

**PANERA BREAD COMPANY**  
**RESTATED COMPENSATION AND MANAGEMENT DEVELOPMENT**  
**COMMITTEE CHARTER**

**PURPOSE**

The Compensation and Management Development Committee (the “Committee”) is responsible for working with management to establish appropriate compensation practices for Panera Bread Company (the “Company”) and determining the compensation and other benefits for officers of the Company holding positions of senior vice president and above (collectively, “Executive Officers”). In addition, the Committee is responsible for overseeing the development and implementation of management development plans and succession planning practices to ensure that the Company has sufficient management depth to support its continued growth and has the talent needed to execute long term strategies in the event that one or more members of senior management retire or otherwise leave the Company.

The Committee is empowered, in its sole discretion and as it deems appropriate, to retain or obtain the advice of a compensation consultant, legal counsel or other firm to be used to assist the Committee in benchmarking and setting appropriate compensation levels and policies. The Committee shall review the adequacy of this Charter on an annual basis and recommend any changes to the Board for its approval.

**STRUCTURE AND MEMBERSHIP**

Except as otherwise permitted by the applicable NASDAQ rules, the Committee shall consist of at least three (3) members of the Board of Directors, each of whom shall:

- be an “independent director” as defined under NASDAQ Rule 5605(a)(2). In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors shall consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (i) the source of compensation of the director, including any director, consulting, advisory or other compensatory fee paid by the Company to the director; and (ii) whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company, and
- qualify as an “outside director” under Section 162(m) of the Internal Revenue Code and related regulations, and
- qualify as a “non-employee director” under Rule 16b-3 promulgated under the Securities and Exchange Act of 1934.

Members of the Committee and a Chair of the Committee shall be appointed by the Board of Directors, based on the recommendation of the Committee on Nominations and Corporate

Governance in accordance with the Corporate Governance Principles and Practices. Members of the Committee may be removed from the Committee at any time, with or without cause, by a determination of a majority of the independent members of the Board of Directors.

## **KEY RESPONSIBILITIES**

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function:

- Conduct an annual review of, and recommend to the Board of Directors, the Company's compensation package for the Chief Executive Officer. In connection therewith, for the Chief Executive Officer, the Committee shall review and recommend each compensation component including his (a) annual base salary level, (b) annual cash bonus performance levels and (c) long-term incentive performance levels. The Chief Executive Officer shall not be present during deliberations or voting with respect to his compensation.
- Review the recommendations of the Chief Executive Officer for and establish the compensation components of the other Executive Officers of the Company including (a) annual base salary level, (b) annual cash bonus performance levels and (c) long-term incentive performance levels for each such Executive Officer.
- In connection with any compensation intended to be "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code, recommend the objective performance measures and the performance targets for the CEO and Executive Officers on an annual basis, review and certify the performance of the CEO and the Executive Officers at the end of each fiscal year.
- Evaluate the performance of the Chief Executive Officer and discuss with the Chief Executive Officer such evaluation at the end of each fiscal year.
- Review and approve the management development and succession planning practices and strategies of the Company.
- Review and approve employment terms and agreements for Executive Officers.
- Exercise all rights, authority and functions of the Board under all of the Company's stock option, stock incentive, employee stock purchase, other equity-based plans, Company welfare plans, incentive plans and other compensation and employee benefit plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by this charter or a plan or resolution of the Board, the Compensation Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan or other non-equity-based plan, and consistent with the requirements of applicable law and such plan, the Compensation Committee may

delegate to one or more executive officers of the Company the power to administer such non-equity-based plan.

- Review and discuss with management the Company's disclosures under "Compensation Discussion and Analysis" (the "CD&A") to be included in the Company's filings with the Securities and Exchange Commission, and based on such review and discussion, determine whether to recommend to the Board of Directors that the CD&A be included in the Company's annual report on Form 10-K and, as applicable, the Company's proxy or information statement and authorize such determination, along with any other required disclosures, to be reflected in a Committee Report.
- Prepare, review and approve the Committee's Report to be included in the Company's proxy statement for its annual meeting of stockholders, as required by Item 407(e)(5) of Regulation S-K.
- Be responsible for the oversight of risks associated with the Company's compensation policies and practices. In accordance with Item 402(a) of Regulation S-K, the Committee shall annually review whether such policies and practices are reasonably likely to have a material adverse effect on the Company.
- The Committee may, in its sole discretion, retain or obtain the advice of compensation consultants, legal counsel or other advisors. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation, as determined by the Committee, of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor, only after taking into consideration the applicable factors affecting independence that are specified in NASDAQ Rule 5605(d)(3)(D).
- Make regular reports to the Board of Directors.

The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

## **PROCEDURES AND ADMINISTRATION**

1. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate. The chairperson of the Committee may request that members of management, legal counsel or other advisors attend the meetings of the Committee.

2. Subcommittees. The Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances (including (a) a subcommittee consisting of a single member and (b) a subcommittee consisting of at least two members, each of whom qualifies as a “non-employee director,” as such term is defined from time to time in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, and an “outside director,” as such term is defined from time to time in Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder).

3. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.

4. Funding. The Committee shall have access to Company funds to pay for expenses that the Committee determines are necessary or appropriate to carry out its duties.

5. Annual Self-Evaluation. At least annually, the Committee shall evaluate its own performance.

**This Charter is intended to provide a set of flexible guidelines for the effective functioning of the Committee.**

**Amended March 2, 2007.**

**Amended March 5, 2010.**

**Amended March 7, 2013.**

**Amended March 7, 2014.**

**Amended February 26, 2015**

**Amended February 25, 2016**