UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 28, 2019

OR

☐ **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: 001-35249

THE CHEFS' WAREHOUSE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-3031526**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
100 East Ridge Road, Ridgefield, Connecticut	**06877**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (203) 894-1345

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	CHEF	Nasdaq

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth 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	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if 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 ☒

Number of shares of common stock, par value $.01 per share, outstanding at July 29, 2019: 30,291,364

THE CHEFS' WAREHOUSE, INC.

FORM 10-Q

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements in this report regarding the business of The Chefs' Warehouse, Inc. (the "Company") that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties and are based on current expectations and management estimates; actual results may differ materially. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and/or could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The risks and uncertainties which could impact these statements include, but are not limited to the following: our sensitivity to general economic conditions, including disposable income levels and changes in consumer discretionary spending; our ability to expand our operations in our existing markets and to penetrate new markets through acquisitions; we may not achieve the benefits expected from our acquisitions, which could adversely impact our business and operating results; we may have difficulty managing and facilitating our future growth; conditions beyond our control could materially affect the cost and/or availability of our specialty food products or center-of-the-plate products and/or interrupt our distribution network; our increased distribution of center-of-the-plate products, like meat, poultry and seafood, involves increased exposure to price volatility experienced by those products; our business is a low-margin business and our profit margins may be sensitive to inflationary and deflationary pressures; because our foodservice distribution operations are concentrated in certain culinary markets, we are susceptible to economic and other developments, including adverse weather conditions, in these areas; fuel cost volatility may have a material adverse effect on our business, financial condition or results of operations; our ability to raise capital in the future may be limited; we may be unable to obtain debt or other financing, including financing necessary to execute on our acquisition strategy, on favorable terms or at all; our business operations and future development could be significantly disrupted if we lose key members of our management team; and other risks and uncertainties included under the heading Risk Factors in our Annual Report on Form 10-K filed on March 1, 2019 with the Securities and Exchange Commission (the "SEC").

PART I FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

THE CHEFS' WAREHOUSE, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	June 28, 2019 (unaudited)	December 28, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 24,294	$ 42,410
Accounts receivable, net of allowance of $7,993 in 2019 and $7,460 in 2018	157,461	161,758
Inventories, net	122,592	112,614
Prepaid expenses and other current assets	12,650	11,953
Total current assets	316,997	328,735
Equipment, leasehold improvements and software, net	90,198	85,276
Operating lease right-of-use assets	128,922	—
Goodwill	193,526	184,280
Intangible assets, net	144,420	130,033
Other assets	3,688	4,074
Total assets	$ 877,751	$ 732,398
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 86,814	$ 87,799
Accrued liabilities	24,787	24,810
Short-term operating lease liabilities	16,554	—
Accrued compensation	10,779	12,872
Current portion of long-term debt	304	61
Total current liabilities	139,238	125,542
Long-term debt, net of current portion	281,628	278,169
Operating lease liabilities	121,846	—
Deferred taxes, net	10,153	9,601
Other liabilities and deferred credits	7,491	10,410
Total liabilities	560,356	423,722
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred Stock, $0.01 par value, 5,000,000 shares authorized, no shares issued and outstanding June 28, 2019 and December 28, 2018	—	—
Common Stock, $0.01 par value, 100,000,000 shares authorized, 30,291,364 and 29,968,483 shares issued and outstanding at June 28, 2019 and December 28, 2018, respectively	303	300
Additional paid-in capital	209,016	207,326
Accumulated other comprehensive loss	(2,048)	(2,221)
Retained earnings	110,124	103,271
Stockholders' equity	317,395	308,676
Total liabilities and stockholders' equity	$ 877,751	$ 732,398

See accompanying notes to consolidated financial statements.

THE CHEFS' WAREHOUSE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)
(Amounts in thousands, except share and per share amounts)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Net sales	$ 411,420	$ 370,442	$ 768,447	$ 689,057
Cost of sales	304,945	277,202	571,783	516,295
Gross profit	106,475	93,240	196,664	172,762
Operating expenses	90,939	78,292	174,978	152,074
Operating income	15,536	14,948	21,686	20,688
Interest expense	4,845	5,381	9,396	10,360
Loss on asset disposal	6	30	40	30
Income before income taxes	10,685	9,537	12,250	10,298
Provision for income tax expense	2,939	2,718	3,370	2,935
Net income	$ 7,746	$ 6,819	$ 8,880	$ 7,363
Other comprehensive income (loss):				
Foreign currency translation adjustments	118	(281)	173	(1,203)
Comprehensive income	$ 7,864	$ 6,538	$ 9,053	$ 6,160
Net income per share:				
Basic	$ 0.26	$ 0.24	$ 0.30	$ 0.26
Diluted	$ 0.26	$ 0.24	$ 0.30	$ 0.26
Weighted average common shares outstanding:				
Basic	29,527,167	28,166,875	29,492,138	28,144,782
Diluted	29,848,285	29,595,247	29,844,614	28,311,549

See accompanying notes to consolidated financial statements.

THE CHEFS' WAREHOUSE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(Amounts in thousands, except share data)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount				
Balance December 28, 2018	**29,968,483**	**$ 300**	**$ 207,326**	**$ (2,221)**	**$ 103,271**	**$ 308,676**
Cumulative effect adjustment due to adoption of new accounting standard	—	—	—	—	(2,027)	(2,027)
Net income	—	—	—	—	1,134	1,134
Stock compensation	(23,680)	—	915	—	—	915
Exercise of stock options	20,383	—	412	—	—	412
Cumulative translation adjustment	—	—	—	55	—	55
Shares surrendered to pay withholding taxes	(24,002)	—	(742)	—	—	(742)
Balance March 29, 2019	**29,941,184**	**$ 300**	**$ 207,911**	**$ (2,166)**	**$ 102,378**	**$ 308,423**
Net income	—	—	—	—	7,746	7,746
Stock compensation	346,915	3	1,085	—	—	1,088
Exercise of stock options	7,193	—	146	—	—	146
Cumulative translation adjustment	—	—	—	118	—	118
Shares surrendered to pay withholding taxes	(3,928)		(126)	—	—	(126)
Balance June 28, 2019	**30,291,364**	**$ 303**	**$ 209,016**	**$ (2,048)**	**$ 110,124**	**$ 317,395**
Balance December 29, 2017	**28,442,208**	**$ 284**	**$ 166,997**	**$ (1,549)**	**$ 82,869**	**$ 248,601**
Net income	—	—	—	—	544	544
Stock compensation	284,618	3	834	—	—	837
Cumulative translation adjustment	—	—	—	(922)	—	(922)
Shares surrendered to pay withholding taxes	(20,100)	—	(472)	—	—	(472)
Balance March 30, 2018	**28,706,726**	**$ 287**	**$ 167,359**	**$ (2,471)**	**$ 83,413**	**$ 248,588**
Net income	—	—	—	—	6,819	6,819
Stock compensation	23,547	—	1,072	—	—	1,072
Cumulative translation adjustment	—	—	—	(281)	—	(281)
Shares surrendered to pay withholding taxes	(4,200)	—	(99)	—	—	(99)
Balance June 29, 2018	**28,726,073**	**$ 287**	**$ 168,332**	**$ (2,752)**	**$ 90,232**	**$ 256,099**

See accompanying notes to consolidated financial statements.

THE CHEFS' WAREHOUSE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	Twenty-six Weeks Ended	
	June 28, 2019	**June 29, 2018**
Cash flows from operating activities:		
Net income	$ 8,880	$ 7,363
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,055	4,500
Amortization	6,184	5,983
Provision for allowance for doubtful accounts	1,914	1,646
Non-cash operating lease expense	1,151	471
Deferred taxes	1,332	185
Amortization of deferred financing fees	1,044	1,102
Stock compensation	2,003	1,909
Change in fair value of contingent earn-out liability	2,795	228
Loss on asset disposal	40	30
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	7,424	(173)
Inventories	(7,965)	(10,182)
Prepaid expenses and other current assets	(640)	1,524
Accounts payable, accrued liabilities and accrued compensation	(5,482)	5,692
Other assets and liabilities	(2,845)	(1,360)
Net cash provided by operating activities	21,890	18,918
Cash flows from investing activities:		
Capital expenditures	(8,549)	(5,545)
Proceeds from asset disposals	—	30
Cash paid for acquisitions, net of cash received	(28,292)	(11,899)
Net cash used in investing activities	(36,841)	(17,414)
Cash flows from financing activities:		
Payment of debt, finance lease and other financing obligations	(1,716)	(2,248)
Cash paid for deferred financing fees	—	(534)
Proceeds from exercise of stock options	558	—
Surrender of shares to pay withholding taxes	(868)	(571)
Cash paid for contingent earn-out liability	(200)	—
Payments under revolving credit facility	(960)	—
Net cash used in financing activities	(3,186)	(3,353)
Effect of foreign currency translation on cash and cash equivalents	21	(62)
Net decrease in cash and cash equivalents	(18,116)	(1,911)
Cash and cash equivalents-beginning of period	42,410	41,504
Cash and cash equivalents-end of period	$ 24,294	$ 39,593

See accompanying notes to consolidated financial statements.

Note 1 Operations and Basis of Presentation

Description of Business and Basis of Presentation

The financial statements include the consolidated accounts of The Chefs' Warehouse, Inc. (the "Company"), and its wholly-owned subsidiaries. The Company's quarterly periods end on the thirteenth Friday of each quarter. Every six to seven years, the Company will add a fourteenth week to its fourth quarter to more closely align its year end to the calendar year. The Company operates in one reportable segment, foodservice distribution, which is concentrated primarily in the United States. The Company's customer base consists primarily of menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolatiers, cruise lines, casinos and specialty food stores.

Consolidation

The consolidated financial statements include all the accounts of the Company and its direct and indirect wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Unaudited Interim Financial Statements

The accompanying unaudited consolidated financial statements and the related interim information contained within the notes to such unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the applicable rules of the Securities and Exchange Commission ("SEC") for interim information and quarterly reports on Form 10-Q. Accordingly, they do not include all the information and disclosures required by GAAP for complete financial statements. These unaudited consolidated financial statements and related notes should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal year ended December 28, 2018 filed as part of the Company's Annual Report on Form 10-K, as filed with the SEC on March 1, 2019.

The unaudited consolidated financial statements appearing in this Form 10-Q have been prepared on the same basis as the audited consolidated financial statements included in the Company's Annual Report on Form 10-K, as filed with the SEC on March 1, 2019, and in the opinion of management, include all normal recurring adjustments that are necessary for the fair statement of the Company's interim period results. The year-end consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by GAAP. Due to seasonal fluctuations and other factors, the results of operations for the thirteen and twenty-six weeks ended June 28, 2019 are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make significant 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 periods. Actual results could differ from management's estimates.

Guidance Adopted in 2019

Leases: In February 2016, the Financial Accounting Standard Board ("FASB") issued guidance ("ASC 842") to increase the transparency and comparability among organizations by recognizing right-of-use assets ("ROU assets") and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The Company adopted ASC 842 on December 29, 2018, using an optional transition method that allows entities to initially apply the new lease standard at the adoption date. Under this approach, comparative periods are not restated. The Company adopted a package of practical expedients that allowed the Company to:

- apply hindsight in determining the lease term of its leases;
- not reassess whether any expired or existing contracts are or contain leases;
- not reassess the lease classification of any expired or existing leases; and
- not reassess initial direct costs for any existing leases.

The use of hindsight in assessing lease term resulted in a $2,027 cumulative effect adjustment to opening retained earnings. Adoption had a material impact on the Company's consolidated balance sheet as a result of recognizing ROU assets and lease liabilities for its operating leases of $118,031 and $126,309, respectively, but it did not materially impact the Company's consolidated statements of operations or debt covenants. There has been no significant change to the accounting of finance leases.

Comprehensive Income: In February 2018, the FASB issued guidance that permits a Company to reclassify the stranded tax effects in accumulated other comprehensive income resulting from the enactment of H.R. 1, originally known as the Tax Cuts and Jobs Act (the "Tax Act"), to retained earnings. The Company elected to not reclassify such amounts to retained earnings. The Company releases disproportionate tax effects from accumulated other comprehensive income as individual items are liquidated. The Company adopted this guidance on December 29, 2018 and adoption did not have a material impact on the Company's consolidated financial statements.

Implementation Costs Incurred in a Cloud Computing Arrangement Service Contract: In August 2018, the FASB issued guidance that aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement service contract with the requirements for capitalizing implementation costs incurred to obtain or develop internal-use software. The Company adopted this guidance prospectively on December 29, 2018 and adoption did not have a material impact on the Company's consolidated financial statements.

Guidance Not Yet Adopted

Measurement of Credit Losses on Financial Instruments: In June 2016 and as further amended in November 2018, the FASB issued guidance which requires entities to use a forward-looking expected loss model to estimate credit losses. It also requires additional disclosure related to credit quality of trade and other receivables, including information related to management's estimate of credit allowances. The guidance is effective for fiscal years beginning after December 15, 2019. The Company expects to adopt this guidance when effective and adoption is not expected to have a material effect on the Company's consolidated financial statements.

Note 2 Summary of Significant Accounting Policies

Revenue Recognition

Revenues from product sales are recognized at the point at which control of each product is transferred to the customer. The Company's contracts contain performance obligations which are satisfied when customers have physical possession of each product. The majority of customer orders are fulfilled within a day and customer payment terms are typically 20 to 60 days from delivery. Shipping and handling activities are costs to fulfill the Company's performance obligations. These costs are expensed as incurred and presented within *operating expenses* on the consolidated statements of operations. The Company offers certain sales incentives to customers in the form of rebates or discounts. These sales incentives are accounted as variable consideration. The Company estimates these amounts based on the expected amount to be provided to customers and records a corresponding reduction in revenue. The Company does not expect a significant reversal in the amount of cumulative revenue recognized. Sales tax billed to customers is not included in revenue but rather recorded as a liability owed to the respective taxing authorities at the time the sale is recognized.

The following table presents the Company's net sales disaggregated by principal product category:

	Thirteen Weeks Ended				Twenty-six Weeks Ended			
	June 28, 2019		June 29, 2018		June 28, 2019		June 29, 2018	
Center-of-the-Plate	$ 183,513	44.6%	$ 160,126	43.2%	$ 340,128	44.3%	$ 301,868	43.8%
Dry Goods	72,764	17.7%	65,302	17.6%	136,519	17.8%	119,974	17.4%
Pastry	56,532	13.7%	51,483	13.9%	106,737	13.9%	95,160	13.8%
Cheese and Charcuterie	41,218	10.0%	39,105	10.6%	76,573	10.0%	72,016	10.5%
Dairy and Eggs	28,671	7.0%	27,499	7.4%	54,285	7.1%	50,267	7.3%
Oils and Vinegar	20,937	5.1%	19,643	5.3%	39,630	5.2%	36,518	5.3%
Kitchen Supplies	7,785	1.9%	7,284	2.0%	14,575	1.7%	13,254	1.9%
Total	$ 411,420	100%	$ 370,442	100%	$ 768,447	100%	$ 689,057	100%

The Company determines its product category classification based on how the Company currently markets its products to its customers. The Company's definition of its principal product categories may differ from the way in which other companies present similar information.

Deferred Revenue

Certain customer arrangements in the Company's direct-to-consumer business, prepaid gift plans and gift card purchases, result in deferred revenues when cash payments are received in advance of performance. The Company recognizes revenue on its prepaid gift plans when control of each product is transferred to the customer. Performance obligations under the Company's prepaid gift plans are satisfied within a period of twelve months or less. Gift cards issued by the Company do not have expiration dates. The Company records a liability for unredeemed gift cards at the time gift cards are sold and the liability is reduced when the card is redeemed, the value of the card is escheated to the appropriate government agency, or through breakage. Gift card breakage is estimated based on the Company's historical redemption experience and expected trends in redemption patterns. Amounts recognized through breakage represent the portion of the gift card liability that is not subject to unclaimed property laws and for which the likelihood of redemption is remote. The Company recorded deferred revenues, reflected as *accrued liabilities* on the Company's consolidated balance sheets, of $1,232 and $1,496 as of June 28, 2019 and December 28, 2018, respectively.

Right of Return

The Company's standard terms and conditions provide customers with a right of return if the goods received are not merchantable. Customers are either issued a replacement order at no cost, or are issued a credit for the returned goods. The Company recorded a refund liability of $309 as of June 28, 2019. Refund liabilities are reflected as *accrued liabilities* on the consolidated balance sheets. The Company recognized a corresponding asset of $194 as of June 28, 2019 for its right to recover products from customers on settling its refund liabilities. This asset is reflected as *inventories, net* on the consolidated balance sheets.

Contract Costs

Sales commissions are expensed when incurred because the amortization period is one year or less. These costs are presented within *operating expenses* on the Company's consolidated statements of operations.

Leases

The Company leases various distribution centers, office facilities, vehicles and equipment. The Company determines if an arrangement contains a lease at contract inception. An arrangement is or contains a lease if the agreement identifies an asset, implicitly or explicitly, that the Company has the right to use over a period of time. If an arrangement contains a lease, the Company classifies the lease as either an operating lease or as a finance lease based on the five criteria defined in ASC 842.

Lease liabilities are recognized at commencement date based on the present value of the remaining lease payments over the lease term. The corresponding ROU asset is recognized for the same amount as the lease liability adjusted for any payments made at or before the commencement date, any lease incentives received, and any initial direct costs. The Company's lease agreements may include options to renew, extend or terminate the lease. These clauses are included in the initial measurement of the lease liability when at lease commencement the Company is reasonably certain that it will exercise such options. The discount rate used is based on the Company's incremental borrowing rate since the implicit rate in the Company's leases is not readily determinable.

Operating lease expense is recognized on a straight-line basis over the lease term and presented within *operating expenses* on the Company's consolidated statements of operations. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term. Interest expense on the finance lease liability is recognized using the effective interest rate method and is presented within *interest expense* on the Company's consolidated statements of operations. Variable rent payments related to both operating and finance leases are expensed as incurred. The Company's variable lease payments primarily consists of real estate taxes, maintenance and usage charges. The Company made an accounting policy election to combine lease and non-lease components (maintenance, taxes and insurance) when measuring lease liabilities for vehicle and equipment leases.

The Company has elected to exclude short-term leases from the recognition requirements of ASC 842. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Note 3 Earnings Per Share

The following table sets forth the computation of basic and diluted net income per share:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Net income per share:				
Basic	$ 0.26	$ 0.24	$ 0.30	$ 0.26
Diluted	$ 0.26	$ 0.24	$ 0.30	$ 0.26
Weighted average common shares:				
Basic	29,527,167	28,166,875	29,492,138	28,144,782
Diluted	29,848,285	29,595,247	29,844,614	28,311,549

Reconciliation of net income per common share:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Numerator:				
Net income	$ 7,746	$ 6,819	$ 8,880	$ 7,363
Add effect of dilutive securities:				
Interest on convertible notes, net of tax	—	164	—	—
Net income available to common shareholders	$ 7,746	$ 6,983	$ 8,880	$ 7,363
Denominator:				
Weighted average basic common shares outstanding	29,527,167	28,166,875	29,492,138	28,144,782
Dilutive effect of unvested common shares	321,118	190,998	352,476	166,767
Dilutive effect of convertible notes	—	1,237,374	—	—
Weighted average diluted common shares outstanding	29,848,285	29,595,247	29,844,614	28,311,549

The following table presents potentially dilutive securities that have been excluded from the calculation of diluted net income per common share because the effect is anti-dilutive:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Restricted share awards (“RSAs”)	148,793	—	74,291	5,762
Convertible notes	91,053	—	91,053	1,237,374

Note 4 Fair Value Measurements

Assets and Liabilities Measured at Fair Value

The Company’s contingent earn-out liabilities are measured at fair value. These liabilities were estimated using Level 3 inputs. Long-term earn-out liabilities were $5,339 and $2,792 as of June 28, 2019 and December 28, 2018, respectively, and are reflected as *other liabilities and deferred credits* on the consolidated balance sheets. The remaining short-term earn-out liabilities are reflected as *accrued liabilities* on the consolidated balance sheets. The fair value of contingent consideration was determined based on a probability-based approach which includes projected results, percentage probability of occurrence and the application of a discount rate to present value the payments. A significant change in projected results, discount rate, or probabilities of occurrence could result in a significantly higher or lower fair value measurement. Changes in the fair value of contingent earn-out liabilities are reflected in *operating expenses* on the consolidated statements of operations. In May 2019, the Company made a $200 cash payment to fully settle its Del Monte earn-out liability.

The following table presents the changes in Level 3 contingent earn-out liabilities:

	Del Monte	Fells Point	Bassian	Other Acquisitions	Total
Balance December 28, 2018	$ —	$ 3,649	$ —	$ 1,441	$ 5,090
Acquisition value	—	—	2,800	—	2,800
Cash payments	(200)	—	—	—	(200)
Changes in fair value	200	1,760	85	750	2,795
Balance June 28, 2019	$ —	$ 5,409	$ 2,885	$ 2,191	$ 10,485

Fair Value of Financial Instruments

The following table presents the carrying value and fair value of the Company's convertible unsecured note. In estimating the fair value of the convertible unsecured note, the Company utilized Level 3 inputs including prevailing market interest rates to estimate the debt portion of the instrument and a Black Scholes valuation model to estimate the fair value of the conversion option. The Black Scholes model utilizes the market price of the Company's common stock, estimates of the stock's volatility and the prevailing risk-free interest rate in calculating the fair value estimate.

	June 28, 2019	
	Carrying Value	Fair Value
Convertible unsecured note	$ 4,000	$ 3,987

Note 5 Acquisitions

Bassian

On February 25, 2019, pursuant to an asset purchase agreement, the Company acquired substantially all of the assets of Bassian Farms, Inc. and certain affiliated entities ("Bassian"), a specialty protein manufacturer and distributor based in northern California. The aggregate purchase price for the transaction at acquisition date was approximately $31,990 and is subject to a customary working capital true-up. The acquisition was funded with $27,990 in cash and the issuance of a $4,000 unsecured convertible note.

The Company will also pay additional contingent consideration, if earned, in the form of an earn-out amount which could total $9,000 over a four year period. The payment of the earn-out liability is subject to the successful achievement of certain gross profit targets. The Company estimated the fair value of this contingent earn-out liability to be $2,885 and $2,800 as of June 28, 2019 and February 25, 2019, respectively. During the second quarter of 2019, the Company updated the valuation of the tangible and intangible assets of Bassian as of the acquisition date. As a result, the Company recorded a measurement period adjustment that decreased goodwill by $2,098 mainly due to a $2,455 increase in fair value related to other intangible assets fair value and a $1,331 decrease in current liabilities, partially offset by a $1,280 decrease in the fair value of the earn-out liability. Customer relationships, non-compete agreement and trademarks are valued at fair value using Level 3 inputs and are being amortized over 15, 5 and 10 years, respectively. Goodwill for the Bassian acquisition will be amortized over 15 years for tax purposes. The goodwill recorded primarily reflects the value of acquiring an established meat processor to grow the Company's protein business in the West Coast region, as well as any intangible assets that do not qualify for separate recognition. The Company recognized professional fees of $210 in *operating expenses* related to the Bassian acquisition. The Company reflected net sales of $14,836 and $20,363 for Bassian in its consolidated statement of operations for the thirteen and twenty-six weeks ended June 28, 2019, respectively. The Company has determined that separate disclosure of Bassian earnings is impracticable due to the commencement of integration of the Bassian business into the Company's operations in the San Francisco market. The purchase price allocation of the Bassian acquisition is based on preliminary valuations and is subject to change as the Company obtains additional information during the measurement period.

The table below sets forth the purchase price allocation of the Bassian acquisition:

	Bassian
Current assets (includes cash acquired)	$ 6,656
Customer relationships	13,250
Trademarks	6,320
Non-compete agreement	940
Goodwill	9,149
Fixed assets	856
Other assets	10
Current liabilities	(2,391)
Earn-out liability	(2,800)
Total consideration	$ 31,990

Note 6 Inventories

Inventories consist primarily of finished product. Our different entities record inventories using a mixture of first-in, first-out and average cost, which we believe approximates first-in, first-out. Inventories are reflected net of adjustments for shrinkage, excess and obsolescence totaling $1,888 and $1,921 at June 28, 2019 and December 28, 2018, respectively.

Note 7 Equipment, Leasehold Improvements and Software

Equipment, leasehold improvements and software as of June 28, 2019 and December 28, 2018 consisted of the following:

	Useful Lives	June 28, 2019	December 28, 2018
Land	Indefinite	$ 1,170	$ 1,170
Buildings	20 years	1,292	1,292
Machinery and equipment	5-10 years	19,539	17,837
Computers, data processing and other equipment	3-7 years	12,615	11,244
Software	3-7 years	22,963	22,779
Leasehold improvements	1-40 years	64,919	60,565
Furniture and fixtures	7 years	3,364	3,268
Vehicles	5-7 years	4,164	2,769
Other	7 years	95	95
Construction-in-process		17,422	15,757
		147,543	136,776
Less: accumulated depreciation and amortization		(57,345)	(51,500)
Equipment, leasehold improvements and software, net		$ 90,198	$ 85,276

Construction-in-process at June 28, 2019 and December 28, 2018 related primarily to the implementation of the Company's ERP system and the buildout of the Company's headquarters in Ridgefield, CT. The buildout of the Company's headquarters is expected to be completed during fiscal 2019. The rollout of its ERP system will continue through fiscal 2020.

The net book value of equipment financed under finance leases at June 28, 2019 and December 28, 2018 was $1,729 and $52, respectively. The Company recorded depreciation of $70 and $16 on these assets during the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, and $113 and $32 during the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively.

Depreciation expense, excluding finance leases, was $2,192 and $1,708 for the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, and $4,122 and $3,535 during the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively. Amortization expense on software was $912 and $460 for the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, and $1,820 and $930 for the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively.

Note 8 Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill are presented as follows:

Carrying amount as of December 28, 2018	$	184,280
Acquisitions		9,207
Foreign currency translation		39
Carrying amount as of June 28, 2019	$	193,526

Other intangible assets consist of customer relationships being amortized over a period ranging from four to twenty years, trademarks being amortized over a period of one to forty years, and non-compete agreements being amortized over a period of two to six years. Other intangible assets as of June 28, 2019 and December 28, 2018 consisted of the following:

June 28, 2019:		Gross Carrying Amount		Accumulated Amortization		Net Amount
Customer relationships	$	132,766	$	(40,705)	$	92,061
Non-compete agreements		8,519		(7,335)		1,184
Trademarks		66,215		(15,040)		51,175
Total	$	207,500	$	(63,080)	$	144,420
December 28, 2018:						
Customer relationships	$	119,488	$	(36,185)	$	83,303
Non-compete agreements		7,579		(7,251)		328
Trademarks		59,862		(13,460)		46,402
Total	$	186,929	$	(56,896)	$	130,033

The Company occasionally makes small, tuck-in acquisitions that are immaterial, both individually and in the aggregate. Therefore, increases in goodwill and gross intangible assets per the above tables may not agree to the increases of these assets as shown for specific acquisitions in Note 5 “Acquisitions.”

Amortization expense for other intangibles was $3,307 and $3,080 for the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, and $6,184 and $5,983 for the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively.

Estimated amortization expense for other intangibles for the remainder of the fiscal year ending December 27, 2019 and each of the next four fiscal years and thereafter is as follows:

2019	$	6,560
2020		12,859
2021		12,854
2022		12,074
2023		11,046
Thereafter		89,027
Total	$	144,420

Note 9 Debt Obligations

Debt obligations as of June 28, 2019 and December 28, 2018 consisted of the following:

	June 28, 2019	December 28, 2018
Senior secured term loan	$ 238,129	$ 239,745
Convertible unsecured note	4,000	—
Asset based loan facility	43,225	44,185
Finance leases and other financing obligations	1,629	193
Deferred finance fees and original issue discount	(5,051)	(5,893)
Total debt obligations	281,932	278,230
Less: current installments	(304)	(61)
Total debt obligations excluding current installments	$ 281,628	$ 278,169

Convertible Unsecured Note

On February 25, 2019, the Company issued a $4,000 convertible unsecured note (the “Note”), maturing on June 29, 2023, to Bassian Farms, Inc. (the “Holder”) as partial consideration in the Bassian acquisition. The interest rate charged on the Note is 4.5% per annum and increases to 5.0% after the two-year anniversary of the closing date. The Company may, in certain instances beginning eighteen months after issuance of the Note, redeem the Note in whole or in part for cash or convert the Note into shares of the Company’s common stock at the conversion price of $43.93 per share. After the two-year anniversary of the closing date, the Holder may convert the Note into shares of the Company’s common stock at the conversion price. Upon a change of control event, the Holder may convert the Note into shares of the Company’s common stock at the conversion price or redeem the Note for cash.

As of June 28, 2019, the Company was in compliance with all debt covenants and the Company had reserved $16,760 of the asset based loan facility (“ABL Facility”) for the issuance of letters of credit. As of June 28, 2019, funds totaling $90,015 were available for borrowing under the ABL Facility. The interest rates on the Company’s senior secured term loan and ABL Facility were 5.9% and 3.7%, respectively, at June 28, 2019.

Note 10 Leases

The components of net lease cost were as follows:

	Thirteen Weeks Ended June 28, 2019	Twenty-six Weeks Ended June 28, 2019
Operating lease cost	$ 6,808	13,440
Finance lease cost		
Amortization of right-of-use asset	70	113
Interest expense on lease liabilities	23	40
Total finance lease cost	$ 93	$ 153
Short-term lease cost	486	897
Variable lease cost	660	1,311
Sublease income	(191)	(371)
Total lease cost, net	$ 7,856	$ 15,430

Supplemental balance sheet information related to finance leases was as follows:

	Balance Sheet Location	June 28, 2019
Short-term finance lease liabilities	*Current portion of long-term debt*	$ 294
Long-term finance lease liabilities	*Long-term debt, net of current portion*	$ 1,320

The maturities of the Company's operating and finance lease liabilities for the remainder of the fiscal year ending December 27, 2019 and each of the next four fiscal years and thereafter were as follows:

	Operating Leases				Finance Leases
	Related Party Real Estate	Third Party Real Estate	Vehicles and Equipment	Total	Vehicles and Equipment
2019	$ 257	$ 5,364	$ 6,575	$ 12,196	$ 194
2020	365	12,709	11,629	24,703	387
2021	—	12,639	9,338	21,977	382
2022	—	12,606	7,293	19,899	364
2023	—	12,084	4,797	16,881	305
Thereafter	—	96,923	2,354	99,277	272
Total	$ 622	$ 152,325	$ 41,986	$ 194,933	$ 1,904
Less interest				(56,533)	(290)
Present value				$ 138,400	$ 1,614

At June 28, 2019, the weighted-average lease term for operating and finance leases was 13.4 years and 5.3 years, respectively. At June 28, 2019, the weighted-average discount rate for operating and finance leases was 6.3% and 5.6%, respectively.

As of June 28, 2019, the Company is contractually obligated to make payments of approximately $3,000, related to a lease for several vehicle and equipment leases that have not commenced. Accordingly, the Company has not recognized ROU assets or lease liabilities associated with these leases.

The Company's future minimum lease payments as of December 28, 2018, in accordance with legacy lease accounting standards, under non-cancelable operating and finance lease agreements were as follows:

	Operating Leases	Finance Leases
2019	$ 24,666	$ 56
2020	23,047	55
2021	19,918	50
2022	17,838	42
2023	14,876	4
Thereafter	47,330	—
Total minimum lease payments	$ 147,675	207
Less interest		(49)
Present value of capital lease obligations		$ 158

Note 11 Stockholders' Equity

Equity Incentive Plan

On May 17, 2019, the Company's stockholders approved the 2019 Omnibus Equity Incentive Plan (the "2019 Plan"). Concurrently, the 2011 Omnibus Equity Incentive Plan (the "2011 Plan") was terminated and any shares remaining available for new grants under the 2011 Plan share reserve were extinguished. The purpose of the 2019 Plan is to promote the interests of the Company and its stockholders by (i) attracting and retaining key officers, employees and directors of, and consultants to, the Company and its Subsidiaries and Affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals; (iii) enabling such individuals to participate in the long-term growth and financial success of the Company; (iv) encouraging ownership of stock in the Company by such individuals; and (v) linking their compensation to the long-term interests of the Company and its stockholders.

The 2019 Plan is administered by the Compensation and Human Capital Committee (the "Committee") of the Board of Directors and allows for the issuance of stock options, stock appreciation rights ("SARs"), RSAs, restricted share units, performance awards, or other stock-based awards. Stock option exercise prices are fixed by the Committee but shall not be less than the fair market value of a common share on the date of the grant of the option, except in the case of substitute awards. Similarly, the grant price of an SAR may not be less than the fair market value of a common share on the date of the grant. The Committee will determine the expiration date of each stock option and SAR, but in no case shall the stock option or SAR be exercisable after the expiration of ten years from the date of the grant. The 2019 Plan provides for 2,600,000 shares available for grant.

The following table reflects the activity of RSAs during the twenty-six weeks ended June 28, 2019:

	Shares		Weighted Average Grant Date Fair Value
Unvested at December 28, 2018	526,730	$	20.60
Granted	355,433		34.30
Vested	(102,929)		22.10
Forfeited	(32,198)		18.74
Unvested at June 28, 2019	747,036	$	26.99

The Company granted 355,433 RSAs to its employees and directors at a weighted average grant date fair value of $34.30 during the twenty-six weeks ended June 29, 2018. These awards are a mix of time and performance-based grants that generally vest over a one- to five-year period. The Company recognized expense totaling $1,088 and $921 on its RSAs during the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, $1,889 and $1,608 during the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively.

At June 28, 2019, the total unrecognized compensation cost for unvested RSAs was $12,376 and the weighted-average remaining period was approximately 2.6 years. Of this total, $7,555 related to RSAs with time-based vesting provisions and $4,821 related to RSAs with performance-based vesting provisions. At June 28, 2019, the weighted-average remaining period for time-based vesting and performance-based vesting RSAs were approximately 2.8 years and 2.3 years, respectively.

The following table summarizes stock option activity during the twenty-six weeks ended June 28, 2019:

	Shares		Weighted Average Exercise Price		Aggregate Intrinsic Value	Weighted-Average Remaining Contractual Term (in years)
Outstanding December 28, 2018	191,808	$	20.23	$	2,129	7.2
Granted	—		—			
Exercised	(27,576)		20.23			
Canceled/Forfeited	—		—			
Outstanding and vested at June 28, 2019	164,232	$	20.23	$	2,437	6.7
Exercisable at June 28, 2019	164,232	$	20.23	$	2,437	6.7

The Company recognized expense of $0 and $151 on stock options during the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, and $114 and $301 during the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively.

As of June 28, 2019, there were 2,244,567 shares available for grant under the 2019 Plan. No share-based compensation expense has been capitalized.

Note 12 Related Parties

The Chefs' Warehouse Mid-Atlantic, LLC, a subsidiary of the Company, leases a distribution facility that is 100% owned by entities controlled by Christopher Pappas, the Company's chairman, president and chief executive officer, and John Pappas, the Company's vice chairman and one of its directors, and are deemed to be affiliates of these individuals. Expense related to this facility totaled $109 and $133 during the thirteen weeks ended June 28, 2019 and June 29, 2018, respectively, and $217 and $266 during the twenty-six weeks ended June 28, 2019 and June 29, 2018, respectively. This lease was amended during the first quarter of fiscal 2019 and expires on September 30, 2020.

Christopher Pappas's brother, John Pappas, is one of the Company's employees and a member of the Company's Board of Directors. The Company paid John Pappas approximately $115 and $103 in total compensation for the thirteen weeks ended

June 28, 2019 and June 29, 2018, respectively, and $551 and $530 for the twenty-six weeks ended June 28, 2019 and June 29, 2018. John Pappas did not receive any compensation during the twenty-six weeks ended June 28, 2019 or June 29, 2018 for his service on the Company's Board of Directors.

Note 13 Supplemental Disclosures of Cash Flow Information

	Twenty-six Weeks Ended	
	June 28, 2019	**June 29, 2018**
Supplemental cash flow disclosures:		
Cash paid for income taxes, net of cash received	$ 3,690	$ 2,650
Cash paid for interest	$ 9,494	$ 9,703
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating expenses	$ 12,174	$ —
Operating cash flows from finance leases	$ 40	$ —
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$ 146,726	$ —
Finance leases	$ 1,728	$ —
Other non cash investing and financing activities:		
Convertible notes issued for acquisitions	$ 4,000	$ —
Contingent earn-out liabilities for acquisitions	$ 2,800	$ 964

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided as a supplement to the accompanying consolidated financial statements and footnotes to help provide an understanding of our financial condition, changes in our financial condition and results of operations. The following discussion should be read in conjunction with information included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 1, 2019. Unless otherwise indicated, the terms "Company", "Chefs' Warehouse", "we", "us" and "our" refer to The Chefs' Warehouse, Inc. and its subsidiaries.

OVERVIEW

We are a premier distributor of specialty foods in eight of the leading culinary markets in the United States. We offer more than 55,000 SKUs, ranging from high-quality specialty foods and ingredients to basic ingredients and staples and center-of-the-plate proteins. We serve more than 34,000 customer locations, primarily located in our 16 geographic markets across the United States and Canada, and the majority of our customers are independent restaurants and fine dining establishments. As a result of our acquisition of Allen Brothers, Inc. ("Allen Brothers") we also sell certain of our center-of-the-plate products directly to consumers.

We believe several key differentiating factors of our business model have enabled us to execute our strategy consistently and profitably across our expanding customer base. These factors consist of a portfolio of distinctive and hard-to-find specialty food products, an extensive selection of center-of-the-plate proteins, a highly trained and motivated sales force, strong sourcing capabilities, a fully integrated warehouse management system, a highly sophisticated distribution and logistics platform and a focused, seasoned management team.

In recent years, our sales to existing and new customers have increased through the continued growth in demand for specialty food products and center-of-the-plate products in general; increased market share driven by our large percentage of sophisticated and experienced sales professionals, our high-quality customer service and our extensive breadth and depth of product offerings; the acquisition of other specialty food and center-of-the-plate distributors; the expansion of our existing distribution centers; our entry into new distribution centers; and the import and sale of our proprietary brands. Through these efforts, we believe that we have been able to expand our customer base, enhance and diversify our product selections, broaden our geographic penetration and increase our market share.

RECENT ACQUISITIONS

On February 25, 2019, pursuant to an asset purchase agreement, we acquired substantially all of the assets of Bassian Farms, Inc. and certain affiliated entities ("Bassian"), a specialty protein manufacturer and distributor based in northern California. The aggregate purchase price for the transaction at acquisition date was approximately $32.0 million and is subject to a customary working capital true-up. The acquisition was funded with $28.0 million in cash and the issuance of a $4.0 million unsecured convertible note. The Company will also pay additional contingent consideration, if earned, in the form of an earn-out amount which could total $9.0 million over a four year period.

Our Growth Strategies and Outlook

We continue to invest in our people, facilities and technology in an effort to achieve the following objectives and maintain our premier position within the specialty foodservice distribution market:

- sales and service territory expansion;
- operational excellence and high customer service levels;
- expanded purchasing programs and improved buying power;
- product innovation and new product category introduction;
- operational efficiencies through system enhancements; and
- operating expense reduction through the centralization of general and administrative functions.

Our growth has allowed us to improve upon our organization's infrastructure, open new distribution facilities and pursue selective acquisitions. Over the last several years, we have increased our distribution capacity to approximately 1.9 million square feet in 30 distribution facilities at June 28, 2019 and have invested significantly in acquisitions, infrastructure and management.

Key Factors Affecting Our Performance

Due to our focus on menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolatiers, cruise lines, casinos and specialty food stores, our results of operations are materially impacted by the success of the food-away-from-home industry in the United States and Canada, which is materially impacted by general economic conditions, weather, discretionary spending levels and consumer confidence. When economic conditions deteriorate, our customers' businesses are negatively impacted as fewer people eat away-from-home and those who do spend less money. As economic conditions begin to improve, our customers' businesses historically have likewise improved, which contributes to improvements in our business. Likewise, the direct-to-consumer business of our Allen Brothers subsidiary is significantly dependent on consumers' discretionary spending habits, and weakness or uncertainty in the economy could lead to consumers buying less from Allen Brothers.

Volatile food costs may have a direct impact upon our profitability. Prolonged periods of product cost inflation may have a negative impact on our profit margins and results of operations to the extent we are unable to pass on all or a portion of such product cost increases to our customers. In addition, product cost inflation may negatively impact consumer discretionary spending decisions within our customers' establishments, which could adversely impact our sales. Conversely, our profit levels may be negatively impacted during periods of product cost deflation even though our gross profit as a percentage of sales may remain relatively constant. However, some of our products, particularly certain of our center-of-the-plate items, are priced on a "cost plus" markup, which helps mitigate the negative impact of deflation.

Given our wide selection of product categories, as well as the continuous introduction of new products, we can experience shifts in product sales mix that have an impact on net sales and gross profit margins. This mix shift is most significantly impacted by the introduction of new categories of products in markets that we have more recently entered, the shift in product mix resulting from acquisitions, as well as the continued growth in item penetration on higher velocity items such as dairy products.

The foodservice distribution industry is fragmented but consolidating, and we have supplemented our internal growth through selective strategic acquisitions. We believe that the consolidation trends in the foodservice distribution industry will continue to present acquisition opportunities for us, which may allow us to grow our business at a faster pace than we would otherwise be able to grow the business organically.

RESULTS OF OPERATIONS

The following table presents, for the periods indicated, certain income and expense items expressed as a percentage of net sales:

	Thirteen Weeks Ended		**Twenty-six Weeks Ended**	
	June 28, 2019	**June 29, 2018**	**June 28, 2019**	**June 29, 2018**
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	74.1%	74.8%	74.4%	74.9%
Gross profit	25.9%	25.2%	25.6%	25.1%
Operating expenses	22.1%	21.1%	22.8%	22.1%
Operating income	3.8%	4.1%	2.8%	3.0%
Other expense	1.2%	1.5%	1.2%	1.5%
Income before income tax expense	2.6%	2.6%	1.6%	1.5%
Provision for income taxes	0.7%	0.7%	0.4%	0.4%
Net income	1.9%	1.9%	1.2%	1.1%

Management evaluates the results of operations and cash flows using a variety of key performance indicators, including net sales compared to prior periods and internal forecasts, costs of our products and results of our cost-control initiatives, and use of operating cash. These indicators are discussed throughout the "Results of Operations" and "Liquidity and Capital Resources" sections of this MD&A.

Thirteen Weeks Ended June 28, 2019 Compared to Thirteen Weeks Ended June 29, 2018

Net Sales

Our net sales for the thirteen weeks ended June 28, 2019 increased approximately 11.1%, or $41.0 million, to $411.4 million from $370.4 million for the thirteen weeks ended June 29, 2018. Organic growth contributed $14.6 million, or 4.0% to sales growth in the quarter. The remaining sales growth of $26.4 million, or 7.1%, resulted from acquisitions. Organic case count grew approximately 2.4%, in our specialty category with unique customers and placements growth at 4.4% and 3.5%, respectively, compared to the prior year quarter. Pounds sold in our center-of-the-plate category increased 1.0% compared to the prior year quarter. Estimated inflation was 2.6% in our specialty category and 1.9% in our center-of-the-plate category compared to the prior year quarter.

Gross Profit

Gross profit increased approximately 14.2%, or $13.2 million, to $106.5 million for the thirteen weeks ended June 28, 2019, from $93.2 million for the thirteen weeks ended June 29, 2018. Gross profit margin increased approximately 71 basis points to 25.9% from 25.2%. Gross margins increased 44 basis points in the Company’s specialty category and increased 122 basis points in the Company’s center-of-the-plate category compared to the prior year quarter.

Operating Expenses

Total operating expenses increased by approximately 16.2%, or $12.6 million, to $90.9 million for the thirteen weeks ended June 28, 2019 from $78.3 million for the thirteen weeks ended June 29, 2018. As a percentage of net sales, operating expenses were 22.1% in the second quarter of 2019 compared to 21.1% in the second quarter of 2018. The increase in total operating expenses includes a $2.6 million increase in non-cash charges for changes in the fair value of certain contingent earn-out liabilities compared to the prior year quarter. The earn-out adjustments and higher distribution costs versus the prior year quarter were the primary drivers of the increase in the ratio of operating expense to revenue. This was partially offset by lower selling and general administration related expenses as a percentage of revenue versus the second quarter of 2018.

Operating Income

Operating income for the thirteen weeks ended June 28, 2019 was $15.5 million compared to $14.9 million for the thirteen weeks ended June 29, 2018. The increase in operating income was driven primarily by increased gross profit, offset in part by higher operating expenses, as discussed above. As a percentage of net sales, operating income was 3.8% in the second quarter of 2019 compared to 4.1% in the second quarter of 2018.

Interest and Other Expense

Interest and other expense decreased to $4.9 million for the thirteen weeks ended June 28, 2019 compared to $5.4 million for the thirteen weeks ended June 29, 2018 due to lower effective interest rates charged on the Company’s outstanding debt and the conversion of the $36.8 million of convertible subordinated notes during the third quarter of 2018.

Provision for Income Taxes

For the thirteen weeks ended June 28, 2019, we recorded an effective income tax rate of 27.5%. For the thirteen weeks ended June 29, 2018, our effective income tax rate was 28.5%.

Net Income

Reflecting the factors described above, net income was $7.7 million for the thirteen weeks ended June 28, 2019, compared to net income of $6.8 million for the thirteen weeks ended June 29, 2018.

Twenty-six Weeks Ended June 28, 2019 Compared to Twenty-six Weeks Ended June 29, 2018

Net Sales

Our net sales for the twenty-six weeks ended June 28, 2019 increased approximately 11.5%, or $79.4 million, to $768.4 million from $689.1 million for the twenty-six weeks ended June 29, 2018. Organic growth contributed $32.5 million or 4.7% to sales growth in the period. The remaining sales growth of $46.8 million, or 6.8% resulted from acquisitions. Organic case count grew approximately 3.7%, in our specialty category. In addition, growth in unique customers and placements grew 5.3% and 4.6%, respectively, compared to the prior year period. Pounds sold in our center-of-the-plate category increased 2.0% compared to the prior year period. Estimated inflation was 2.0% in our specialty category and 1.6% in our center-of-the-plate category compared to the prior year period.

Gross Profit

Gross profit increased approximately 13.8%, or $23.9 million, to $196.7 million for the twenty-six weeks ended June 28, 2019, from $172.8 million for the twenty-six weeks ended June 29, 2018. Gross profit margin increased approximately 52 basis points to 25.6% from 25.1%, due in large part to the impact of inflation in certain center-of-the-plate categories. Gross margins increased 6 basis points in the Company’s specialty category and increased 115 basis points in the Company’s center-of-the-plate category compared to the prior year period.

Operating Expenses

Total operating expenses increased by approximately 15.1%, or $22.9 million, to $175.0 million for the twenty-six weeks ended June 28, 2019 from $152.1 million for the twenty-six weeks ended June 29, 2018. As a percentage of net sales, operating expenses were 22.8% in the current period compared to 22.1% in the prior year period. The 70 basis point increase in the Company’s operating expense ratio is net of a $2.6 million increase in non-cash charges for changes in the fair value of certain contingent earn-out liabilities compared to the prior year period.

Operating Income

Operating income for the twenty-six weeks ended June 28, 2019 was $21.7 million compared to $20.7 million for the twenty-six weeks ended June 29, 2018. The increase in operating income was driven primarily by increased gross profit, offset in part by higher operating expenses, as discussed above. As a percentage of net sales, operating income was 2.8% for the twenty-six weeks ended June 28, 2019 compared to 3.0% for the twenty-six weeks ended June 29, 2018.

Interest and Other Expense

Interest and other expense decreased to $9.4 million for the twenty-six weeks ended June 28, 2019 compared to $10.4 million for the twenty-six weeks ended June 29, 2018 due to lower effective interest rates charged on the Company’s outstanding debt and the conversion of the $36.8 million of convertible subordinated notes during the third quarter of 2018.

Provision for Income Taxes

For the twenty-six weeks ended June 28, 2019, we recorded an effective income tax rate of 27.5%. For the twenty-six weeks ended June 29, 2018, our effective income tax rate was 28.5%.

Net Income

Reflecting the factors described above, net income was $8.9 million for the twenty-six weeks ended June 28, 2019, compared to net income of $7.4 million for the twenty-six weeks ended June 29, 2018.

LIQUIDITY AND CAPITAL RESOURCES

We finance our day-to-day operations and growth primarily with cash flows from operations, borrowings under our senior secured credit facilities and other indebtedness, equity financing, operating leases, and trade payables.

Senior Secured Term Loan Credit Facility

On June 22, 2016, Chefs' Warehouse Parent, LLC ("CW Parent") and Dairyland USA Corporation ("Dairyland"), as co-borrowers, and The Chefs' Warehouse, Inc. (the "Company") and certain other subsidiaries of the Company, as guarantors, entered into a credit agreement (the "Term Loan Credit Agreement") with a group of lenders for which Jefferies Finance LLC ("Jefferies") acts as administrative agent and collateral agent. The Term Loan Credit Agreement provides for a senior secured term loan B facility (the "Term Loan Facility") in an aggregate amount of $305.0 million with a $50.0 million six-month delayed draw term loan facility (the "DDTL"; the loans outstanding under the Term Loan Facility (including the DDTL), the "Term Loans"). On June 27, 2016, the Company drew $14.0 million from the DDTL to help pay fund the acquisition of M.T. Food Service, Inc. On September 14, 2016, the Company entered into an amendment to the Term Loan Credit Agreement under which the remaining portion of the DDTL was terminated, the Company's interest rate schedule was modified and the Company repaid $25.0 million of the outstanding balance of the Term Loans. Additionally, the Term Loan Facility includes an accordion which permits the Company to request that the lenders extend additional Term Loans in an aggregate principal amount of up to $50.0 million (less the aggregate amount of certain indebtedness incurred to finance acquisitions) plus an unlimited amount subject to the Company's consolidated Total Leverage Ratio not exceeding 4.90:1.00 on a pro forma basis. Borrowings under the Term Loan Facility were used to repay the Company's senior secured notes, as well as the prior term loan and revolving credit facility. Remaining funds will be used for capital expenditures, permitted acquisitions, working capital and general corporate purposes of the Company.

On December 13, 2017, the Company completed a repricing of the Term Loan Facility to reduce the Applicable Rate (as defined in the Term Loan Credit Agreement) from 475 basis points to 400 basis points over LIBOR. In connection with the repricing, the Company paid debt financing costs of $0.8 million which were capitalized as deferred financing charges. On July 6, 2018, the Company made a $47.1 million prepayment and is no longer required to make quarterly amortization payments on the Term Loan Facility. On November 16, 2018, the Company completed a repricing of the Term Loan Facility to reduce the Applicable Rate from 400 basis points to 350 basis points over LIBOR. In connection with the repricing, the Company paid debt financing costs of $0.6 million which were capitalized as deferred financing charges. The Company wrote off unamortized deferred financing fees of $1.1 million as a result of this repricing.

The interest rates per annum applicable to Term Loans, will be, at the co-borrowers' option, equal to either a base rate or an adjusted LIBOR rate for one, two, three, six or (if consented to by the lenders) twelve-month interest periods chosen by the Company, in each case plus an applicable margin percentage. The interest rate on this facility at June 28, 2019 was 5.9% and the final maturity of the Term Loan Facility is June 22, 2022.

The Term Loan Facility contains customary affirmative covenants, negative covenants (including restrictions, subject to customary exceptions, on incurring debt or liens, paying dividends, repaying subordinated and junior lien debt, disposing assets, and making investments and acquisitions), and events of default for a term loan B facility of this type, as more particularly described in the Term Loan Credit Agreement. As of June 28, 2019, the Company was in compliance with all debt covenants under the Term Loan Facility.

Asset Based Loan Facility

On June 29, 2018, the Company entered into a credit agreement (the "ABL Credit Agreement") with a group of lenders for which BMO Harris Bank, N.A. acts as administrative agent. The ABL Credit Agreement provides for an asset based loan facility (the "ABL Facility") in the aggregate amount of up to $150.0 million. Availability under the ABL Facility will be limited to a borrowing base equal to the lesser of: (i) the aggregate amount of commitments or (ii) the sum of specified percentages of eligible receivables and eligible inventory, minus certain availability reserves. The co-borrowers under the ABL Facility are entitled on one or more occasions, subject to the satisfaction of certain conditions, to request an increase in the commitments under the ABL Facility in an aggregate principal amount of up to $25.0 million. The ABL Facility matures on the earlier of June 29, 2023 and 90 days prior to the maturity date of the Company's Term Loan Facility.

The interest rates per annum applicable to loans, other than swingline loans, under the ABL Facility will be, at the co-borrowers' option, equal to either a base rate or an adjusted LIBOR rate for one, two, three, six or (if consented to by the lenders) twelve-month, interest periods chosen by the Company, in each case plus an applicable margin percentage. The Company will pay certain recurring fees with respect to the ABL Facility, including fees on the unused commitments of the lenders. The ABL Facility contains customary affirmative covenants, negative covenants and events of default as more particularly described in the ABL Credit Agreement. The ABL Facility will require compliance with a minimum consolidated fixed charge coverage ratio of 1:1 if the amount of availability under the ABL Facility falls below the greater of $10.0 million or 10% of the borrowing base. Borrowings under the ABL Facility will be used, and are expected to be used, for capital expenditures, permitted acquisitions, working capital and general corporate purposes of the Company. On July 6, 2018, the Company borrowed $47.1 million under the ABL Facility and made an equivalent prepayment on its senior secured term loan. There was $43.2 million outstanding under the ABL Facility as of June 28, 2019, bearing an interest rate of 3.7%.

As of June 28, 2019, the Company was in compliance with all debt covenants under the ABL Facility and the Company had reserved $16.8 million of the ABL Facility for the issuance of letters of credit. As of June 28, 2019, funds totaling $90.0 million were available for borrowing under the ABL Facility.

Convertible Unsecured Note

On February 25, 2019, the Company issued a $4.0 million convertible unsecured note (the “Note”), maturing on June 29, 2023, to Bassian Farms, Inc. (the “Holder”) as partial consideration in the Bassian acquisition. The interest rate charged on the Note is 4.5% per annum and increases to 5.0% after the two-year anniversary of the closing date. The Company may, in certain instances beginning eighteen months after issuance of the Note, redeem the Note in whole or in part for cash or convert the Note into shares of the Company’s common stock at the conversion price of $43.93 per share. After the two-year anniversary of the closing date, the Holder may convert the Note into shares of the Company’s common stock at the conversion price. Upon a change of control event, the Holder may convert the Note into shares of the Company’s common stock at the conversion price or redeem the Note for cash.

Liquidity

We believe our capital expenditures, excluding cash paid for acquisitions, for fiscal 2019 will be in the range of $24.0 million to $26.0 million. The increase in projected capital expenditures in fiscal 2019 as compared to fiscal 2018 is the result of planned expansions of several of our distribution facilities and renovations to our corporate headquarters. Recurring capital expenditures will be financed with cash generated from operations and borrowings under our ABL Facility. Our planned capital projects will provide both new and expanded facilities and improvements to our technology that we believe will produce increased efficiency and the capacity to continue to support the growth of our customer base. Future investments and acquisitions will be financed through either internally generated cash flow, borrowings under our senior secured credit facilities in place at the time of the potential investment or acquisition or through the issuance of equity or debt securities, including, but not limited to, longer-term, fixed-rate debt securities and shares of our common stock.

Net cash provided by operations was $21.9 million for the twenty-six weeks ended June 28, 2019, an increase of $3.0 million from the $18.9 million provided by operations for the twenty-six weeks ended June 29, 2018. The primary reasons for the increase was increased cash generated through net income, partially offset by a decrease in cash from working capital changes. The primary cause for the increase in cash generated from net income was an increase in operating income and lower interest expense. The decrease in cash provided by changes in working capital was primarily due to a decrease in cash from *accounts payable* changes and *prepaid expenses and other current assets* changes of $11.2 million and $2.2 million, respectively, partially offset by increases in cash from *accounts receivable* changes and *inventories* changes of $7.6 million and $2.2 million, respectively.

Net cash used in investing activities was $36.8 million for the twenty-six weeks ended June 28, 2019, an increase of $19.4 million from the net cash used in investing activities of $17.4 million for the twenty-six weeks ended June 29, 2018. The increase in net cash used was primarily due to more cash paid for acquisitions and capital expenditures.

Net cash used in financing activities was $3.2 million for the twenty-six weeks ended June 28, 2019, a decrease of $0.2 million from the $3.4 million used in financing activities for the twenty-six weeks ended June 29, 2018. This decrease was primarily due to the fact we are no longer required to make quarterly amortization payments on our Term Loan as a result of the $47.1 million prepayment we made in the third quarter of 2018, partially offset by the $1.0 million principal payment we made on the ABL Facility during the second quarter of 2019.

Seasonality

Excluding our direct-to-consumer business, we generally do not experience any material seasonality. However, our sales and operating results may vary from quarter to quarter due to factors such as changes in our operating expenses, management’s ability to execute our operating and growth strategies, personnel changes, demand for our products, supply shortages, weather patterns and general economic conditions.

Our direct-to-consumer business is subject to seasonal fluctuations, with direct-to-consumer center-of-the-plate protein sales typically higher during the holiday season in our fourth quarter; accordingly, a disproportionate amount of operating cash flows from this portion of our business is generated by our direct-to-consumer business in the fourth quarter of our fiscal year. Despite a significant portion of these sales occurring in the fourth quarter, there are operating expenses, principally advertising and promotional expenses, throughout the year.

Inflation

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the costs of key operating resources, including food and other raw materials, labor, energy and other supplies and services. Substantial increases in costs and expenses could impact our operating results to the extent that such increases cannot be passed along to our customers. The impact of inflation and deflation on food, labor, energy and occupancy costs can significantly affect the profitability of our operations.

Off-Balance Sheet Arrangements

As of June 28, 2019, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Estimates

The preparation of the Company’s consolidated financial statements requires it to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The SEC has defined critical accounting policies as those that are both most important to the portrayal of the Company’s financial condition and results and require its most difficult, complex or subjective judgments or estimates. Based on this definition, we believe our critical accounting policies include the following: (i) determining our allowance for doubtful accounts, (ii) inventory valuation, with regard to determining inventory balance adjustments for excess and obsolete inventory, (iii) valuing goodwill and intangible assets, (iv) vendor rebates and other promotional incentives, (v) self-insurance reserves, and (vi) accounting for income taxes and (vii) contingent earn-out liabilities. There have been no material changes to our critical accounting policies and estimates as compared to our critical accounting policies and estimates described in the Form 10-K filed with the SEC on March 1, 2019.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

As of June 28, 2019, we had an aggregate of $281.4 million of indebtedness outstanding under the Term Loan and ABL Facility that bore interest at variable rates. A 100 basis point increase in market interest rates would decrease our after tax earnings by approximately $2.0 million per annum, holding other variables constant.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 28, 2019.

Changes in Internal Control over Financial Reporting

We have implemented new internal controls to ensure we adequately evaluated our contracts and properly assessed the impact of the new accounting standard related to leases on our financial statements as a result of its adoption on December 29, 2018. There were no other changes in our internal control over financial reporting during the quarter ended June 28, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in legal proceedings, claims and litigation arising out of the ordinary conduct of our business. Although we cannot assure the outcome, management presently believes that the result of such legal proceedings, either individually or in the aggregate, will not have a material adverse effect on our consolidated financial statements, and no material amounts have been accrued in our consolidated financial statements with respect to these matters.

ITEM 1A. RISK FACTORS

There has been no material changes with respect to the risk factors disclosed in our Annual Report on Form 10-K filed with the SEC on March 1, 2019.

ITEM 2. ISSUER PURCHASES OF EQUITY SECURITIES

	Total Number of Shares Repurchased(1)		Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
March 30, 2019 to April 26, 2019	—	$	—	—	—
April 27, 2019 to May 24, 2019	3,501	$	31.67	—	—
May 25, 2019 to June 28, 2019	427	$	34.30	—	—
Total	3,928	$	31.96	—	—

(1) During the thirteen weeks ended June 28, 2019, we withheld 3,928 shares to satisfy tax withholding requirements upon the vesting of restricted shares of our common stock awarded to our officers and key employees.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 4.1 to the Company's Form S-8 filed on May 17, 2019).*
10.2	Form of Restricted Share Award Agreement under The Chefs' Warehouse, Inc. Omnibus Equity Incentive Plan.*
10.3	Form of Performance Restricted Share Award Agreement under The Chefs' Warehouse, Inc. Omnibus Equity Incentive Plan.*
10.4	Form of Non-Qualified Stock Option Agreement under The Chefs' Warehouse, Inc. Omnibus Equity Incentive Plan.*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance 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

* Compensatory Plan or Arrangement

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on July 31, 2019.

THE CHEFS' WAREHOUSE, INC.
(Registrant)

Date: July 31, 2019	/s/ James Leddy
	James Leddy Chief Financial Officer (Principal Financial Officer)
Date: July 31, 2019	/s/ Timothy McCauley
	Timothy McCauley Chief Accounting Officer (Principal Accounting Officer)

THE CHEFS' WAREHOUSE, INC.
RESTRICTED SHARE AWARD AGREEMENT
(Officers and Employees)

THIS RESTRICTED SHARE AWARD AGREEMENT (this "Agreement") is made and entered into as of the day of , 20 (the "Grant Date"), between The Chefs' Warehouse, Inc., a Delaware corporation (together with its Subsidiaries, the "Company"), and (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of restricted shares of the Company's common stock, no par value per share (the "Common Stock"); and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted an award of restricted shares to the Grantee as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Shares.

(a) The Company hereby grants to the Grantee an award (the "Award") of shares of Common Stock of the Company (the "Shares" or the "Restricted Shares") on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the dates on which the restrictions shall lapse in accordance with Sections 2 and 3 hereof.

2. Terms and Rights as a Stockholder.

(a) Except as otherwise provided herein and subject to such other exceptions as may be determined by the Committee in its discretion, the Restricted Period (as defined in Section 2(b)(ii) below) shall expire with respect to the following percentages of the Restricted Shares granted herein as set forth below:

Percentage of Restricted Shares	Date
[ ]%	[DATE]
[ ]%	[DATE]
[ ]%	[DATE]

All Awards shall be subject to a minimum vesting period of not less than one year from the Grant Date, except as otherwise provided in accordance with Section 14.3 of the Plan.

(b) The Grantee shall have all rights of a stockholder with respect to the Restricted Shares, including the right to receive dividends and the right to vote such Shares, subject to the following restrictions:

(i) the Grantee shall not be entitled to the removal of the restricted legends or restricted account notices or to delivery of the stock certificate (if any) for any Shares until the expiration of the Restricted Period as to such Shares and the fulfillment of any other restrictive conditions set forth herein;

(ii) none of the Restricted Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of during the "Restricted Period" as to such Shares and until the fulfillment of any other restrictive conditions set forth herein;

(iii) except as otherwise determined by the Committee at or after the grant of the Award hereunder, any Restricted Shares as to which the applicable Restricted Period has not expired (or other restrictive conditions have not been met) shall be forfeited, and all rights of the Grantee to such Shares shall terminate, without further obligation on the part of the Company, unless the Grantee remains in the continuous employment (or other service-providing capacity) of the Company for the entire Restricted Period applicable to such Shares; and

(iv) any dividends paid on Restricted Shares during the Restricted Period shall not be paid to the Grantee unless the Grantee remains in the continuous employment (or other service-providing capacity) of the Company for the entire Restricted Period applicable to such Shares and until the Grantee fulfills any other restrictive conditions set forth herein; provided, however, that any dividends otherwise payable with respect to Restricted Shares that are forfeited pursuant to Section 2(a) shall not be paid.

(c) Notwithstanding the foregoing, the Restricted Period shall automatically terminate as to all Restricted Shares awarded hereunder (as to which such Restricted Period has not previously terminated) in the following circumstances:

(i) upon the termination of the Grantee's employment from the Company which results from the Grantee's death or Disability; and

(ii) immediately prior to a Change in Control; provided, that if this Award is assumed in the Change in Control transaction under the terms set forth in Section 12.3 of the Plan, the Restricted Period shall run according to the schedule set forth in Section 2(a) hereof except that in the event of the termination of the Grantee's employment within one year following the Change in Control, if the Grantee's employment with the Company (or its successor) is terminated by (A) the Grantee for Good Reason, or (B) the Company for any reason other than for Cause, the Restricted Period shall terminate with respect to 100% of the Shares.

Any Shares, any other securities of the Company and any other property (except for cash dividends) distributed with respect to the Restricted Shares shall be subject to the same restrictions, terms and conditions as such Restricted Shares.

3. Termination of Restrictions. Following the termination of the Restricted Period, and provided that all other restrictive conditions set forth herein have been met, all restrictions set forth in this Agreement or in the Plan relating to such portion or all, as applicable, of the Restricted Shares shall lapse as to such portion or all, as applicable, of the Restricted Shares, and a stock certificate for the appropriate number of Shares, free of the restrictions and restrictive stock legend, shall, upon request, be delivered to the Grantee or Grantee's beneficiary or estate, as the case may be, pursuant to the terms of this Agreement (or, in the case of book-entry Shares, such restrictions and restricted stock legend shall be removed from the confirmation and account statements delivered to the Grantee in book-entry form).

4. Delivery of Shares.

(a) As of the date hereof, certificates representing the Restricted Shares may be registered in the name of the Grantee and held by the Company or transferred to a custodian appointed by the Company for the account of the Grantee subject to the terms and conditions of the Plan and shall remain in the custody of the Company or such custodian until their delivery to the Grantee or Grantee's beneficiary or estate as set forth in Sections 4(b) and (c) hereof or their forfeiture or reversion to the Company as set forth in Section 2(b) hereof. The Committee may, in its discretion, provide that the Grantee's ownership of Restricted Shares prior to the lapse of any transfer restrictions or any other applicable restrictions shall, in lieu of such certificates, be evidenced by a "book entry" (i.e., a computerized or manual entry) in the records of the Company or its designated agent in accordance with and subject to the applicable provisions of the Plan.

(b) If certificates shall have been issued as permitted in Section 4(a) above, certificates representing Restricted Shares in respect of which the Restricted Period has lapsed pursuant to this Agreement shall be delivered to the Grantee upon request following the date on which the restrictions on such Restricted Shares lapse.

(c) If certificates shall have been issued as permitted in Section 4(a) above, certificates representing Restricted Shares in respect of which the Restricted Period lapsed upon the Grantee's death shall be delivered to the executors or administrators of the Grantee's estate as soon as practicable following the receipt of proof of the Grantee's death satisfactory to the Company.

(d) Any certificate representing Restricted Shares shall bear (and confirmation and account statements sent to the Grantee with respect to book-entry Shares may bear) a legend in substantially the following form or substance:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND UNDER APPLICABLE BLUE SKY LAW OR UNLESS SUCH SALE, TRANSFER, PLEDGE OR OTHER DISPOSITION IS EXEMPT FROM REGISTRATION THEREUNDER.

THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE CHEFS' WAREHOUSE, INC. 2011 OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN") AND THE RESTRICTED SHARE AWARD AGREEMENT (THE "AGREEMENT") BETWEEN THE OWNER OF THE RESTRICTED SHARES REPRESENTED HEREBY AND THE CHEFS' WAREHOUSE, INC. (THE "COMPANY"). THE RELEASE OF SUCH SHARES FROM SUCH TERMS AND CONDITIONS SHALL BE MADE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN AND THE AGREEMENT AND ALL OTHER APPLICABLE POLICIES AND PROCEDURES OF THE COMPANY, COPIES OF WHICH ARE ON FILE AT THE COMPANY.

5. Effect of Lapse of Restrictions. To the extent that the Restricted Period applicable to any Restricted Shares shall have lapsed, the Grantee may receive, hold, sell or otherwise dispose of such Shares free and clear of the restrictions imposed under the Plan and this Agreement upon compliance with applicable legal requirements.

6. No Right to Continued Employment. This Agreement shall not be construed as giving the Grantee the right to be retained in the employ of the Company, and subject to any other written contractual arrangement between the Company and the Grantee, the Company may at any time dismiss the Grantee from employment, free from any liability or any claim under the Plan.

7. Adjustments. The Committee may make equitable and proportionate adjustments in the terms and conditions of, and the criteria included in, this Award in recognition of unusual or nonrecurring events (and shall make adjustments for the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles in accordance with the Plan whenever the Committee determines that such events affect the Shares. Any such adjustments shall be effected in a manner that precludes the material enlargement of rights and benefits under this Award.

8. Amendment to Award. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

9. Withholding of Taxes. If the Grantee makes an election under Section 83(b) of the Code with respect to the Award, the Award made pursuant to this Agreement shall be conditioned upon the prompt payment to the Company of any applicable withholding obligations or withholding taxes by the Grantee ("Withholding Taxes"). Failure by the Grantee to pay such Withholding Taxes will render this Agreement and the Award granted hereunder null and void *ab initio* and the Restricted Shares granted hereunder will be immediately cancelled. If the Grantee does not make an election under Section 83(b) of the Code with respect to the Award, upon the lapse of the Restricted Period with respect to any portion of Restricted Shares (or property distributed with respect thereto), the Company may satisfy the required Withholding Taxes as set forth by Internal Revenue Service guidelines for the employer's minimum statutory withholding with respect to the Grantee and issue vested shares to the Grantee without restriction. The Company may satisfy the required Withholding Taxes by withholding from the Shares included in the Award that number of whole shares necessary to satisfy such taxes as of the date the restrictions lapse with respect to such Shares based on the Fair Market Value of the Shares, or by requiring the Grantee to remit to the Company the proper Withholding Taxes in cash.

10. Plan Governs. The Grantee hereby acknowledges receipt of a copy of (or electronic link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Recoupment. All Awards granted under the Plan and any payment made under the Plan shall be subject to recoupment in accordance with Section 14.6 of the Plan.

13. Notices. All notices required to be given under this Award shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: The Chefs' Warehouse, Inc.

100 East Ridge Road
Ridgefield, CT 06877
Attn: Corporate Secretary

To the Grantee: The address then maintained with respect to the Grantee in the Company's records.

14. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

15. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

16. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, the parties have caused this Restricted Share Award Agreement to be duly executed effective as of the day and year first above written.

THE CHEFS' WAREHOUSE, INC.

By: __

GRANTEE:

__

THE CHEFS' WAREHOUSE, INC.
PERFORMANCE RESTRICTED SHARE AWARD AGREEMENT
(Officers and Employees)

THIS PERFORMANCE RESTRICTED SHARE AWARD AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _________, 20____ (the "Grant Date"), between The Chefs' Warehouse, Inc., a Delaware corporation (together with its Subsidiaries, the "Company"), and ___________________ (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of restricted shares of the Company's common stock, no par value per share (the "Common Stock") as a Performance Award under the Plan; and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted a Performance Award of restricted shares to the Grantee as provided herein.

NOW, **THEREFORE**, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Performance Shares.

(a) The Company hereby grants to the Grantee an award (the "Award") with respect to a maximum of ________ shares of Common Stock of the Company on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. The Common Stock of the Company subject to the Award is referred to as the "Shares" or "Performance Shares".

(b) The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the dates on which the Performance Shares shall vest in accordance with Sections 2 and 3 hereof.

(c) The target Performance Shares under this Award is ________ Performance Shares (the "Target Performance Shares"). For purposes of this Agreement, the term "Performance Period" shall mean the three year period ending on _______________.

2. Terms and Rights as a Stockholder.

(a) Except as otherwise provided herein, provided that the Grantee provides continuous service to the Company through the date of certification of the attainment of the performance criteria set forth in Exhibit A by the Committee, and further provided that the additional conditions and performance criteria set forth in Exhibit A hereto have been satisfied, the Performance Shares shall vest upon certification of the attainment of the performance criteria set forth in Exhibit A by the Committee (the "Vesting Period"). All Awards shall be subject to a minimum vesting period of not less than one year from the Grant Date, except as otherwise permitted in accordance with Section 14.3 of the Plan.

The number of Performance Shares originally subject to this Award that do not vest, if any, in accordance with this Section 2(a) shall be forfeited immediately by the Grantee upon the determination of the Committee that the necessary performance criteria have not been met.

(b) The Grantee shall have all rights of a stockholder with respect to the Performance Shares, including the right to receive dividends and the right to vote such Performance Shares, subject to the following restrictions:

(i) the Grantee shall not be entitled to the removal of the restricted legends or restricted account notices or to delivery of the stock certificate (if any) for any Shares until the Committee has determined that such Shares shall have vested pursuant to the terms of this Agreement and the fulfillment of any other restrictive conditions set forth herein;

(ii) none of the Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of until the Committee has determined that such Shares shall have vested pursuant to the terms of this Agreement and until the fulfillment of any other restrictive conditions set forth herein;

(iii) except as otherwise provided herein or determined by the Committee at or after the grant of the Award hereunder, unless the Grantee remains in the continuous employment (or other service-providing capacity) of the Company for the entire Vesting Period applicable to a portion of the Performance Shares, the Performance Shares related to such Vesting Period shall be forfeited, and all rights of the Grantee to such Shares shall terminate, without further obligation on the part of the Company, as of the effective date of Grantee's termination of employment; and

(iv) any dividends otherwise payable on Performance Shares shall not be paid to the Grantee at the time such dividends are paid to the holders of Common Stock generally, but shall be paid to Grantee within fifteen days of the Committee's determination of the number of Performance Shares that become vested pursuant to the terms of Section 2(a) of this Agreement; provided, that any dividends otherwise payable with respect to Performance Shares that are forfeited pursuant to Section 2(a) shall not be paid.

(c) Notwithstanding the foregoing, the Performance Shares awarded hereunder shall automatically vest (provided, that such Shares have not previously been forfeited) upon the termination of the Grantee's employment from the Company which results from the Grantee's death or Disability.

(d) In the event of a Change in Control, (i) if the Change in Control occurs during the Performance Period, the necessary performance criteria shall be deemed satisfied as to the Target Performance Shares and the Vesting Period shall automatically terminate as to the Target Performance Shares immediately prior to the Change in Control, and (ii) if the Change in Control occurs after the Performance Period, the Vesting Period shall automatically terminate immediately prior to the Change in Control as to the Performance Shares for which the necessary performance criteria has been satisfied; provided in each case, that if this Award is assumed in the Change in Control transaction under the terms set forth in Section 12.3 of the Plan, the Vesting Period shall run according to the schedule set forth in Section 2(a) hereof except that in the event of the termination of the Grantee's employment following a Change in Control, if the Grantee's employment with the Company (or its successor) is terminated by (A) the Grantee for Good Reason, or (B) the Company for any reason other than for Cause (as Cause is defined in the Plan, unless otherwise defined in an applicable service agreement), the Vesting Period shall terminate with respect to 100% of the Shares.

Any shares of Common Stock, any other securities of the Company and any other property (except for cash dividends) distributed with respect to the Shares shall be subject to the same restrictions, terms and conditions as such Shares.

3. Termination of Restrictions. Following the termination of the Vesting Period, and provided that all other restrictive conditions set forth herein have been met, all restrictions set forth in this Agreement or in the Plan relating to such portion or all, as applicable, of the Performance Shares that the Committee determines shall vest shall lapse as to such portion of the Performance Shares, and a stock certificate for the appropriate number of shares of Common Stock, free of the restrictions and restrictive stock legend, shall, upon request, be delivered to the Grantee or Grantee's beneficiary or estate, as the case may be, pursuant to the terms of this Agreement (or, in the case of book-entry shares, such restrictions and restricted stock legend shall be removed from the confirmation and account statements delivered to the Grantee in book-entry form).

4. Delivery of Shares.

(a) As of the date hereof, certificates representing the Shares may be registered in the name of the Grantee and held by the Company or transferred to a custodian appointed by the Company for the account of the Grantee subject to the terms and conditions of the Plan and shall remain in the custody of the Company or such custodian until their delivery to the Grantee or Grantee's beneficiary or estate as set forth in Sections 4(b) and (c) hereof or their forfeiture or reversion to the Company as set forth in Section 2(b) hereof. The Committee may, in its discretion, provide that the Grantee's ownership of Shares prior to the lapse of any transfer restrictions or any other applicable restrictions shall, in lieu of such certificates, be evidenced by a "book entry" (i.e., a computerized or manual entry) in the records of the Company or its designated agent in accordance with and subject to the applicable provisions of the Plan.

(b) If certificates shall have been issued as permitted in Section 4(a) above, certificates representing Shares that shall vest pursuant to this Agreement shall be delivered to the Grantee upon request following the date on which the vesting has been determined.

(c) If certificates shall have been issued as permitted in Section 4(a) above, certificates representing Shares that vest upon the Grantee's death shall be delivered to the executors or administrators of the Grantee's estate as soon as practicable following the receipt of proof of the Grantee's death satisfactory to the Company.

(d) Any certificate representing Shares shall bear (and confirmation and account statements sent to the Grantee with respect to book-entry Shares may bear) a legend in substantially the following form or substance:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND UNDER APPLICABLE BLUE SKY LAW OR UNLESS SUCH SALE, TRANSFER, PLEDGE OR OTHER DISPOSITION IS EXEMPT FROM REGISTRATION THEREUNDER.

THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE CHEFS' WAREHOUSE, INC. 2019 OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN") AND THE PERFORMANCE RESTRICTED SHARE AWARD AGREEMENT (THE "AGREEMENT") BETWEEN THE OWNER OF THE RESTRICTED SHARES REPRESENTED HEREBY AND THE CHEFS' WAREHOUSE, INC. (THE "COMPANY"). THE RELEASE OF SUCH SHARES FROM SUCH TERMS AND CONDITIONS SHALL BE MADE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN AND THE AGREEMENT AND ALL OTHER APPLICABLE POLICIES AND PROCEDURES OF THE COMPANY, COPIES OF WHICH ARE ON FILE AT THE COMPANY.

5. Effect of Lapse of Restrictions. To the extent that any Performance Shares vest hereunder, the Grantee may receive, hold, sell or otherwise dispose of such Performance Shares free and clear of the restrictions imposed under the Plan and this Agreement upon compliance with applicable legal requirements.

6. No Right to Continued Employment. This Agreement shall not be construed as giving the Grantee the right to be retained in the employ of the Company, and subject to any other written contractual arrangement between the Company and the Grantee, the Company may at any time dismiss the Grantee from employment, free from any liability or any claim under the Plan.

7. Adjustments. The Committee may make equitable and proportionate adjustments in the terms and conditions of, and the criteria (including any performance criteria set forth on Exhibit A) included in, this Award in recognition of unusual or nonrecurring events (and shall make adjustments for the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles in accordance with the Plan whenever the Committee determines that such events affect the Shares. Any such adjustments shall be effected in a manner that precludes the material enlargement of rights and benefits under this Award.

8. Amendment to Award. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of

the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

9. Withholding of Taxes. If the Grantee makes an election under Section 83(b) of the Code with respect to the Award, the Award made pursuant to this Agreement shall be conditioned upon the prompt payment to the Company of any applicable withholding obligations or withholding taxes by the Grantee ("Withholding Taxes"). Failure by the Grantee to pay such Withholding Taxes will render this Agreement and the Award granted hereunder null and void *ab initio* and the Shares granted hereunder will be immediately cancelled. If the Grantee does not make an election under Section 83(b) of the Code with respect to the Award, upon the vesting of any Shares hereunder (or property distributed with respect thereto), the Company may satisfy the required Withholding Taxes as set forth by Internal Revenue Service guidelines for the employer's minimum statutory withholding with respect to the Grantee and issue vested shares to the Grantee without restriction. The Company may satisfy the required Withholding Taxes by withholding from the Shares included in the Award that number of whole shares necessary to satisfy such taxes as of the date the restrictions lapse with respect to such Shares based on the Fair Market Value of the Shares, or by requiring the Grantee to remit to the Company the proper Withholding Taxes in cash.

10. Plan Governs. The Grantee hereby acknowledges receipt of a copy of (or electronic link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Recoupment. All Awards granted under the Plan and any payments made under the Plan shall be subject to recoupment in accordance with Section 14.6 of the Plan.

13. Notices. All notices required to be given under this Award shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company:	The Chefs' Warehouse, Inc. 100 East Ridge Road Ridgefield, Connecticut 06877 Attn: Corporate Secretary
To the Grantee:	The address then maintained with respect to the Grantee in the Company's records.

14. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

15. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

16. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

(*remainder of page left blank intentionally*)

IN WITNESS WHEREOF, the parties have caused this Performance Restricted Share Award Agreement to be duly executed effective as of the day and year first above written.

THE CHEFS' WAREHOUSE, INC.

By: __

GRANTEE:

EXHIBIT A

Performance Criteria

Subject to all the other terms and conditions of this Agreement and in accordance with the Committee's certification of AEBITDA (adjusted earnings before interest, taxes, depreciation and amortization) margin and ROIC (return on invested capital) for the Performance Period, each such performance target being weighted equally as applicable to 50% of the Shares, the restrictions with respect to the Shares shall lapse on the date of such certification and such Shares shall vest within a range of 0% - 200%, with no interpolation/pro ration between levels of performance, of the Shares granted, in accordance with the following schedules, as applicable:

AEBITDA Margin Threshold	Percentage of Performance Shares Attained
___% or less	0%
___%	25%
___%	50%
___%	75%
___%	100%
___%	125%
___%	150%
___%	175%
___% or more	200%

ROIC Threshold	Percentage of Performance Shares Attained
___% or less	0%
___%	25%
___%	50%
___%	75%
___%	100%
___%	125%
___%	150%
___%	175%
___% or more	200%

THE CHEFS' WAREHOUSE, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT
(Officers and Employees)

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement") is made and entered into as of this _____ day of _______________, 20____ (the "Grant Date"), by and between The Chefs' Warehouse, Inc., a Delaware corporation (together with its Subsidiaries and Affiliates, the "Company"), and ___________________ (the "Optionee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of stock options for the purchase of shares of the common stock, no par value per share, of the Company (the "Shares"); and

WHEREAS, the Company desires to afford the Optionee an opportunity to purchase Shares as hereinafter provided in accordance with the provisions of the Plan.

NOW, **THEREFORE**, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option.

(a) The Company grants as of the date of this Agreement the right and option (the "Option") to purchase _________ Shares, in whole or in part (the "Option Stock"), at an exercise price of ________________________ and No/100 Dollars ($ ________) per Share, on the terms and conditions set forth in this Agreement and subject to all provisions of the Plan. The Optionee, holder or beneficiary of the Option shall not have any of the rights of a stockholder with respect to the Option Stock until such person has become a holder of such Shares by the due exercise of the Option and payment of the Option Payment (as defined in Section 3 below) in accordance with this Agreement.

(b) The Option shall be a non-qualified stock option. In order comply with all applicable federal, state or local tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state or other taxes are withheld or collected from the Optionee.

2. Exercise of Option.

(a) Except as otherwise provided herein, this Option shall become vested and exercisable only if both (i) the Optionee has remained continuously employed by the Company through the third anniversary of the Grant Date (the "Service-Vesting Condition"), and (ii) a Trading Price (as defined below) of $30 has been achieved or, in the event of a Change in Control, the consideration per Share paid or delivered in connection with the Change in Control is at least $30 (the "Market-Vesting Condition"). For purposes of this Agreement, "Trading Price" means the volume-weighted average closing price of a Share, as reported on the NASDAQ composite transaction reporting system, for a twenty (20) consecutive trading day period. For the avoidance of doubt, it is noted that, except as otherwise provided herein, the Option may not be exercised prior to the third anniversary of the Grant Date, whether or not the Market-Vesting Condition is satisfied prior to such anniversary date. The Option shall be subject to a minimum vesting period of not less than one year from the Grant Date, except as otherwise permitted in accordance with Section 14.3 of the Plan.

(b) Notwithstanding the above, the Service-Vesting Condition shall be deemed satisfied with respect to 100% of the Option Stock in the event of the Optionee's death, Disability or Retirement, provided the Optionee has remained continuously employed by the Company from the date of this Agreement to such event. In no event, however, may the Option be exercised unless the Market-Vesting Condition has been satisfied by the date of the Optionee's death, Disability or Retirement or such later date as of which the Option terminates pursuant to Section 4 below.

(c) Notwithstanding the foregoing, in the event of a Change in Control, (i) if the Market-Vesting Condition is satisfied as of the Change in Control and the Change in Control occurs prior to satisfaction of the Service-Vesting Condition, and provided further the Option is assumed in the Change in Control transaction under the terms set forth in Section 12.3 of the Plan, this Option shall vest upon satisfaction of the Service-Vesting Condition except that in the event the Optionee's employment with the Company (or its successor) is terminated by (A) the Optionee for Good Reason, or (B) the Company for any reason other than for Cause (as defined in the Plan, unless otherwise defined in an applicable service agreement), this Option shall vest and become exercisable with respect to 100% of the Option Stock (but only to the extent such Option has not otherwise terminated or become exercisable); (ii) if the Market-Vesting Condition is satisfied as of the Change in Control and the Option is not assumed in the Change in Control transaction under the terms set forth in Section 12.3 of the Plan, the Service-Vesting condition shall be deemed satisfied and this Option shall vest and become exercisable with respect to 100% of the Option Stock immediately prior to the Change in Control (but only to the extent such Option has not otherwise terminated or become exercisable); and (iii) if the Market-Vesting Condition is not satisfied as of the Change in Control, this Option shall terminate immediately prior the Change in Control and become void and of no effect.

3. Manner of Exercise. The Option may be exercised in whole or in part at any time within the period permitted hereunder for the exercise of the Option, with respect to whole Shares only, by serving written notice of intent to exercise the Option delivered to the Company at its principal office (or to the Company's designated agent), stating the number of Shares to be purchased, the person or persons in whose name the Shares are to be registered and each such person's address and social security number. Such notice shall not be effective unless accompanied by payment in full of the Option Price for the number of Shares with respect to which the Option is then being exercised (the "Option Payment") and, except as otherwise provided herein, cash equal to the required withholding taxes as set forth by Internal Revenue Service and applicable state and local tax guidelines for the employer's minimum statutory withholding. The Option Payment shall be made in cash or cash equivalents or, at the discretion of the Committee, in whole Shares previously acquired by the Optionee and valued at the Shares'

Fair Market Value on the date of exercise (or next succeeding trading date if the date of exercise is not a trading date), or by a combination of such cash (or cash equivalents) and Shares. Subject to applicable securities laws and the consent of the Committee, the Optionee may also exercise the Option (a) by delivering a notice of exercise of the Option and by simultaneously selling the Shares of Option Stock thereby acquired pursuant to a brokerage or similar agreement approved in advance by proper officers of the Company, using the proceeds of such sale as payment of the Option Payment, together with any applicable withholding taxes, or (b) by directing the Company to withhold that number of whole Shares otherwise deliverable to the Optionee pursuant to the Option having an aggregate Fair Market Value at the time of exercise equal to the sum of the Option Payment and the amount necessary to satisfy any applicable withholding obligations.

4. Termination of Option. The Option will expire ten (10) years from the date of grant of the Option (the "Term") with respect to any then unexercised portion thereof, unless terminated earlier as set forth below:

(a) Termination by Death. If the Optionee's employment by the Company terminates by reason of death, this Option may thereafter be exercised by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, but only if the Market-Vesting Conditions has been satisfied, for a period of one (1) year from the date of death or until the expiration of the Term of the Option, whichever period is the shorter.

(b) Termination by Reason of Disability. If the Optionee's employment by the Company terminates by reason of Disability, this Option may thereafter be exercised by the Optionee or personal representative or guardian of the Optionee, as applicable, but only if the Market-Vesting Conditions has been satisfied, for a period of three (3) years from the date of such termination of employment or until the expiration of the Term of the Option, whichever period is the shorter.

(c) Termination by Retirement. If the Optionee's employment by the Company terminates by reason of Retirement, this Option may thereafter be exercised by the Optionee, but only if the Market-Vesting Condition has been satisfied, for a period of three (3) years from the date of such termination of employment or until the expiration of the Term of the Option, whichever period is the shorter.

(d) Termination for Cause. If the Optionee's employment by the Company is terminated for Cause, this Option shall terminate immediately and become void and of no effect.

(e) Other Termination. If the Optionee's employment by the Company terminates for any reason other than for Cause, death, Disability or Retirement, this Option may be exercised by the Optionee, to the extent the Service-Vesting Condition was satisfied at the time of such termination, but only if the Market-Vesting Condition has been satisfied, for a period of three (3) months from the date of such termination of employment or the expiration of the Term of the Option, whichever period is the shorter.

5. No Right to Continued Employment. The grant of the Option shall not be construed as giving the Optionee the right to be retained in the employ of the Company, and the Company may at any time dismiss the Optionee from employment, free from any liability or any claim under the Plan.

6. Adjustment to Option Stock. The Committee may make equitable and appropriate adjustments in the terms and conditions of, and the criteria included in, this Option in recognition of unusual or nonrecurring events (and shall make the adjustments for the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles in accordance with the Plan, whenever the Committee determines that such event(s) affect the Shares. Any such adjustments shall be effected in a manner that precludes the material enlargement of rights and benefits under this Award.

7. Amendments to Option. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, the Option, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Optionee or any holder or beneficiary of the Option shall not to that extent be effective without the consent of the Optionee, holder or beneficiary affected.

8. Limited Transferability. Except as otherwise provided by the Committee, during the Optionee's lifetime, this Option can be exercised only by the Optionee, and this Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Optionee other than by will or the laws of descent and distribution. Any attempt to otherwise transfer this Option shall be void. No transfer of this Option by the Optionee by will or by laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary or appropriate to establish the validity of the transfer.

9. Reservation of Shares. At all times during the term of this Option, the Company shall use its best efforts to reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of this Agreement.

10. Plan Governs. The Optionee hereby acknowledges receipt of a copy of (or electronic link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Recoupment. All Awards granted under the Plan and any payments made under the Plan shall be subject to recoupment in accordance with Section 14.6 of the Plan.

13. Notices. All notices required to be given under this Award shall be deemed to be received if delivered or mailed as provided for herein to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company:	The Chefs' Warehouse, Inc. 100 East Ridge Road Ridgefield, Connecticut 06877 Attn: Corporate Secretary
To the Optionee:	The address then maintained with respect to the Optionee in the Company's records.

14. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

15. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and the Company for all purposes.

16. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representative and assignees. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heirs, executors, administrators, successors and assignees.

[*The next page is the signature page*]

IN WITNESS WHEREOF, the parties have caused this Non-Qualified Stock Option Agreement to be duly executed effective as of the day and year first above written.

THE CHEFS' WAREHOUSE, INC.

By: __

OPTIONEE:

Signature

Exhibit 31.1

CERTIFICATIONS

I, Christopher Pappas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Chefs' Warehouse, Inc.;

2. Based on my knowledge, this quarterly 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. The registrant's other certifying officer and I are 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 Rule 13a-15(f) and Rule 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 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. The registrant's other certifying officer and 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 registrant's board of directors (or persons performing the equivalent function):

   (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.

Dated: July 31, 2019

/s/ Christopher Pappas

By: Christopher Pappas
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, James Leddy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Chefs' Warehouse, Inc.;

2. Based on my knowledge, this quarterly 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. The registrant's other certifying officer and I are 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 Rule 13a-15(f) and Rule 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 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. The registrant's other certifying officer and 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 registrant's board of directors (or persons performing the equivalent function):

   (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.

Dated: July 31, 2019

/s/ James Leddy

By: James Leddy
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Chefs' Warehouse, Inc. (the "Company") on Form 10-Q for the quarter ended June 28, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher Pappas, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2019	By:	/s/ Christopher Pappas
		Christopher Pappas
		Chairman, President and Chief Executive Officer
		(Principal Executive Officer)

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Chefs' Warehouse, Inc. (the "Company") on Form 10-Q for the quarter ended June 28, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Leddy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2019	By:	/s/ James Leddy
		James Leddy
		Chief Financial Officer
		(Principal Financial Officer)

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.