day of each Fiscal Quarter thereafter in an amount equal to \$2,500,000 per Fiscal Quarter with a commensurate reduction to the Revolving Credit Facility. Any mandatory Revolving Credit Commitment reduction hereunder shall be subject to the terms and conditions of Sections 2.06(a)(iii)(A) and 2.06(a)(iii)(B). Any such reduction shall be applied to the Revolving Credit Commitments of each Appropriate Lender according to its Applicable Revolving Credit Percentage.”

§1.12. Amendment to Section 2.16. Section 2.16 of the Credit Agreement is hereby amended by deleting such section in its entirety and replacing it with the words “Intentionally Omitted”.

§1.13. Amendment to Section 6.01. Section 6.01(c) of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“(c) as soon as available, but in any event within 30 days after the end of each of the first two fiscal months of each Fiscal Quarter of the Borrower, (x) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal month, and the related consolidated statements of income or operations, changes in shareholders’ equity and cash flows, and (y) a calculation of Consolidated EBITDA, in each case for such fiscal month and for the portion of the Borrower’s Fiscal Year then ended, setting forth in comparative form the corresponding information for the corresponding fiscal month of the previous Fiscal Year and the corresponding portion of the previous Fiscal Year, and setting forth in comparative form the corresponding information for the corresponding fiscal month set forth in the applicable Budget, in each case, in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer,

treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

§1.14. Amendment to Section 6.01. Section 6.02(a) of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a), 6.01(b), and 6.01(c) (i) a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower, and (ii) a copy of management’s discussion and analysis with respect to such financial statements delivered in connection with Section 6.01(b) in the form prepared by management consistent with past practices and to the extent such a discussion and analysis is prepared for the Borrower or the board of directors or equivalent governing body; provided, that, for the avoidance of doubt, determinations of compliance with financial covenants and of the Applicable Rate shall be based solely on Compliance Certificates delivered in connection with the financial statements referred to in Sections 6.01(a) and 6.01(b);”

§1.15. Amendment to Section 6.20. Section 6.20 of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“6.20 Cash Management Arrangements. Maintain, and cause each of the other Loan Parties to maintain all deposit accounts and securities accounts with Bank of America or any Affiliate of Bank of America, any Lender or any Affiliate of such Lender, or another commercial bank located in the United States and acceptable to the Administrative Agent, and shall, within thirty (30) days of a request by the Administrative Agent, enter into deposit account control agreements, securities account control agreements and such other agreements, documents and instruments as may be necessary, in the Administrative Agent’s determination, to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected, first-priority Lien and “control” (as defined in the UCC) on such deposit accounts and securities accounts, unless otherwise consented to in writing by the Administrative Agent in its sole discretion, provided that in respect of any deposit account over which the Administrative Agent does not have a perfected, first-priority Lien and “control” as provided herein, the Borrower shall cause, and cause each of the other Loan Parties, to, transfer no less frequently than once per calendar week all amounts in excess of \$5,000 in each such deposit account to a deposit account over which the Administrative Agent has a perfected, first priority Lien and “control” as provided herein and provided further that the aggregate amount maintained in all such deposit accounts not subject to the “control” of the Administrative Agent shall not exceed \$250,000 at any time immediately following such weekly sweep.

§1.16. Amendment to Section 7.03. Section 7.03(n) of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“(n) other Investments; provided, however, that the aggregate amount of Investments permitted under this Section 7.03(n) and not in existence prior to the Sixth Amendment Effective Date does not exceed \$500,000 at any time outstanding; and

§1.17. Amendment to Section 7.03. Section 7.03(o) of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“(o) Investments in non-Guarantor Subsidiaries and Joint Venture Entities existing prior to the Sixth Amendment Effective Date.

§1.18. Amendment to Section 7.11. Section 7.11 of the Credit Agreement is hereby amended as of the Sixth Amendment Effective Date and for the periods listed below by restating such section in its entirety as follows:

“7.11 Financial Covenants.

(a) Consolidated Total Lease Adjusted Leverage Ratio. Permit the Consolidated Total Lease Adjusted Leverage Ratio as of the end of any Measurement Period to be greater than or equal to the applicable ratio set forth below opposite such Measurement Period:

Measurement Period End Date	Maximum Consolidated Total Lease Adjusted Leverage Ratio
Third Fiscal Quarter of Fiscal Year 2017	5.25:1.00
Fourth Fiscal Quarter of Fiscal Year 2017	5.25:1.00
First Fiscal Quarter of Fiscal Year 2018	5.35:1.00
Second Fiscal Quarter of Fiscal Year 2018	5.45:1.00
Third Fiscal Quarter of Fiscal Year 2018	5.45:1.00
Fourth Fiscal Quarter of Fiscal Year 2018 and each Fiscal Quarter ending thereafter	5.35:1.00

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any Measurement Period of the Borrower ending on any Fiscal Quarter end date to be less than the applicable ratio set forth below opposite such Measurement Period:

Measurement Period End Date	Maximum Consolidated Fixed Charge Coverage Ratio
Third Fiscal Quarter of Fiscal Year 2017	1.40:1.00
Fourth Fiscal Quarter of Fiscal Year 2017	1.40:1.00
First Fiscal Quarter of Fiscal Year 2018	1.35:1.00
Second Fiscal Quarter of Fiscal Year 2018	1.35:1.00
Third Fiscal Quarter of Fiscal Year 2018	1.35:1.00
Fourth Fiscal Quarter of Fiscal Year 2018 and each Fiscal Quarter ending thereafter	1.35:1.00

§1.19. Amendment to Section 7.12. Section 7.12 of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“7.12 Capital Expenditures. Make or become legally obligated to make any Capital Expenditures in an amount exceeding (i) \$22,000,000 in Fiscal Year 2017 and (ii) \$10,000,000 in each Fiscal Year thereafter.

§1.20. Amendment to Section 7.18. Section 7.18 of the Credit Agreement is hereby amended by restating such section in its entirety as follows:

“7.18 New Operating Unit Lease Incurrences. From and after the Sixth Amendment Effective Date, enter into any Lease with respect to any New Operating Unit unless the Consolidated Total Lease Adjusted Leverage Ratio is less than or equal to 5.00:1.00 for the most recently completed Measurement Period prior to the consummation of such Lease; provided, however, that the Loan Parties may enter into up to three (3) Leases with respect to a New Operating Unit after the Sixth Amendment Effective Date in Fiscal Year 2017 or in Fiscal Year 2018 and one (1) additional Lease in connection with a relocation of an existing Unit Location after the Sixth Amendment Effective Date in Fiscal Year 2017 or in Fiscal Year 2018, whether or not the Loan Parties are in compliance with the foregoing Consolidated Total Lease Adjusted Leverage Ratio levels.

§1.21. Amendment to Exhibit D to the Credit Agreement. Exhibit D (Form of Compliance Certificate) to the Credit Agreement is hereby replaced by Exhibit D (form of Compliance Certificate) attached hereto as Annex A.

§2. Affirmation and Acknowledgment. Each Loan Party hereby ratifies and confirms all of its Obligations to the Lenders and the Administrative Agent, and the Borrower hereby affirms its absolute and unconditional promise to pay to the Lenders the Loans, the other Obligations, and all other amounts due under the Credit Agreement as amended hereby. Each Loan Party hereby ratifies and reaffirms the validity and enforceability of all of the Liens and security interests heretofore granted and pledged by such Loan Party pursuant to the Loan Documents to the Administrative Agent, on behalf and for the benefit of the Secured Parties, as collateral security for the Obligations, and acknowledges that all of such Liens and security interests, and all Collateral heretofore granted, pledged or otherwise created as security for the Obligations continue to be and remain collateral security for the Obligations from and after the date hereof. Each of the Guarantors party to the Guaranty hereby acknowledges and consents to this Amendment and agrees that the Guaranty and all other Loan Documents to which each of the Guarantors are a party remain in full force and effect, and each of the Guarantors confirms and ratifies all of its Obligations thereunder.

§3. Representations and Warranties. Each Loan Party hereby represents and warrants to the Lenders and the Administrative Agent as follows:

(a) The execution, delivery and performance by each Loan Party of this Amendment and the performance by such Loan Party of its obligations and agreements under this Amendment and the Credit Agreement, as amended hereby, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of any of such Loan Party's Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (A) any material Contractual Obligation (other than the creation of Liens under the Loan Documents) to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Subsidiaries or (B) any order, injunction, writ or decree of any Governmental

Authority or any arbitral award to which such Loan Party or its property is subject; or (iii) violate any Law, except to the extent that any such violation, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) This Amendment has been duly executed and delivered by such Loan Party. Each of this Amendment and the Credit Agreement, as amended hereby, constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with their respective terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles, whether enforcement is sought by a proceeding in equity or at law.

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is required in connection with the execution, delivery or performance by such Loan Party of this Amendment or the Credit Agreement as amended hereby.

(d) The representations and warranties of such Loan Party contained in Article V of the Credit Agreement or in any other Loan Document, or which are contained in any document furnished at any time under or in connection therewith, are true and correct in all material respects on and as of the date hereof (other than to the extent that any representation and warranty is already qualified by materiality, in which case, such representation and warranty shall be true and correct as of the date hereof), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that the representations and warranties contained in Sections 5.05(a) and 5.05(b) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and 6.01(b) of the Credit Agreement, respectively.

(e) As of the date hereof, after giving effect to the provisions hereof, there exists no Default or Event of Default.

§4. Conditions. This Amendment shall become effective upon the satisfaction of the following conditions precedent no later than November 8, 2017 (the "Sixth Amendment Effective Date"):

(a) This Amendment shall have been duly executed and delivered by each Loan Party, the Administrative Agent and the Lenders.

(b) The Administrative Agent shall have received certificates executed by a Responsible Officer of each Loan Party attaching (i) resolutions or other action authorizing the actions under this Amendment and the Credit Agreement as amended hereby, (ii) incumbency certificates, (iii) certified copies of the Organization Documents of such Loan Party, in each case, certified as true, accurate and complete and in effect on the date hereof (or a certification that there shall have been no changes to the Organization Documents of such Loan Party since the most recent date that certified copies of such Organization Documents were delivered to the Administrative Agent) and (iv) such other documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower certifying (i) that the conditions specified in this Section 4 have been satisfied, and (ii) that there has been no event or circumstance since January 3, 2017 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

(d) The representations and warranties set forth in Section 4 hereof shall be true and correct.

(e) All fees and expenses due and owing to the Administrative Agent and the Lenders and required to be paid on or before the Sixth Amendment Effective Date pursuant to that certain Sixth Amendment Fee Letter dated as of November 8, 2017 by and among the Administrative Agent and the Borrower, shall have been paid (or shall be paid concurrently with the closing of this Amendment).

(f) The Administrative Agent shall have been reimbursed for all reasonable and documented fees and out-of-pocket charges and other expenses incurred in connection with this Amendment, including, without limitation, the reasonable fees and disbursements of counsel for the Administrative Agent, to the extent documented prior to or on the date hereof (for the avoidance of doubt, a summary statement of such fees, charges and disbursements shall be sufficient documentation for the obligations set forth in this Section 4(f); provided that supporting documentation for such summary statement is provided promptly thereafter).

§5. Miscellaneous Provisions.

§5.1. Except as expressly amended or otherwise modified by this Amendment, the Credit Agreement and all documents, instruments and agreements related thereto, including, but not limited to the other Loan Documents, are hereby ratified and confirmed in all respects and shall continue in full force and effect. No amendment, consent or waiver herein granted or agreement herein made shall extend beyond the terms expressly set forth herein for such amendment, consent, waiver or agreement, as the case may be, nor shall anything contained herein be deemed to imply any willingness of the Administrative Agent or the Lenders to agree to, or otherwise prejudice any rights of the Administrative Agent or the Lenders with respect to, any similar amendments, consents, waivers or agreements that may be requested for any future period, and this Amendment shall not be construed as a waiver of any other provision of the Loan Documents or to permit the Borrower or any other Loan Party to take any other action which is prohibited by the terms of the Credit Agreement and the other Loan Documents. The Credit Agreement and this Amendment shall be read and construed as a single agreement. All references in the Credit Agreement, or any related agreement or instrument, to the Credit Agreement shall hereafter refer to the Credit Agreement, as amended hereby. This Amendment shall constitute a Loan Document.

§5.2. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

§5.3. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT

PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AMENDMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

§5.4. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

§5.5. The Borrower hereby agrees to pay to the Administrative Agent, on demand by the Administrative Agent, all reasonable and documented out-of-pocket costs and expenses incurred or sustained by the Administrative Agent in connection with the preparation of this Amendment (including legal fees).

§5.6. The provisions of this Amendment are solely for the benefit of the Loan Parties, the Administrative Agent and the Lenders and no other Person shall have rights as a third party beneficiary of any of such provisions.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as a document under seal as of the date first above written.

NOODLES & COMPANY,
a Delaware corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

TNSC, INC., a Colorado corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

NOODLES & COMPANY SERVICES CORP.,
a Colorado corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

NOODLES & COMPANY FINANCE CORP.,
a Colorado corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

THE NOODLE SHOP, CO. – COLORADO, INC.,
a Colorado corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

THE NOODLE SHOP, CO. – WISCONSIN, INC.,
a Wisconsin corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

THE NOODLE SHOP, CO. – MINNESOTA, INC.,
a Minnesota corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Secretary

THE NOODLE SHOP, CO. – ILLINOIS, INC.,
an Illinois corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

THE NOODLE SHOP, CO. – VIRGINIA, INC.,
a Virginia corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

THE NOODLE SHOP, CO. – MARYLAND, INC.,
a Maryland corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Vice President

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

THE NOODLE SHOP, CO. – MONTGOMERY COUNTY, MARYLAND, a Maryland corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President and Assistant Secretary

THE NOODLE SHOP, CO. – CHARLES COUNTY, INC.,
a Maryland corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Assistant Secretary

THE NOODLE SHOP, CO. – HOWARD COUNTY, INC.,
a Maryland corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Assistant Secretary

THE NOODLE SHOP, CO. – DELAWARE, INC.,
a Delaware corporation

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Chief Executive Officer and Secretary

THE NOODLE SHOP, CO. – COLLEGE PARK, LLC, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Class A Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

**THE NOODLE SHOP, CO. – BALTIMORE
COUNTY, LLC**, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Class A Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

THE NOODLE SHOP, CO. – ANNAPOLIS, LLC,
a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Class A Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

THE NOODLE SHOP, CO. – KANSAS, LLC,
a Kansas limited liability company

By: **TNSC, Inc.**, a Colorado corporation,
its Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: President, Vice President and Assistant Secretary

**THE NOODLE SHOP, CO. – FREDERICK
COUNTY, LLC**, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Managing Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

**THE NOODLE SHOP, CO. – ST MARY’S
COUNTY, LLC**, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Managing Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

**THE NOODLE SHOP, CO. – WASHINGTON
COUNTY, LLC**, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Managing Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

**THE NOODLE SHOP, CO. – HARFORD
COUNTY, LLC**, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Managing Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

**THE NOODLE SHOP, CO. – CARROLL
COUNTY, LLC**, a Maryland limited liability company

By: **Noodles & Company**, a Delaware corporation,
its Class A Member

By: /s/ Paul Strasen
Name: Paul Strasen
Title: Executive Vice President, General Counsel and Secretary

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Melissa Mullis
Name: Melissa Mullis
Title: Assistant Vice President

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swing Line Lender

By: /s/ Anthony Luppino
Name: Anthony Luppino
Title: Vice President

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jason B. Fritz
Name: Jason B. Fritz
Title: Vice President

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

Annex A

Exhibit D

Form of Compliance Certificate

[Attached]

[Signature Page to Amendment No. 6 to Amended and Restated Credit Agreement]

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of November 22, 2013 (as may be further amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement"; the terms defined therein being used herein as therein defined), among, inter alia, Noodles & Company, a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swing Line Lender. Capitalized terms used herein but not defined shall have the meaning ascribed thereto in the Agreement.

The undersigned Responsible Officer¹ hereby certifies as of the date hereof that he/she is the _____ of the Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of the Borrower, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. [Attached hereto as Exhibit A are the year-end financial statements required by Section 6.01(a) of the Agreement for the Fiscal Year of Borrower ended as of the above date, including (i) the consolidated balance sheet of Borrower and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such Fiscal Year, in each case, audited and accompanied by the report and opinion of an independent certified public accounting firm of nationally recognized standing required by such section, and (ii) a statement detailing unit-level sales and operating income, as of the end of and for such Fiscal Year, setting forth in comparative form the corresponding information for the previous Fiscal Year and the Budget as required by such section.]

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. [Attached hereto as Exhibit A are the unaudited financial statements required by Section 6.01(b) of the Agreement for the Fiscal Quarter of the Borrower ended as of the above date, including a consolidated balance sheet of the Borrower and its Subsidiaries as of such Fiscal Quarter, and related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such Fiscal Quarter and for and for the portion of the Borrower's Fiscal Year ended as of the above date, setting forth in comparative form the corresponding information for the corresponding Fiscal Quarter of the previous Fiscal Year and the corresponding portion of

¹ This certificate should be from the chief executive officer, chief financial officer or treasurer or controller of the Borrower.

the previous Fiscal Year and setting forth in comparative form the corresponding information for the corresponding Fiscal Quarter set forth in the applicable Budget, in each case, in reasonable detail, fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.]

[Use following paragraph 1 for fiscal month-end financial statements]

1. [Attached hereto as Exhibit A are the unaudited financial statements required by Section 6.01(c) of the Agreement for the fiscal month of the Borrower ended as of the above date, (x) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal month, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows, and (y) a calculation of Consolidated EBITDA, in each case for such fiscal month and for and for the portion of the Borrower's Fiscal Year ended as of the above date, setting forth in comparative form the corresponding information for the corresponding fiscal month of the previous Fiscal Year and the corresponding portion of the previous Fiscal Year and setting forth in comparative form the corresponding information for the corresponding fiscal month set forth in the applicable Budget, in each case, in reasonable detail, fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.]

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower during the accounting period covered by such financial statements.

3. A review of the activities of the Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Borrower performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The financial covenant analyses and information set forth on [Schedule 2]² [Schedules 1 and 2]³ attached hereto are true and accurate on and as of the date of this Certificate.

² To be delivered in connection with fiscal month-end financial statements

³ To be delivered in connection with Fiscal Quarter-end and Fiscal Year-end financial statements

IN WITNESS WHEREOF, the undersigned has executed this Certificate as

of _____, _____.

NOODLES & COMPANY

By: _____

Name:

Title:

EXHIBIT A

Financial Statements

[attached]

D - 5

Form of Compliance Certificate

For the Quarter/Year ended _____, ____ (“Statement Date”)

SCHEDULE 1
to the Compliance Certificate
(\$ in 000’s)

I. Section 7.11(a) – Consolidated Total Lease Adjusted Leverage Ratio

- A. Consolidated Funded Indebtedness at Statement Date: \$ _____
- B. Consolidated Adjusted Cash Rental Expense for such Measurement Period:
1. Consolidated Cash Rental Expense for such Measurement Period: \$ _____
2. Consolidated Adjusted Cash Rental Expense (Line I.B.1 multiplied by eight (8)): \$ _____
- C. L/C Obligations as at Statement Date (to the extent not included in Consolidated Funded Indebtedness): \$ _____
- D. Consolidated EBITDAR for such Measurement Period (without duplication):
1. Consolidated EBITDA (as calculated on Schedule 2 attached hereto) for such Measurement Period: \$ _____
2. Consolidated Cash Rental Expense for such Measurement Period (Line I.B.1): \$ _____
3. Consolidated EBITDAR (Line I.D.1 + Line I.D.2): \$ _____
- E. Consolidated Total Lease Adjusted Leverage Ratio ([Line I.A + Line I.B.2 + Line I.C] ÷ Line I.D.3): _____ to 1
- F. Applicable Consolidated Total Lease Adjusted Leverage Ratio: _____⁴

Compliance: [YES][NO]

⁴ See Section 7.11(a) of the Agreement.

II. Section 7.11(b) - Consolidated Fixed Charge Coverage Ratio

- A. Consolidated EBITDAR for such Measurement Period (Line I.D.3): \$_____
- B. Consolidated Maintenance Capital Expenditures (aggregate amount paid in cash during the Measurement Period; other than up to \$2,900,000 of Consolidated Maintenance Capital Expenditures paid in cash during or prior to the third Fiscal Quarter of Fiscal Year 2017 for one-time Consolidated Maintenance Capital Expenditures in technology assets): \$_____
- C. Federal, state, local and foreign income taxes (aggregate amount paid in cash during the Measurement Period): \$_____
- D. Consolidated Interest Charges (paid in cash for the Measurement Period): \$_____
- E. Regularly scheduled principal payments or redemptions or similar acquisitions for value of outstanding debt for borrowed money, excluding any such payments to the extent refinanced through the incurrence of additional Indebtedness otherwise expressly permitted under Section 7.02 and any such payments under Section 2.05(b)(i) due to a reduction of the Revolving Credit Commitments pursuant to Section 2.06(b)(i) (aggregate amount paid during the Measurement Period): \$_____
- F. Consolidated Cash Rental Expense for such Measurement Period (Line I.B.1) : \$_____
- H. Consolidated Fixed Charge Coverage Ratio $([Line II.A - Line II.B - Line II.C] \div [Line II.D + Line II.E + Line II.F])$: _____ to 1
- I. Applicable Minimum Consolidated Fixed Charge Coverage Ratio: _____⁵

Compliance: [YES][NO]

⁵ See Section 7.11(b) of the Agreement.

For the Month/Quarter/Year ended _____ (“Statement Date”)

SCHEDULE 2
to the Compliance Certificate
(\$ in 000’s)

Consolidated EBITDA
(in accordance with the definition of Consolidated EBITDA
as set forth in the Agreement)

Consolidated EBITDA	Quarter Ended _____	Quarter Ended _____	Quarter Ended _____	Quarter Ended _____	Measurement Period _____
Consolidated Net Income					
+ Consolidated Interest Charges					
+ income taxes					
+ depreciation expense					
+ amortization expense					
+ Consolidated Restaurant Pre-Opening Costs ⁶					
+ non-cash rent expense					
+ non-cash compensation expense					
+ non-recurring non-cash expenses or charges (or minus non-recurring income items)					

⁶ Not to exceed an average of \$85,000 per Restaurant for all Restaurants incurred during Measurement Period.

+ non-recurring cash expenses (including severance payments) or charges, and pro forma general and administrative cash cost savings resulting from headcount reductions completed in Fiscal Years 2017 and 2018 ⁷					
+ management fees ⁸					
+ one time fees and out of pocket expenses incurred in connection with Permitted Acquisitions consummated after the Closing Date ⁹					
+ fees and expenses arising from the Transaction, initial public offering or any follow-on offering (but only for the Fiscal Year ending December 31, 2013)					
+one-time costs associated with the termination of Leases ¹⁰					

⁷ In an aggregate amount not to exceed \$2,000,000 in Measurement Period.

⁸ Including the Class C Common Stock Dividend to the extent deducted in calculating Consolidated Net Income.

⁹ Not to exceed \$250,000 in Measurement Period and \$1,000,000 over the term of the Agreement.

¹⁰ In an amount not to exceed \$1,500,000 in the aggregate.

+pro forma general and administrative cash cost savings resulting from the headcount reduction completed prior to the end of the third Fiscal Quarter of Fiscal Year 2016 ¹¹					
+ one-time non-recurring cash expenses or charges and non-recurring non-cash charges associated with the Identified Restaurant Closures/Re-Franchisings (2017) ¹²					
+ fees and expenses arising from the Fifth Amendment, the Public Equity Offering Transaction, and the sale of Qualified Securities to a Sponsor Investor on or about the Fifth Amendment Effective Date ¹³					
+ one-time costs associated with data breach assessments resulting from the data security incident announced by the company on June 28, 2016 ¹⁴					

¹¹ Not to exceed \$2,700,000 in the aggregate.

¹² Without duplication of any other amounts herein, and in an aggregate amount not to exceed \$30,000,000.

¹³ Not to exceed \$500,000 in the aggregate.

¹⁴ Without duplication of any other amounts herein, and in an aggregate amount not to exceed \$18,000,000.

+ net income from royalty payments actually paid to the Borrowers and its Subsidiaries attributable to any Unit Locations that are refranchised pursuant to the Identified Restaurant Closures/Re-Franchisings (2017) ¹⁵					
- income tax credits					
- any cash rental expense attributable to the Identified Restaurant Closures/Re-Franchisings (2017) ¹⁶					
= Consolidated EBITDA					

¹⁵ To be given effect as of the first day of the applicable Measurement Period on a pro forma basis.

¹⁶ Until the Lease associated with the applicable closed or refranchised Restaurant is actually and effectively terminated, transferred, assigned or sub-leased to a Person that is not an Affiliate.

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

I, Dave Boennighausen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Noodles and Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ DAVE BOENNIGHAUSEN

Dave Boennighausen

Chief Executive Officer

(Principal Executive Officer and Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, Dave Boennighausen, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Noodles & Company on Form 10-Q for the fiscal quarter ended October 3, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Noodles & Company.

Date: November 9, 2017

By: /s/ DAVE BOENNIGHAUSEN
Name: Dave Boennighausen
Title: Chief Executive Officer

I, Susan Daggett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Noodles & Company on Form 10-Q for the fiscal quarter ended October 3, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Noodles & Company.

Date: November 9, 2017

By: /s/ SUSAN DAGGETT
Name: Susan Daggett
Title: Vice President of Finance and Interim Chief
Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.