

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

**FORM 10-K**

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 30, 2022
- 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**  
(State or other jurisdiction of incorporation or organization)

**20-3031526**  
(I.R.S. Employer Identification No.)

**100 East Ridge Road  
Ridgefield, Connecticut, 06877**  
(Address of principal executive offices)

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01	CHEF	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.  Yes  No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to  Yes  No

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

The aggregate market value of the registrant's common stock held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second quarter (June 24, 2022): \$778,285,837

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

Class	Outstanding at February 13, 2023
Common Stock, \$0.01 par value per share	38,599,390 shares

**DOCUMENTS INCORPORATED BY REFERENCE**

Document	Parts Into Which Incorporated
Proxy Statement for the Annual Meeting of Stockholders expected to be held on May 19, 2023 ("Proxy Statement")	Part III

Total number of pages: 83

THE CHEFS' WAREHOUSE, INC.

INDEX

	<b>Description</b>	<b>Page Number</b>
<b>Part I</b>		
<a href="#">Item 1</a>	<a href="#">Business</a>	5
<a href="#">Item 1A</a>	<a href="#">Risk Factors</a>	15
<a href="#">Item 1B</a>	<a href="#">Unresolved Staff Comments</a>	29
<a href="#">Item 2</a>	<a href="#">Properties</a>	30
<a href="#">Item 3</a>	<a href="#">Legal Proceedings</a>	30
<a href="#">Item 4</a>	<a href="#">Mine Safety Disclosures</a>	30
<b>Part II</b>		
<a href="#">Item 5</a>	<a href="#">Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	31
<a href="#">Item 6</a>	<a href="#">Reserved</a>	32
<a href="#">Item 7</a>	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	33
<a href="#">Item 7A</a>	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	43
<a href="#">Item 8</a>	<a href="#">Consolidated Financial Statements and Supplementary Data</a>	44
<a href="#">Item 9</a>	<a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	73
<a href="#">Item 9A</a>	<a href="#">Controls and Procedures</a>	73
<a href="#">Item 9B</a>	<a href="#">Other Information</a>	75
<a href="#">Item 9C</a>	<a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	75
<b>Part III</b>		
<a href="#">Item 10</a>	<a href="#">Directors, Executive Officers and Corporate Governance</a>	76
<a href="#">Item 11</a>	<a href="#">Executive Compensation</a>	76
<a href="#">Item 12</a>	<a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	76
<a href="#">Item 13</a>	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	76
<a href="#">Item 14</a>	<a href="#">Principal Accounting Fees and Services</a>	76
<b>Part IV</b>		
<a href="#">Item 15</a>	<a href="#">Exhibits and Financial Statement Schedules</a>	77
<a href="#">Item 16</a>	<a href="#">Form 10-K Summary</a>	77
	<a href="#">Signatures</a>	83

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K of The Chefs' Warehouse, Inc. contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations, our strategic plans and objectives, cost management, liquidity and ability to refinance our indebtedness as it matures, anticipated capital expenditures (and access to capital) required to complete projects, amounts of cash distributions to our stockholders in the future, if any, and other matters. 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.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. Investors in our common stock are cautioned not to place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, the following:

- our success depends to a significant extent upon general economic conditions, including disposable income levels and changes in consumer discretionary spending;
- a significant portion of our future growth is dependent upon 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;
- our business is a low-margin business and our profit margins may be sensitive to inflationary and deflationary pressures;
- we have significant competition from a variety of sources, and we may not be able to compete successfully;
- our customers are generally not obligated to continue purchasing products from us;
- damage to our reputation or lack of acceptance of our specialty food products, center-of-the-plate products and/or the brands we carry in existing and new markets could materially and adversely impact our business, financial condition or results of operations;
- we have experienced losses due to our inability to collect accounts receivable in the past and could experience increases in such losses in the future if our customers are unable to pay their debts to us in a timely manner or at all;
- new information or attitudes regarding diet and health or adverse opinions about the health effects of the products we distribute could result in changes in consumer eating habits, which could have a material adverse effect on our business, financial condition or results of operations;
- our business operations and future development could be significantly disrupted if we lose key members of our management team;
- our insurance policies may not provide adequate levels of coverage against all claims, and fluctuating insurance requirements and costs could negatively impact our profitability. In addition, if we fail to establish proper reserves and adequately estimate future expenses, the costs associated with our self-insured group medical, workers' compensation liability and auto liability plans may adversely affect our business, financial condition or results of operations;
- 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 distribution of center-of-the-plate products, like meat, poultry and seafood, involves increased exposure to price volatility experienced by those products;
- group purchasing organizations may become more active in our industry and increase their efforts to add our customers as members of these organizations;
- fuel cost volatility may have a material adverse effect on our business, financial condition or results of operations;
- increases in our labor costs, including as a result of labor shortages, the unionization of some of our associates, the price or unavailability of insurance and changes in government regulation, could slow our growth or harm our business;
- significant public health epidemics or pandemics, including the COVID-19 pandemic (the "Pandemic"), may adversely affect our business, results of operations and financial condition;

- 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;
- information technology system failures or breaches of our network security could interrupt our operations and adversely affect our business;
- our investments in information technology may not produce the benefits that we anticipate;
- we may not be able to adequately protect our intellectual property, which, in turn, could harm the value of our brands and adversely affect our business;
- product liability claims could have a material adverse effect on our business, financial condition or results of operations;
- we are subject to significant governmental regulation and failure to comply could subject us to enforcement actions, recalls or other penalties, which could have a material adverse effect on our business, financial condition or results of operations;
- federal, state, provincial and local tax rules in the United States and the foreign countries we operate in may adversely impact our business, financial condition or results of operations;
- our substantial indebtedness may limit our ability to invest in the ongoing needs of our business;
- 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;
- changes in the method of determining Secured Overnight Financing Rate (“SOFR”), or the replacement of SOFR with an alternative rate, may adversely affect interest charged on our outstanding debt;
- the price of our common stock may be volatile and our stockholders could lose all or a part of their investment;
- concentration of ownership among our existing executive officers, directors and their affiliates may prevent new investors from influencing significant corporate decisions;
- if securities analysts or industry analysts downgrade our stock, publish negative research or reports or do not publish reports about our business, our stock price and trading volume could decline;
- we do not intend to pay dividends for the foreseeable future and our stock may not appreciate in value;
- our issuance of preferred stock or debt securities could adversely affect holders of our common stock and discourage a takeover; and
- some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. Investors in our common stock should carefully review the risks that are set forth under the caption “Risk Factors” included in Part I, Item 1A of this Form 10-K.

Unless this Form 10-K indicates otherwise or the context otherwise requires, the terms “The Chefs’ Warehouse,” “we,” “our,” “our Company,” “the Company” or “us” as used in this Form 10-K refer to The Chefs’ Warehouse, Inc. and its subsidiaries.

## Item 1. BUSINESS

We are a premier distributor of specialty food and center-of-the-plate products in the United States, the Middle East, and Canada. We are focused on serving the specific needs of chefs who own and/or operate some of the leading menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores in the United States, the Middle East, and Canada (collectively, our “core customers”). We believe that we have a distinct competitive advantage in serving these customers as a result of our extensive selection of distinctive and hard-to-find specialty and center-of-the-plate food products, our product knowledge and our customer service.

We define specialty food products as gourmet foods and ingredients that are of the highest grade, quality or style as measured by their uniqueness, exotic origin or particular processing method. Our product portfolio includes over 55,000 stock-keeping units (“SKUs”) from more than 2,500 different suppliers and is comprised primarily of imported and domestic specialty food products, such as artisan charcuterie, specialty cheeses, unique oils and vinegars, truffles, caviar, chocolate and pastry products. We also offer an extensive line of center-of-the-plate products, including custom cut beef, seafood and hormone-free poultry, as well as produce and broadline food products, such as cooking oils, butter, eggs, milk and flour. When marketing our products to our customers, we focus our efforts on chefs, and we believe that, by offering a wide selection of both distinctive and hard-to-find products, together with center-of-the-plate proteins and staple broadline food products, we are able to differentiate ourselves from larger, traditional broadline foodservice distributors, while simultaneously enabling our customers to utilize us as their primary foodservice distributor. Additionally, we market certain of our center-of-the-plate products directly to consumers through our Allen Brothers, Inc. (“Allen Brothers”) mail and e-commerce platform. We also market a broader variety of our products directly to consumers via our “Shop Like a Chef” online home delivery platform which operates in several of the markets we serve.

Since our formation in 1985, we have expanded our distribution network, product selection and customer base both organically and through acquisitions. Our net revenues have increased from approximately \$1.3 billion for the fiscal year ended December 28, 2018 to \$2.6 billion for the fiscal year ended December 30, 2022. Our historical sales growth and our ability to manage through the material adverse impacts of the Pandemic on our business are the result of an increase in the breadth and depth of our product portfolio, our commitment to customer service, the efforts of our experienced and sophisticated sales professionals, the increased use of technology in the operations and management of our business and our ongoing consolidation of the fragmented specialty foodservice distribution industry. Since December 28, 2018, we have completed sixteen acquisitions which have increased our penetration in existing markets, expanded our footprint into new markets and/or enhanced our product capabilities. The up-front cash purchase prices for these sixteen acquisitions resulted in aggregate up-front cash consideration of more than \$294.5 million, which we funded with cash generated from our operations, borrowings under our then existing credit facilities and the proceeds of our common stock offerings.

Excluding our direct-to-consumer businesses, we currently serve more than 40,000 core customer locations in our twenty-three primary geographic markets across the United States, the Middle East, and Canada. We maintain collaborative relationships with thousands of chefs while also acting as a critical marketing arm and route-to-market for many of our suppliers by leveraging an experienced and sophisticated sales force of approximately 720 sales and customer service professionals. We operate 44 distribution centers and provide service six days a week in many of our service areas, utilizing our fleet of delivery trucks to fill our customers’ orders.

### Competitive Strengths

We believe that, during our over 35-year history, we have achieved, developed and/or refined the following strengths which provide us with a distinct competitive position in the foodservice distribution industry and also the opportunity to achieve superior margins relative to most large broadline foodservice distributors:

*Leading Distributor of Specialty Food Products in Many of the Key Culinary Markets.* Based on our management’s industry knowledge and experience, we believe we are the largest distributor of specialty food products, as measured by net sales, in the New York, Washington, D.C., San Francisco and Los Angeles metropolitan markets. We believe these markets, along with a number of other markets we serve, including Las Vegas, Miami, New England, Portland, Columbus, Cincinnati, Chicago, Vancouver, Edmonton, Toronto, Seattle, Sacramento, Texas, Dubai, Abu Dhabi, and Qatar create and set the culinary trends for the rest of the United States, the Middle East, and Canada and provide us with valuable insight into the latest culinary and menu practices. Furthermore, we believe our established relationships with many of the top chefs, culinary schools and dining establishments in these key culinary markets have benefited us when we entered into new markets where we believe that chefs at our potential customers were generally knowledgeable of our brand and commitment to quality and excellence from their experience working in other markets which we serve or through their personal relationships throughout the culinary industry.

*Expansive Product Offering.* We offer an extensive portfolio of high-quality specialty food products, ranging from basic ingredients and staples, such as milk and flour, to custom-cut steaks, seafood, produce and pastries, as well as delicacies and specialty ingredients sourced from North America, Europe, Asia, Australia, and South America, which we believe helps our customers distinguish their menu offerings. We carry more than 55,000 SKUs and we constantly evaluate our portfolio and introduce new products to address regional trends and preferences and ensure that we are on the leading edge of broader culinary trends. Through our importing division, we provide our customers with access to a portfolio of exclusive items, including regional olive oils, truffles and charcuterie from Italy, Spain, France and other Mediterranean countries. In addition, and as evidence of our commitment to aid our customers in creating unique and innovative menu items, we regularly utilize our sourcing relationships and industry insights to procure additional products that we do not regularly carry but that our customers specifically request. We believe that the breadth and depth of our product portfolio facilitates our customers' ability to distinguish and enhance their menu offerings and differentiates us from larger traditional broadline foodservice distributors. For example, we provide a selection of more than 200 different varieties of olive oil, while large broadline foodservice distributors only carry, on average, 5-10 types of olive oil.

*Critical Route-to-Market for Specialty Food Suppliers.* We currently distribute products from more than 2,500 different suppliers. Our suppliers are located throughout North America, Europe, Asia, Australia, and South America and include numerous small, family-owned entities and artisanal food producers. We are the largest customer for many of our suppliers. As a result, our experienced and sophisticated sales professionals, customer relationships and distribution platform are important to these suppliers' route-to-market, which enables us to offer a wide range of products on an exclusive basis.

*Expanding Base of Premier Customer Relationships.* Our breadth and depth of product offerings coupled with our highly regarded customer service has allowed us to develop and retain a loyal customer base that is comprised of chefs who own or work at more than 40,000 of the nation's leading menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. Our focus on product selection, product knowledge and customer service has rewarded us with a number of long-term customer relationships, which often begin when chefs are introduced to us while attending the nation's leading culinary schools. Based on our management's industry experience and our relationships and dealings with our customers, we believe we are the primary distributor of specialty food products to the majority of our core customers.

*Collaborative Professional and Educational Relationships with our Customers.* We employ a sophisticated and experienced sales force of approximately 720 sales and customer service professionals, a significant number of whom have formal culinary training, degrees in the culinary arts or prior experience working in the culinary industry. Equipped with advanced culinary and industry knowledge, our sales professionals seek to establish a rapport with our customers' chefs, so that they can more fully understand and anticipate the needs of and offer cost-effective food product solutions to the chefs who own or operate these businesses. We believe that the specialized knowledge base of our sales professionals enables us to take a more collaborative and educational approach to selling our gourmet foods and ingredients and to further differentiate ourselves from our traditional broadline competitors.

*Expertise in Logistics and Distribution.* We have built a first-class, scalable inventory management and logistics platform that enables us to efficiently fill our customers' orders and to profitably meet our customers' needs for varying drop sizes, high service levels and timely delivery. With 44 distribution centers located throughout the United States, Middle East and Canada, we are able to leverage our geographic footprint and reduce our inbound freight costs. This scale enables us to maintain a portfolio of more than 55,000 SKUs, and through the operation of our sophisticated information technology, inventory management and logistics systems, we believe we provide our customers with some of the highest levels of customer service and responsiveness in our industry.

*Experienced and Proven Management Team.* Our senior management team has demonstrated the ability to grow the business through various economic environments. With collective experience of more than 90 years at The Chefs' Warehouse and other foodservice distribution companies, our founders and senior management are experienced operators and are passionate about our future. Our senior management team is comprised of our founders, as well as experienced professionals with expertise in the foodservice distribution industry and in a wide range of functional areas, including finance and accounting, sales and marketing, operations, information technology, legal and human resources.

## **Our Growth Strategies**

We believe substantial organic growth opportunities exist in our current markets through increased penetration of our existing customers and the addition of new customers, and we have identified new markets that we believe also present opportunities for future expansion. Key elements of our growth strategy include the following:

*Increase Penetration with Existing Customers.* We intend to sell more products to our existing customers by increasing the breadth and depth of our product selection and increasing the efficiency of our sales professionals, while at the same time continuing to provide excellent customer service. We are a data-driven and goal-oriented organization, and our management and sales professionals are highly focused on our weekly sales and gross profit contribution from each of our core customers and increasing the number of unique products we distribute to such customers. We believe our acquisition activity reflects this focus, as we have sought to complement our existing product offerings and enhance our product capabilities through the acquisition of wholesale specialty food and produce distributors and high quality center-of-the-plate protein suppliers, manufacturers and distributors.

*Expand our Customer Base Within our Existing Markets.* We serve more than 40,000 core customer locations, excluding our direct-to-consumer business, in the United States, Middle East, and Canada. We plan to expand our market share in the fragmented specialty food distribution industry by cultivating new customer relationships within our existing markets through the continued penetration of menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. We believe we have the opportunity to continue to gain market share in our existing markets by offering an extensive selection of specialty food products, as well as center-of-the-plate proteins, produce and traditional broadline staple food products through our unique, collaborative and educational sales efforts and efficient, scalable distribution solution.

*Improve our Operating Margins.* As we continue to grow, we believe that the investments we are making in our facilities and information technology platforms, along with improved efficiencies that we are working to achieve in our general and administrative functions, should yield both improved customer service and increased profitability. Utilizing our fleet of delivery trucks, we usually fill customer orders within 12-24 hours of order placement. We intend to continue to offer our customers this high level of customer service, while maintaining our focus on realizing efficiencies and economies of scale in purchasing, warehousing, distribution and general and administrative functions which, when combined with incremental fixed-cost leverage, we believe will lead to continued improvements in our operating margin over time.

*Pursue Selective Acquisitions.* Throughout our over 35-year history, we have successfully identified, consummated and integrated multiple strategic acquisitions, which were designed to increase our penetration in existing markets, expand our footprint into new markets and/or enhance our product capabilities. We believe that, over time, we will be able to improve the operations and overall profitability of each acquired company by leveraging our sourcing relationships to provide an expanded product portfolio, implementing our tested sales force training techniques and metrics and installing improved warehouse management and information systems. We believe we have the opportunity to capitalize on our existing infrastructure and expertise by continuing to selectively pursue opportunistic acquisitions in order to expand the breadth of our distribution network, increase our operating efficiency and add additional products and capabilities. Since our initial public offering (“IPO”), we have completed thirty-one acquisitions, which have increased our penetration in existing markets, expanded our footprint into new markets and enhanced our product capabilities.

#### **Our Markets and the Customers that We Serve**

Excluding our direct-to-consumer business, we distribute our specialty food products to over 40,000 distinct core customer locations from distribution centers located in our primary markets, which include New York, Washington, D.C., Los Angeles, San Francisco, New England, Las Vegas, Miami, Portland, Columbus, Cincinnati, Chicago, Vancouver, Edmonton, Toronto, Seattle, Sacramento, Philadelphia, Texas, Denver, Dubai, Abu Dhabi, Oman and Qatar. We believe that many of these markets set the culinary trends for the rest of the United States, Middle East and Canada and provide us with valuable insight into the latest culinary and menu trends. We have established collaborative professional and educational relationships with some of the United States’ and Canada’s most demanding chefs, which allows us to anticipate the needs of, and offer cost-effective food product solutions to, our customers while allowing our customers to locate ingredients that will enable them to create unique and differentiated menu items. Our target customers include menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. We have no meaningful customer concentration as our top ten customers who accounted for less than 6.5% of total net sales for our 2022 fiscal year.

Our Allen Brothers subsidiary markets certain of our center-of-the-plate proteins directly to consumers through a mail and e-commerce platform. Additionally, in response to the Pandemic, we expanded our direct-to-consumer product offerings by launching our “Shop Like a Chef” online home delivery platform in several of the markets we serve.

Set forth below is a breakdown of the primary geographic markets we serve and the year we entered each market:

<b>Market Name</b>	<b>Geographies Served</b>	<b>Year Entered</b>
New York	New York to Atlantic City	1985
Washington, D.C.	Baltimore to Richmond	1999
Los Angeles	Santa Barbara to San Diego and Phoenix	2005
San Francisco	Napa Valley to Monterey Bay	2005
Las Vegas	Las Vegas	2005
Miami	Orlando to Miami	2010
Portland	Portland	2011
Columbus	Midwest	2012
Cincinnati	Dayton to Lexington	2013
Chicago	Chicago	2013
Vancouver	Vancouver and Western Canada	2013
Edmonton	Edmonton and Calgary	2013
Toronto	Toronto	2013
Seattle	Seattle	2013
Sacramento	Sacramento	2015
Philadelphia	Philadelphia	2018
Texas	Texas	2018
New England	New England	2020
Denver	Denver	2021
Middle East	Dubai, Abu Dhabi, Qatar, and Oman	2022

We extend credit to virtually all of our core customers on varying terms. Most of our customers have payment terms from 14 to 60 days. We complete a formal credit assessment of all significant new core customers, and our Credit and Collections Department regularly evaluates credit terms for each such customer based upon several factors, including order frequency, average order size, the types of products purchased and the length of the relationship. We believe that we are skilled at managing customer credit.

#### **Our Gourmet Food Products**

We strive to be the primary food source solution for our customers, and, to this end, we offer our customers a comprehensive product portfolio that ranges from basic ingredients and staples, such as milk and flour, to custom-cut steaks, seafood, produce and pastries, as well as delicacies and specialty ingredients sourced from North America, Europe, Asia, Australia, and South America. We carry more than 55,000 SKUs and we are fully committed to utilizing our sourcing relationships and industry insights to procure products that we do not regularly carry but that our customers specifically request as they seek to create unique and innovative menu offerings.

We continuously evaluate potential additions to our product portfolio based on both existing and anticipated trends in the culinary industry. Our buyers have numerous contacts with suppliers throughout North America, Europe, Asia and South America and are always looking for new and interesting products that will aid our customers as they seek to keep up with the latest developments in the culinary industry. Our ability to successfully distribute a significant portion of the total production of smaller, regional and artisanal specialty food producers allows us the opportunity to be these producers' primary route-to-market in our markets without, in most cases, requiring us to make contractual commitments regarding guaranteed volume. We are also able to leverage our scale and successful track record of distributing products sourced from outside the United States and Canada to minimize importing costs.

We seek to differentiate ourselves from our competitors by offering a more extensive depth and breadth of specialty products. We carry a wide range of high-quality specialty food products, including artisan charcuterie, specialty cheeses, unique oils and vinegars, truffles, caviar, chocolate and pastry products across each of our markets, but we also offer a number of items in each of our respective markets that are tailored to meet the unique preferences of the individual chefs in that market. We regularly rotate our inventory to identify and bring to market new products that will continue to support our value proposition.

Within our product offerings, we carry numerous gourmet brands, and at the same time, we seek to maximize product contribution through the sale of our proprietary brands, which we offer in a number of staple products, including bulk olive oil, Italian grating cheeses and butter. We believe that our ability to offer simultaneously high-quality specialty foods and ingredients, center-of-the-plate products, produce and more traditional broadline staple food products provides our customers with foodservice distribution solutions that are efficient and cost effective.

### **Our Sophisticated and Experienced Sales Professionals**

We employ a sophisticated and experienced sales force of approximately 720 sales and customer service professionals focused on meeting our customers' goals and objectives, while concurrently educating them regarding our latest products and broader culinary trends. Our sales force is composed of the following three distinct groups which are all focused on providing outstanding service to our customers:

- *Outside Sales Associates:* Responsible for identifying sales opportunities, educating customers and acting as our public representatives.
- *Inside Sales Associates:* Responsible for processing customer orders and arranging for delivery and payment.
- *Product Specialists:* Responsible for maintaining specialized product knowledge and educating our outside sales associates and customers regarding new products and general developments in several specific categories, including meat, seafood, pastry and cheese.

A significant number of our sales professionals have formal culinary training, degrees in the culinary arts and/or prior experience working in the culinary industry. We strive to harness this culinary knowledge and passion for food and to concurrently promote an entrepreneurial working environment. Utilizing advanced pricing optimization software available to them on a real-time basis, our sales professionals are afforded flexibility to determine the pricing of individual items for our customers within a range of pricing options. The majority of our outside sales professionals are compensated on a commission basis, and their performance is measured primarily upon their gross profit dollars obtained. We have historically experienced low turnover among our seasoned sales professionals.

Because we are highly focused on collaborating with our customers and educating them regarding our latest products and broader culinary trends, we view the ongoing education and training of our sales force as crucial to our continued success. To ensure that our sales professionals remain on the forefront of new culinary products and trends, we regularly hold "vendor shows" at our distribution centers, where our sales force is able to interact with vendors and learn more about the vendors' latest product offerings and the performance of these products relative to competitive offerings.

### **Our Suppliers**

We are committed to providing our customers with an unrivaled portfolio of specialty food products, as well as a comprehensive broadline product offering, produce and center-of-the-plate products. To fulfill this commitment, we maintain strong sourcing relationships with numerous producers of high-quality artisan and regional specialty food products, as well as a wide range of broadline product suppliers, produce and protein vendors. Our importing arm also provides us with access to exclusive items such as regional olive oils, truffles and charcuterie sourced from Italy, Spain, France and other Mediterranean countries.

We constantly seek out and evaluate new products in order to satisfy our customers' desire to be at the forefront of the latest culinary and menu trends, and, as evidence of our commitment to aid our customers in creating unique and innovative menu items, we regularly utilize our sourcing relationships and industry insights to procure other products that we do not regularly carry but that our customers specifically request.

We currently distribute products from more than 2,500 different suppliers. We carry multiple products and utilize multiple suppliers in all of our product categories, thereby eliminating our dependence upon any single supplier. Additionally, we seek to limit commodity risk by utilizing sophisticated forecasting and inventory management systems to minimize the inventory carrying time of commodity-oriented products and by leveraging the specialized product knowledge of our product specialists to manage purchasing and inventory levels when appropriate.

### **Our Operations and Distribution Centers**

Operating out of 44 distribution centers of varying size and providing service six days a week in many areas, we utilize our fleet of delivery trucks to fill customer orders, usually within 12-24 hours of order placement. We have invested significantly in sophisticated warehousing, inventory control and distribution systems, as described in more detail below.

We have implemented pick-to-voice technology in each of our distribution facilities, which enables our warehouse employees to fill orders with greater speed and accuracy and are implementing inventory scanning platforms in an effort to reduce damages and returns.

Products are delivered to our distribution centers primarily by contract carriers, the suppliers themselves and our fleet of trucks. Our trucks are either owned or leased from national leasing companies and regional firms that offer competitive services. Customer orders are assembled in our distribution centers and then sorted, placed on pallets and loaded onto trucks and trailers in delivery sequence. The majority of our trucks and delivery trailers have multiple, temperature-controlled compartments that ensure all product is delivered to the customer at its optimal temperature.

We employ advanced routing and logistics planning software, which maximizes the number of daily deliveries that each of our trucks can make, while also enabling us to typically make deliveries within each customer's preferred two to three hour time window. We've deployed truck scanning across most of our fleet which allows us to monitor the delivery of product to our customers on a real-time basis. For our direct-to-consumer business, we ship through nationally recognized couriers. We also use GPS and vehicle monitoring technology, including on-board camera technology, to regularly evaluate the condition of our delivery trucks and monitor the performance of our drivers, by tracking their progress relative to their delivery schedule and providing information regarding hard braking, idling and fast starts. Our use of this technology allows us to conduct proactive fleet maintenance, provide timely customer service and improve our risk management.

### **Our Technology Systems**

We maintain an advanced information technology platform that enables us to manage our operations across our various markets, as we seek to drive our growth and profitability and ensure that the needs of our customers are met in an accurate and efficient manner. Over recent years, we have made significant investments in distribution, sales, information and warehouse management systems and are in the process of implementing a fully-integrated Enterprise Resource Planning system. Our systems improvements include the implementation of route optimization software, a warehouse management system at all specialty warehouses that integrates with pick-to-voice and directed put-away systems. We are driving increasing sales volume through our e-commerce platforms and a new mobile ordering tool which we believe will enable a much more seamless online customer experience. We also leverage a reporting and analytics platform that provides our sales team and management with the information required to drive efficiency and growth. We believe that our current systems are scalable and can be leveraged together with targeted investments in new technology to provide the fuel to drive profitable growth.

### **Intellectual Property**

Except for the Spoleto, Bel Aria, Grand Reserve, Provvista, Argonaut, Praml, Black Falls, Michael's, Chocoo, Crescendo, Matisse, Qzina, Coccinelle, Allen Brothers, The Great Steakhouse Steaks, Del Monte, Fells Point, Bassian Farms, Sid Wainer & Son, Cambridge Packing, Foley Fish, Silver State Meats, Sid Wainer & Son, Alexis Foods, Chef Middle East, and The Chefs' Warehouse trademarks, we do not own or have the right to use any patent, trademark, trade name, license, franchise or concession, the loss of which would have a material adverse effect on our business, financial condition or results of operations.

### **Competition**

The foodservice distribution industry is highly competitive. We compete with numerous smaller distributors on a local level, as well as with a limited number of national broadline foodservice distributors. Certain of these distributors have greater financial and other resources than we do. Bidding for contracts or arrangements with customers, particularly larger hotels and caterers, is highly competitive and distributors may market their services to a particular customer over a long period of time before they are invited to bid. We believe that most purchasing decisions in the foodservice distribution industry are based upon the quality and price of the product distributed and the distributor's ability to completely and accurately fill orders and deliver them in a timely manner.

### **Human Capital Management**

As of December 30, 2022, we had 4,124 full-time employees, 181 of whom (approximately 4%) are currently represented by unions and operate under collective bargaining agreements, which expire at various times between fiscal 2024 and 2025. We offer attractive compensation and benefit packages, and we believe our relationship with our employees is satisfactory.

## *Environmental, Social and Governance*

We are committed to upholding ethical, socially responsible and environmentally conscious business practices, consistent with our corporate values, to promote long-term and sustainable change. In 2022, our board of directors formed an Environmental, Social and Governance Committee (the “ESG Committee”) to oversee our environmental, social and governance activities and practices. Among other things, the ESG Committee reviews and evaluates: our progress towards meeting our diversity goals and compliance with our responsibilities as an equal opportunity employer; our workplace safety, employee health and wellness, inclusion, employee training and skill improvement and other human capital management initiatives; and our programs and activities relating to environmental sustainability, product quality and quality assurance, social and community relations (including labor relations) and other related economic and regulatory compliance requirements.

### *Workforce Health and Safety*

The safety and health of our employees is a top priority for us. In response to the Pandemic, we implemented new procedures and protocols recommended by the Centers for Disease Control, federal and state governments, and other major health authorities. This includes, but is not limited to, instructing our employees to practice social distancing on our premises and those of our customers, frequent sanitation of our work environments, truck fleet and equipment, supplying personal protective equipment to our workforce and allowing our administrative employees to work from home.

### *Professional Development*

Providing career development opportunities for our employees is a top priority. As an investment in the professional growth of our employees, professional learning and development courses are provided for all employees. Our employees can readily choose to take courses in categories such as safety, leadership, management, sales and business acumen, and courses may also be assigned to our employees based on job function.

## **Social and Environmental Responsibility**

Our corporate policies, overseen by the ESG Committee, are intended to further strengthen and promote our commitment to social and environmental responsibility with our directors, employees, leaders and business partners. Our policy on salient human rights risks identifies key human rights issues related to our business activities and business relationships, including promoting a safe and healthy work environment, providing a fair and inclusive work environment and combating forced and underage labor. Our Human Rights Policy details our commitment to upholding fundamental human rights, and our Code of Conduct for Suppliers reflects our commitment to extending ethical business practices throughout our supply chain. Our Environmental, Health and Safety Policy promotes and protects the health and safety of our employees and reinforces our commitment to environmental stewardship, such as through our endorsement of the United Nations Global Compact CEO Water Mandate.

## **Regulation**

As a distributor of specialty food products and meat and seafood in the United States and Canada, we are subject to regulation by numerous international, federal, state, provincial and local regulatory agencies. For example, at the U.S. federal level, we are subject to the Federal Food, Drug and Cosmetic Act, the Bioterrorism Act and regulations promulgated by the U.S. Food and Drug Administration (“FDA”). The FDA regulates manufacturing and holding requirements for foods, specifies the standards of identity for certain foods and prescribes the format and content of certain information required to appear on food product labels, among other responsibilities. For certain product lines, we are also subject to the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Perishable Agricultural Commodities Act, the Country of Origin Labeling Act and regulations promulgated thereunder by the U.S. Department of Agriculture (“USDA”). The USDA imposes standards for product quality and sanitation, including the inspection and labeling of meat and poultry products and the grading and commercial acceptance of produce shipments from vendors. The products we distribute in Canada are subject to regulation and inspection by Health Canada and the Canadian Food Inspection Agency. Our distribution operations in the Middle East are subject to regulation by municipal and local regulatory agencies including the Abu Dhabi Food Control Authority, the Ministry of Health in Qatar, the Centre for Food and Safety and Quality in Oman, and the Department of Food Safety in Dubai. Our suppliers are also subject to similar regulatory requirements and oversight. The failure to comply with applicable regulatory requirements could result in civil or criminal fines or penalties, product recalls, closure of facilities or operations, the loss or revocation of existing licenses, permits or approvals or the failure to obtain additional licenses, permits or approvals in new jurisdictions where we intend to do business.

We are also subject to state and local regulation through such measures as the licensing of our facilities, enforcement by state and local health agencies of state and local standards for our products and facilities and regulation of our trade practices in connection with the sale of products. Our facilities are generally inspected at least annually by federal and/or state authorities. These facilities are also subject to inspections and regulations issued pursuant to the Occupational Safety and Health Act by the U.S. Department of Labor, which require us to comply with certain manufacturing, health and safety standards to protect our employees from accidents and to establish hazard communication programs to transmit information about the hazards of certain chemicals present in certain products that we distribute. Our Canadian distribution facilities, repackaging activities and other operations also are subject to regulation and inspection by the Canadian Food Inspection Agency and provincial health authorities.

Our trucking operations are regulated by the Surface Transportation Board, the Federal Highway Administration, Transport Canada and Canadian provincial transportation authorities. We are also regulated by the Dubai Road and Transport Authority, Abu Dhabi Transport Authority and the Ministry of Transport in Qatar and Oman. In addition, interstate motor carrier operations are subject to safety requirements prescribed by the U.S. Department of Transportation and other relevant federal and state agencies. Such matters as weight and dimension of equipment are also subject to federal and state regulations. We believe that we are in compliance with applicable regulatory requirements relating to our motor carrier operations. Our failure to comply with the applicable motor carrier regulations could result in substantial fines or revocation of our operating permits.

Our operations are subject to a broad range of federal, state, provincial and local environmental health and safety laws and regulations, including those governing discharges to air, soil and water, the handling and disposal of hazardous substances and the investigation and remediation of contamination resulting from releases of petroleum products and other hazardous substances.

We believe that we are in material compliance with all international, federal, state, provincial and local regulations applicable to our operations, and management is unaware of any related issues that may have a material adverse effect upon our business, financial condition or results of operations.

### **Litigation and Insurance**

We may be subject to lawsuits, claims and assessments in the normal course of business. Our management does not believe that there are any suits, claims or unasserted claims or assessments pending which would have a material adverse effect on our operations or financial condition.

We maintain comprehensive insurance packages with respect to our facilities, equipment, product liability, directors and officers, workers' compensation and employee matters in amounts which management believes to be prudent and customary within the foodservice distribution industry.

### **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 Allen Brothers 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 in the fourth quarter. Despite a significant portion of these sales occurring in the fourth quarter, there are operating expenses, principally advertising and promotional expenses, throughout the year.

The Pandemic has had a material impact on our business and operations and those of our customers. Our net sales were most significantly impacted during the second quarter of fiscal 2020 when, in an effort to limit the spread of the virus, federal, state and local governments began implementing various restrictions that resulted in the temporary closure of non-essential businesses in many of the markets we serve, which forced our customers in those markets to either transition their establishments to take-out service, delivery service or temporarily cease operations.

## Inflation

Our profitability is dependent, among other things, on 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 on food, labor, energy and occupancy costs can significantly affect the profitability of our operations.

## Available Information

Our principal executive office is located at 100 East Ridge Road, Ridgefield, Connecticut 06877, and our telephone number is (203) 894-1345. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports will be made available free of charge through the Investors section of our website (<http://www.chefswarehouse.com>) as soon as practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). Material contained on our website is not incorporated by reference into this report.

We have also adopted a Code of Business Conduct and Ethics ("Code of Ethics") that applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer. Our Code of Ethics is publicly available on the Investor Relations section of our website (<http://www.chefswarehouse.com>) and is available free of charge by writing to The Chefs' Warehouse, Inc., 100 East Ridge Road, Ridgefield, Connecticut 06877, Attn: Investor Relations. If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our principal executive officer, principal financial officer or principal accounting officer, or persons performing similar functions, we intend to make any legally required disclosures regarding such amendments or waivers on the Investors section of our website (<http://www.chefswarehouse.com>).

The SEC also maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC located at <http://www.sec.gov>.

## Information about our Executive Officers

Name & Position	Age	Business Experience
<b>Christopher Pappas</b> President, Chief Executive Officer and Chairman of the Board of Directors	63	<i>Christopher Pappas</i> is our founder and has served as our Chief Executive Officer since 1985 and has been our chairman since March 1, 2011. He has been our President since April 11, 2009 and before that was our President from our formation to January 1, 2007. Prior to founding our company, Mr. Pappas played basketball professionally in Europe for several years following his graduation from Adelphi University in 1981 with a Bachelor of Arts degree in Business Administration. Mr. Pappas currently oversees all of our business activities, with a focus on product procurement, sales, marketing and strategy development. Mr. Pappas's qualifications to serve on our board of directors include his extensive knowledge of our company and the specialty food products distribution business and his years of leadership at the Company.
<b>John Pappas</b> Vice Chairman and Director	59	<i>John Pappas</i> is a founder of our company and currently serves as our Vice Chairman, a position he has held since March 1, 2011. From our founding in 1985 to March 1, 2011, he served as our Chief Operating Officer. He has 25 years of experience in logistics, facility management and global procurement and oversees our network of distribution centers nationwide. Mr. Pappas is also active in the development of our corporate strategy. Mr. Pappas's qualifications to serve on our board of directors include his extensive knowledge of our company and the specialty food products distribution industry and his years of leadership at the Company.
<b>James Leddy</b> Chief Financial Officer	59	<i>James "Jim" Leddy</i> is our Chief Financial Officer and assistant secretary, positions he has held since his appointment as of November 11, 2017. Prior to his appointment, Mr. Leddy served as our Executive Vice President of Finance since joining the Company in September 2017. Mr. Leddy previously served as interim Chief Financial Officer at JetBlue Airways from November 2016 to February 2017 and served as Senior Vice President and Treasurer from 2012 to November 2016. Prior to joining JetBlue, Mr. Leddy served as Senior Vice President, Treasury and Cash Management at NBCUniversal from 2008 until 2012, and as a Senior Technical Advisor at General Electric from 2003 until 2008. Previously, Mr. Leddy held corporate risk and treasury management positions at First Union National Bank and Dai-ichi Kangyo Bank. Mr. Leddy holds an M.B.A. in Finance and Management of Technology from the University of Connecticut and a B.A. in Economics from Fordham University.

**Alexandros Aldous**  
General Counsel, Corporate Secretary  
& Chief Government Relations  
Officer

42 *Alexandros Aldous* is our General Counsel, Corporate Secretary, Chief Government Relations Officer & Chief Administrative Officer, positions he has held since joining us in March 2011, our IPO on July 27, 2011, March 8, 2017, and September 16, 2021, respectively. Mr. Aldous is also an adjunct Professor of Law at the Washington College of Law, American University. Mr. Aldous's prior work experience includes working as an attorney with Barclays Capital, the investment banking division of Barclays Bank PLC, in London, where he focused primarily on mergers and acquisitions and capital markets, and prior to that, working as an attorney with Shearman & Sterling LLP, in New York, where he focused primarily on mergers and acquisitions. Mr. Aldous is a member of both the Government Relations Leadership Committee and General Counsel Committee of the International Foodservice Distributors Association; a member of the Board of Directors of World Trade Center Miami, including chairperson of its Government Relations Committee; a member of the Board of Trustees of the American College of Greece, including a member of both its Audit Committee and Pierce College Committee; co-chairperson of the Global Alumni Advisory Board of the American College of Greece; and a member of the Board of Advisors of American University's School of International Service. Mr. Aldous earned a B.A. in Classics and Government from Colby College, a Juris Doctor and M.A. from American University and an LL.M. from the London School of Economics and Political Science. Mr. Aldous is licensed to practice law in the State of New York, District of Columbia, and England and Wales.

**Timothy McCauley**  
Chief Accounting Officer

58 *Timothy McCauley* has served as our Chief Accounting Officer, since his appointment on February 16, 2018 and previously served as our Controller since joining the Company in May 2015. Mr. McCauley has over 30 years of experience in accounting and finance roles across a variety of industries. Mr. McCauley's prior work experience includes serving as Vice President – Finance at MacDermid Inc., Corporate Controller at Northern Tier Energy LP, Director of Financial Reporting and Investor Relations at Presstek, Inc. and Finance Director at Eastman Kodak Company. Prior to joining Eastman Kodak Company, Mr. McCauley worked with PricewaterhouseCoopers for eleven years in their assurance and business advisory practice. Mr. McCauley holds a Bachelor of Science degree in Business - Accounting from the University of Connecticut and is a registered certified public accountant in the state of Connecticut.

## Item 1A. RISK FACTORS

Our business, financial condition and results of operations are subject to various risks and uncertainties, including those described below and elsewhere in this Annual Report on Form 10-K. This section discusses factors that, individually or in the aggregate, we think could cause our actual results to differ materially from our expected and historical results. Risk factors are organized in categories where they primarily apply, but other categories may also apply. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995.

### **Business and Macroeconomic Risk**

*Our success depends to a significant extent upon general economic conditions, including disposable income levels and changes in consumer discretionary spending.*

Our business is exposed to reductions in consumer discretionary spending because our target customers operate in the food-away-from-home industry. Consumer discretionary spending may be affected by many factors outside of our control, including general economic conditions, inflation, disposable income levels and consumer confidence levels. In uncertain economic environments, consumers may choose to spend discretionary dollars less frequently which could result in a decline in consumers' food-away-from-home purchases, particularly in more expensive restaurants, and, consequently, adversely impact the businesses of our customers by, among other things, reducing the frequency with which our customers' customers choose to dine out or the amount they spend on meals while dining out. If our customers' sales decrease, our profitability could decline as we spread fixed costs across lower sales volume. Also, similar economic conditions could lead to consumers purchasing less from our direct-to-consumer platforms. Moreover, if a prolonged downturn or uncertain outlook in the economy were to occur, consumers might ultimately make long-lasting changes to their discretionary spending behavior, including dining out less frequently on a permanent basis or purchasing less on our direct-to-consumer platforms. Accordingly, adverse changes to consumer preferences or consumer discretionary spending, each of which could be affected by many different factors which are out of our control, could harm our business, financial condition or results of operations. Our continued success will depend in part upon our ability to anticipate, identify and respond to changing economic and other conditions and the impact that those conditions may have on discretionary consumer spending.

*A significant portion of our future growth is dependent upon our ability to expand our operations in our existing markets and to penetrate new markets either through organic growth or through acquisitions.*

We intend to expand our presence in our existing markets by adding to our existing customer base through the expansion of our product portfolio and the increase in the volume and/or number of purchase orders from our existing customers. We cannot assure investors, however, that we will be able to continue to successfully expand or acquire critical market presence in our existing markets, as we may not successfully market our specialty food and center-of-the-plate products and brands or may encounter larger and/or more well-established competitors with substantially greater financial resources. Moreover, competitive circumstances and consumer characteristics in new segments of existing markets may differ substantially from those in the segments in which we have substantial experience. If we are unable to expand in existing markets, our ability to increase our revenues and profitability may be affected in a material and adverse manner. At times, we have grown our business by expanding into new geographic markets, including our recent expansion to in the Middle East. Efforts to expand organically may take time to produce revenues that exceed our expenses in these new markets, which can be high as we build out our infrastructure and hire associates to run our operations. Additionally, with respect to international markets, political or financial instability, changes in U.S. and foreign relationships, laws and regulations affecting the importation and taxation of goods, including duties, tariffs and quotas, or changes in the enforcement of those laws and regulations could adversely impact our financial condition and results of operations.

We also regularly evaluate opportunities to acquire other companies. To the extent our future growth includes acquisitions, we cannot assure investors that we will successfully identify suitable acquisition candidates, obtain financing for such acquisitions, if necessary, consummate such potential acquisitions, effectively and efficiently integrate any acquired entities or successfully expand into new markets as a result of our acquisitions. Moreover, there may be additional risks that we face to the extent that we acquire companies that are principally involved in the distribution of products that we have not historically distributed, like fresh produce. We may choose to pursue further expansion into new international markets. If we seek and attain a larger international footprint, we would be required to comply with additional foreign laws and regulations, which could increase our operating costs. Any failure to comply with these laws or regulations could result in civil and/or criminal sanctions, reputational harm and could adversely affect our financial condition and results of operations.

***We may not achieve benefits expected from our acquisitions which could adversely impact our business and operating results.***

We believe that there are risks related to acquiring companies, including overpaying for acquisitions, losing key employees of acquired companies, failing to identify potential liabilities associated with the acquisition of the business prior to our acquisition and failing to achieve potential synergies. Additionally, our business could be adversely affected if we are unable to integrate the companies we acquired.

A significant portion of our past growth has been achieved through acquisitions of, or mergers with, other distributors of specialty food products and center-of-the-plate protein items. Our future acquisitions may have a material adverse effect on our results of operations, particularly in periods immediately following the consummation of those transactions while the operations of the acquired business are being integrated with our operations. Achieving the benefits of acquisitions depends on timely, efficient and successful execution of a number of post-acquisition events, including successful integration of the acquired entity. Integration requires, among other things:

- maintaining the existing customer and supplier base and personnel;
- optimizing delivery routes;
- coordinating administrative, distribution and finance functions; and
- integrating management information systems and personnel.

The integration process may temporarily redirect resources previously focused on reducing product cost, resulting in lower gross profits in relation to sales. In addition, the process of combining companies could cause the interruption of, or a loss of momentum in, the activities of the respective businesses, which could have an adverse effect on their combined operations. These risks may be exacerbated in international markets where we have less operational experience. We have an integration team which is dedicated to onboarding new acquisitions and integrating information technology systems as quickly and efficiently as possible. We believe that having a team dedicated to integration helps make sure the people, processes and products we add through acquisitions are consistent with our historical business and allows our management team to focus its attention on our day-to-day operations. If the integration team does not improve our integration process, the integration of acquisitions could divert the attention of management, and any difficulties or problems encountered in the integration process could have a material adverse effect on our business, financial condition or results of operations.

In connection with our acquisition of businesses in the future, if any, we may decide to consolidate the operations of any acquired business with our existing operations or make other changes with respect to the acquired business, which could result in special charges or other expenses. Our results of operations also may be adversely affected by expenses we incur in making acquisitions, by amortization of acquisition-related intangible assets with definite lives and by additional depreciation attributable to acquired assets. Any of the businesses we acquire may also have liabilities or adverse operating issues, including some that we fail to discover before the acquisition, and our indemnity for such liabilities typically has been limited and may, with respect to future acquisitions, also be limited. Additionally, our ability to make any future acquisitions may depend upon obtaining additional financing or the consents of our lenders. We may not be able to obtain this additional financing or these consents on acceptable terms or at all. Moreover, we may need to finance our acquisition activity with the issuance of equity or debt securities, which may have rights and preferences superior to those of our common stock and, in the case of common equity securities, may be issued at such prices and in such amounts as may cause significant dilution to our then-existing common stockholders. To the extent we seek to acquire other businesses in exchange for our common stock, fluctuations in our stock price could have a material adverse effect on our ability to complete acquisitions.

In addition, although we enter into acquisition agreements with each company or business we acquire that contain customary representations, warranties, covenants and indemnities, there is no guarantee that we will recover all of our losses that may result from a breach of such agreements. For example, most acquisition agreements contain baskets or deductibles and caps and limitations on damages and on periods in which we may bring a claim. In addition, there can be no guarantee that we will be successful on the merits of any claim that we bring arising out of a breach of an acquisition agreement or that if we are successful on the merits in bringing a claim that the sellers of the businesses we acquire will be able to pay us for our losses. Moreover, the costs that we incur to investigate a potential matter may not be fully recoverable. Additionally, as a result of an acquisition, we may enter into a new business or market or offer products that differ from our core business. Any such new business or market or the sale and distribution of new products may present new challenges for us, and we may not be able to overcome such challenges. Additionally, we may seek to distribute a different set of products than the business that we acquire, which may cause a loss of customers of those businesses if we can no longer carry the products they desire or charge more for those products than was charged before we acquired the business.

Our failure to realize the benefits expected from our acquisitions could result in a reduction in the price of our common stock as well as in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy and could materially and adversely impact our business, financial condition or results of operations.

***We may have difficulty managing and facilitating our future growth.***

At times since our inception, we have rapidly expanded our operations through organic growth, acquisitions or otherwise. This growth has placed and will continue to place significant demands upon our administrative, operational and financial resources. This growth, however, may not continue. To the extent that our customer base and our distribution networks continue to grow, this future growth may be limited by our inability to acquire new distribution facilities or expand our existing distribution facilities, make acquisitions, successfully integrate acquired entities, implement information systems initiatives or adequately manage our personnel.

Moreover, our future growth may be limited in part by the size and location of our distribution centers. As we near maximum utilization of a given facility, our operations may be constrained and inefficiencies may be created, which could adversely affect our results of operations unless the facility is expanded, volume is shifted to another facility or additional processing capacity is added. Conversely, as we add additional facilities or expand existing operations or facilities, excess capacity may be created. Any excess capacity may also create inefficiencies and adversely affect our results of operations. We cannot assure investors that we will be able to successfully expand our existing distribution facilities or open new distribution facilities in new or existing markets as needed to facilitate growth.

Even if we are able to expand our distribution network, our ability to compete effectively and to manage future growth, if any, will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our employees. We cannot assure investors that our existing personnel, systems, procedures and controls will be adequate to support the future growth of our operations. Accordingly, our inability to manage our growth effectively could have a material adverse effect on our business, financial condition or results of operations.

***Our business is a low-margin business and our profit margins may be sensitive to inflationary and deflationary pressures.***

We operate within a segment of the foodservice distribution industry, which is an industry characterized by a high volume of sales with relatively low profit margins. Although our profit margins are typically higher than more traditional broadline foodservice distributors, they are still relatively low compared to other industries' profit margins. 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 protein items, are priced on a "cost plus" markup, which helps mitigate the negative impact of deflation. If our product mix changes, we may face increased risks of margin compression, as we may be unable to achieve the same level of profit margins as we are able to capture on our traditional specialty products. Our inability to effectively price our specialty food products, produce or center-of-the-plate products, to quickly respond to inflationary and deflationary cost pressures and to reduce our expenses could have a material adverse impact on our business, financial condition or results of operations.

***We have significant competition from a variety of sources, and we may not be able to compete successfully.***

The foodservice distribution industry is highly fragmented and competitive, and our future success will be largely dependent upon our ability to profitably meet our customers' needs for certain gourmet foods and ingredients, varying drop sizes, high service levels and timely delivery. We compete with numerous smaller distributors on a local level, as well as with a limited number of larger, traditional broadline foodservice distributors. We cannot assure investors that our current or potential competitors will not provide specialty food products and ingredients, produce, center-of-the-plate protein items or services that are comparable or superior to those provided by us at prices that are lower than the prices we charge or adapt more quickly than we do to evolving culinary trends or changing market requirements. It is also possible that alliances among competitors may develop and rapidly acquire significant market share. Accordingly, we cannot assure investors that we will be able to compete effectively against current and future competitors, and increased competition may result in price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on our business, financial condition or results of operations.

***Our customers are generally not obligated to continue purchasing products from us.***

Most of our customers buy from us pursuant to individual purchase orders, as we generally do not enter into long-term agreements with our customers for the purchase of our products. Because our customers are generally not obligated to continue purchasing products from us, we cannot assure investors that the volume and/or number of our customers' purchase orders will remain constant or increase or that we will be able to maintain or add to our existing customer base. Significant decreases in the volume and/or number of our customers' purchase orders or our inability to retain or grow our current customer base may have a material adverse effect on our business, financial condition or results of operations.

***Damage to our reputation or lack of acceptance of our specialty food products, center-of-the-plate products and/or the brands we carry in existing and new markets could materially and adversely impact our business, financial condition or results of operations.***

We believe that we have built a strong reputation for the breadth and depth of our product portfolio and the brands we carry and that we must protect and grow their value to be successful in the future. Any incident that erodes consumer confidence in or affinity for our specialty food, produce or center-of-the-plate products or brands, whether or not justified, could significantly reduce their respective values and damage our business. If our customers perceive or experience a reduction in the quality or selection of our products and brands or our customer service, or in any way believe that we failed to deliver a consistently positive experience, our business, financial condition or results of operations may be affected in a materially adverse manner.

A specialty foods distribution business such as ours can be adversely affected by negative publicity or news reports, whether or not accurate, regarding food quality issues, public health concerns, illness, safety, injury or government or industry findings concerning our products or others across the food distribution industry. Although we have taken steps to mitigate food quality, public health and other foodservice-related risks, these types of health concerns or negative publicity cannot be completely eliminated or mitigated and may harm our results of operations and damage the reputation of, or result in a lack of acceptance of, our products or the brands we carry.

In addition, our ability to successfully penetrate new markets may be adversely affected by a lack of awareness or acceptance of our product portfolio or our brands in these new markets. To the extent we are unable to foster name recognition and affinity for our products and brands in new markets, we may not be able to penetrate these markets as anticipated, and, consequently, our growth may be significantly delayed or impaired.

***We have experienced losses due to our inability to collect accounts receivable in the past and could experience increases in such losses in the future if our customers are unable to pay their debts to us in a timely manner or at all.***

Certain of our customers have experienced bankruptcy, insolvency and/or an inability to pay their debts to us as they come due. If our customers suffer significant financial difficulties or bankruptcies, they may be unable to pay their debts to us in a timely manner or at all. It is possible that our customers may contest their obligations to pay us under bankruptcy laws or otherwise. Even if our customers do not contest their obligations to pay us, if our customers are unable to pay their debts to us in a timely manner, it could adversely impact our ability to collect accounts receivable and may require that we take larger provisions for bad debt expense. Moreover, we may have to negotiate significant discounts and/or extended financing terms with these customers in such a situation in an attempt to secure payment for outstanding debts. Accordingly, if we are unable to collect upon our accounts receivable as they come due in an efficient and timely manner, our business, financial condition or results of operations may be materially and adversely affected. During periods of economic weakness, small to medium-sized businesses, like many of our independent restaurant and fine dining establishment customers, may be impacted more severely and more quickly than larger businesses. Consequently, the ability of such businesses to repay their obligations to us may deteriorate, and in some cases this deterioration may occur quickly, which could adversely impact our business, financial condition or results of operations.

***New information or attitudes regarding diet and health or adverse opinions about the health effects of the products we distribute could result in changes in consumer eating habits, which could have a material adverse effect on our business, financial condition or results of operations.***

Consumer eating habits may impact our business as a result of changes in attitudes regarding diet and health or new information regarding the health effects of consuming the products we distribute. If consumer eating habits change significantly, we may be required to modify or discontinue sales of certain items in our product portfolio, and we may experience higher costs associated with the implementation of those changes. Additionally, changes in consumer eating habits may result in the enactment of laws and regulations that impact the ingredients and nutritional content of our products or require us to disclose the nutritional content of products. Compliance with these laws and regulations, as well as others regarding the ingredients and nutritional

content of our products, may be costly and time consuming. We cannot assure investors that we will be able to effectively respond to changes in consumer health perceptions or resulting new laws or regulations or to adapt our product offerings to trends in eating habits.

***Our business operations and future development could be significantly disrupted if we lose key members of our management team.***

The success of our business significantly depends upon the continued contributions of our founders and key employees, both individually and as a group. Our future performance will substantially depend upon our ability to motivate and retain our founders Christopher Pappas, our chairman, president and chief executive officer, and John Pappas, our vice chairman, as well as certain other senior key employees. The loss of the services of either of our founders or any of our key employees, including key employees of the businesses we have acquired, could have a material adverse effect on our business, financial condition or results of operations. We have no reason to believe that we will lose the services of these individuals in the foreseeable future; however, we currently have no effective replacement for these individuals due to their experience, reputation in the foodservice distribution industry and special role in our operations.

***Our insurance policies may not provide adequate levels of coverage against all claims, and fluctuating insurance requirements and costs could negatively impact our profitability. In addition, if we fail to establish proper reserves and adequately estimate future expenses, the costs associated with our self-insured group medical, workers' compensation liability and auto liability plans may adversely affect our business, financial condition or results of operations.***

We believe that our insurance coverage is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure. These losses, should they occur, could have a material and adverse effect on our business, financial condition or results of operations. In addition, the cost of workers' compensation insurance, auto liability insurance, general liability insurance and directors' and officers' liability insurance fluctuates based upon our historical trends, market conditions and availability. Because our operations principally are centered in large, metropolitan areas, our insurance costs are higher than if our operations and facilities were based in more rural markets. Additionally, health insurance costs in general have risen significantly over the past few years. These increases, as well as federal legislation requiring employers to provide specified levels of health insurance to all employees, could have a negative impact upon our business, financial condition or results of operations, and we cannot assure investors that we will be able to successfully offset the effect of such increases with plan modifications and cost control measures, additional operating efficiencies or the pass-through of such increased costs to our customers.

We maintain a self-insured group medical program. The program contains individual stop loss thresholds of \$300 thousand per incident and aggregate stop loss thresholds based upon the average number of employees enrolled in the program throughout the year. The amount in excess of the self-insured levels is fully insured by third party insurers. We record a liability for medical claims during the period in which they occur, as well as an estimate of incurred but not reported claims. Management determines the adequacy of these accruals based on a monthly evaluation of our historical claims experience and medical cost trends. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends. If we suffer a substantial loss that is not covered by our self-insurance reserves, the loss and attendant expenses could harm our business and operating results.

We are self-insured for workers' compensation and automobile liability to deductibles or self-insured retentions of \$500 thousand per occurrence. The amounts in excess of our deductibles are fully insured by third party insurers. Liabilities associated with this program are estimated in part by considering historical claims experience and cost trends. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

**Supply Chain and Labor Risk**

***Conditions beyond our control could materially affect the cost and/or availability of our specialty food products, produce or center-of-the-plate products and/or interrupt our distribution network.***

Our profitability and operating margins are dependent upon, among other things, our ability to anticipate and react to any interruptions in our distribution network and changes to food costs and availability. We obtain a significant portion of our specialty food products, produce and center-of-the-plate products from local, regional, national and international third-party suppliers. We generally do not enter into long-term contracts with our suppliers, whereby they would be committed to provide products to us for any appreciable duration of time. Although our purchasing volume can provide leverage when dealing with

suppliers, particularly smaller suppliers for whom we may be their largest customer, suppliers may not provide or may be unable to provide the specialty food products, produce or center-of-the-plate products we need in the quantities and at the times and prices we request. Failure to identify an alternate source of supply for these items or comparable products that meet our customers' expectations may result in significant cost increases. Additionally, weather, governmental regulation, water shortages, availability and seasonality may affect our food costs or cause a disruption in the quantity of our supply. For example, weather patterns in recent years have resulted in lower than normal or, conversely, higher than normal levels of rainfall and snowfall in key agricultural states such as California, impacting the price of water and the corresponding prices of food products grown in states affected by such weather. Additionally, the route-to-market for some of the products we sell, such as baking chocolate, depends upon the stability of political climates and a stable labor force in developing nations, such as the Ivory Coast. In such countries, political and social unrest may cause the prices for these products to rise to levels beyond those that our customers are willing to pay, if the product is available at all. If we are unable to obtain these products, our customers may seek a different supplier for these or other products which could negatively impact our business, financial condition or results of operations.

We do not currently use financial instruments to hedge our risk exposure to market fluctuations in the price of food products. Similarly, our suppliers may also be affected by higher costs to source or produce and transport food products, as well as by other related expenses that they pass through to their customers, which could result in higher costs for the specialty food products or center-of-the-plate products they supply to us. Our inability to anticipate and react to changing food costs through our sourcing and purchasing practices in the future could therefore negatively impact our business, financial condition or results of operations.

We may also be subject to material supply chain interruptions based upon conditions outside of our control. These interruptions could include work slowdowns, work interruptions, strikes or other adverse employment actions taken by employees of ours or our suppliers, short-term weather conditions or more prolonged climate change, crop conditions, product recalls, water shortages, transportation interruptions within our distribution channels, unavailability of fuel or increases in fuel costs, competitive demands and natural disasters or other catastrophic events, such as food-borne illnesses, pandemics or bioterrorism. The efficiency and effectiveness of our distribution network is dependent upon our suppliers' ability to consistently deliver the specialty food products, produce, meat, poultry and seafood we need in the quantities and at the times and prices we request. Accordingly, if we are unable to obtain the specialty food products, produce, meat, poultry or seafood that comprise a significant percentage of our product portfolio in a timely manner and in the quantities and at the prices we request as a result of any of the foregoing factors or otherwise, we may be unable to fulfill our obligations to customers who may, as a result of any such failure, resort to other distributors for their food product needs or change the types of products they buy from us to products that are less profitable for us.

***Our distribution of center-of-the-plate products, like meat, poultry and seafood involves exposure to price volatility experienced by those products.***

With our distribution of center-of-the-plate products like meat, poultry and seafood, we are susceptible to increases in the prices of those products, and we cannot assure investors in our common stock that all or part of any increased costs experienced by us from time to time can be passed along to consumers of our products, in a timely manner or at all. Conversely, rapid downward pricing for these products, including as a result of export restrictions on U.S. beef products or lower demand internationally for U.S. beef products, may result in us lowering our prices to our customers even though our inventory on hand is at a higher cost. The supply and market price of our center-of-the-plate products are typically more volatile than most of our core specialty products and are dependent upon a variety of factors over which we have no control, including the relative cost of feed and energy, weather, livestock diseases, government regulation and the availability of beef, chicken and seafood.

The prices of our meat and poultry products are largely dependent on the production of feed ingredients, which is affected primarily by the global level of supply inventories and demand for feed ingredients, the agricultural policies of the U.S. and foreign governments and weather patterns throughout the world. In particular, weather patterns often change agricultural conditions in an unpredictable manner. A significant change in weather patterns could affect supplies of feed ingredients, as well as the industry's ability to obtain feed ingredients or deliver products. More recently, feed prices have been impacted by increased demand both domestically for ethanol and globally for protein production.

Additionally, our center-of-the-plate category is subject to risks relating to animal health and diseases. An outbreak of diseases affecting livestock (such as foot-and-mouth disease or bovine spongiform encephalopathy, commonly referred to as mad cow disease) could result in restrictions on sales of products, restrictions on purchases of livestock from suppliers or widespread destruction of livestock. Outbreaks of diseases, or the perception by the public that an outbreak has occurred, or other concerns regarding diseases, can lead to inadequate supply, cancellation of orders by customers and adverse publicity, any of which can

have a significant negative impact on consumer demand and, as a result, on our business, financial condition or results of operations.

In addition, meat, poultry and seafood products that we distribute could be subject to recall because they are, or are alleged to be, contaminated, spoiled or inappropriately labeled. Our meat, poultry and seafood products may be subject to contamination by disease-producing organisms, or pathogens, such as *Listeria monocytogenes*, *Salmonella* and generic *E.coli*. These pathogens are generally found in the environment, and, as a result, there is a risk that they, as a result of food processing, could be present in the meat, poultry and seafood products that we distribute. These pathogens can also be introduced as a result of improper handling in our facilities or at the consumer level. These risks may be controlled, although not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling before we receive the product or once the product has been shipped to our customers. Illness and death may result if the pathogens are not eliminated before these products are sold to customers.

We are also susceptible to increases in the prices of our seafood products. The prices of our seafood products are largely dependent on the continuous supply of fresh seafood, which in turn could be affected by a large number of factors, including, but not limited to, environmental factors, the availability of seafood stock, weather conditions, water contamination, the policies and regulations of the governments of the relevant territories where such fishing is carried out, the ability of the fishing companies and fishermen that supply us to continue their operations and pressure from environmental or animal rights groups. The major raw material for our seafood products is fresh seafood, and any shortage in supply or upsurge in demand of fresh seafood may lead to an increase in prices, which may adversely affect our profitability, including as a result of increased production costs and lower profit margins.

Our operations are subject to extensive regulation and oversight by the USDA, the FDA, and other federal, state, local and foreign authorities regarding the processing, packaging, storage, safety, distribution, advertising and labeling of its products. Recently, food safety practices and procedures in the meat processing industry have been subject to more intense scrutiny and oversight by the USDA. Failure to comply with existing or new laws and regulations could result in administrative penalties and injunctive relief, civil remedies, fines, interruption of operations, recalls of products or seizures of properties, potential criminal sanctions and personal injury or other damage claims. These remedies, changes in the applicable laws and regulations or discovery of currently unknown conditions could increase costs, limit business operations and reduce profitability.

***Group purchasing organizations may become more active in our industry and increase their efforts to add our customers as members of these organizations.***

Some of our customers, including a majority of our hotel customers, purchase their products from us through group purchasing organizations. These organizations have increased their efforts to aggregate the purchasing power of smaller, independent restaurants in an effort to lower the prices paid by these customers on their foodservice orders, and we have experienced some pricing pressure from these purchasers. If these group purchasing organizations are able to add a significant number of our customers as members, we may be forced to lower the prices we charge these customers in order to retain the business, which would negatively affect our business, financial condition or results of operations. Additionally, if we were unable or unwilling to lower the prices we charge for our products to a level that was satisfactory to the group purchasing organization, we may lose the business of those of our customers that are members of these organizations, which could have a material adverse impact on our business, financial condition or results of operations.

***Fuel cost volatility may have a material adverse effect on our business, financial condition or results of operations.***

Fuel cost volatility may have a negative impact on our business, financial condition or results of operations. The cost of diesel fuel can increase the price we pay for products as well as the costs we incur to distribute products to our customers. These factors, in turn, may negatively impact our net sales, margins, operating expenses and operating results. Although we have been able to pass along a portion of increased fuel costs to our customers in the past, we cannot assure investors that we can do so again. If fuel costs increase in the future, we may experience difficulties in passing all or a portion of these costs along to our customers, which could have a material adverse effect on our business, financial condition or results of operations.

***Increases in our labor costs, including as a result of labor shortages, the unionization of some of our associates, the price or unavailability of insurance and changes in government regulation could slow our growth or harm our business.***

We are subject to a wide range of labor costs. Because our labor costs (particularly those in our center-of-the-plate category) are, as a percentage of revenues, higher than other industries, we may be significantly harmed by labor cost increases.

Our operations are dependent upon our experienced and sophisticated sales professionals, warehouse personnel and drivers, and, in our center-of-the plate facilities, on the experienced butchers we employ. Qualified individuals have historically been in short supply and an inability to attract and retain them may limit our ability to expand our operations in existing markets, as well as our ability to penetrate new markets. We cannot assure investors that we will be able to attract and retain qualified individuals in the future. Additionally, the cost of attracting and retaining qualified individuals may be higher than we currently anticipate, and as a result, our profitability could decline. We are subject to the risk of employment-related litigation, which we believe increased as a result of our large workforce in California and New York, at both the state and federal levels, including claims styled as class action lawsuits, which are more costly to defend. Also, some employment-related claims in the area of wage and hour disputes are not insurable risks.

Despite our efforts to control costs while still providing competitive healthcare benefits to our staff members, significant increases in healthcare costs continue to occur, and we can provide no assurance that our cost containment efforts in this area will be effective. Moreover, we are continuing to assess the impact of federal healthcare legislation on our healthcare benefit costs, and significant increases in such costs could adversely impact our operating results. We cannot assure investors that we will be able to pass through the costs of such legislation in a manner that will not adversely impact our operating results.

In addition, many of our delivery and warehouse personnel are hourly workers subject to various minimum wage requirements. Mandated increases in minimum wage levels have recently been and continue to be proposed and implemented at both federal and state government levels. Minimum wage increases may increase our labor costs.

We are also subject to the regulations of the U.S. Citizenship and Immigration Services and U.S. Customs and Immigration Enforcement. Our failure to comply with federal and state labor laws and regulations, or our employees' failure to meet federal citizenship or residency requirements, could result in a disruption in our work force, sanctions or fines against us as well as adverse publicity and additional cost.

As of December 30, 2022, we had 4,124 full-time employees, 181 of whom (approximately 4%) are represented by unions and are operating under collective bargaining agreements which expire at various times between fiscal 2024 and 2025. We have in the past been the focus of union negotiating efforts, and it is likely that we will be the focus of similar efforts in the future.

As we increase our employee base and broaden our distribution operations to new geographic markets, including as a result of acquisitions, our increased visibility could result in increased or expanded union-organizing efforts or we may acquire businesses with unionized workforces. Three labor unions have been certified to represent bargaining units at our New York, Chicago and Maryland facilities, and we have entered into a collective bargaining agreement with our union employees in New York, Chicago and Maryland. Although we have not experienced a work stoppage to date, if we are unable to successfully negotiate union contracts, or renewals of existing contracts, if additional employees were to unionize or if we acquire additional businesses with unionized employees, we could be subject to work stoppages and increases in labor costs, either of which could have a material adverse effect on our business, financial condition or results of operations.

### **Geographic and Global Risk**

#### ***Significant public health epidemics or pandemics, including COVID-19, may adversely affect our business, results of operations and financial condition.***

A public health epidemic or pandemic can significantly impact our business or those of our core customers or suppliers, particularly if located in geographies in which we have significant operations. Such events could significantly impact the food-away-from-home industry and other industries that are sensitive to changes in consumer discretionary spending habits. In addition, our operations could be disrupted if we were required to quarantine employees that work at our various distribution centers and processing facilities.

For instance, the outbreak of the COVID-19 pandemic had an adverse impact on numerous aspects of our business, financial condition and results of operations including, but not limited to, our growth, product costs, supply chain disruptions, labor shortages, logistics constraints, customer demand for our products and industry demand generally, consumer spending, our liquidity, the price of our securities and trading markets with respect thereto, our ability to access capital markets, and the global economy and financial markets generally. The Pandemic may also have exacerbated many of the other risks described in this section or may have the potential to do so in the future. The extent to which the Pandemic impacts our financial condition or results of operations is uncertain and will depend on future developments including new information that may emerge on the severity or transmissibility of the disease, new variants, government responses, trends in infection rates, development and distribution of effective medical treatments and vaccines, and future consumer spending behavior, among others.

***Because our foodservice distribution operations are concentrated in certain culinary markets, we are susceptible to economic and other developments, or events, including adverse weather conditions, in these areas.***

Our financial condition and results of operations are highly dependent upon the local economies of the culinary markets in which we distribute our products. In recent years, certain of these markets have been more resilient to economic downturns than others. Moreover, sales in our New York market, which we define as our operations spanning from New York to Atlantic City, accounted for approximately 18.8% of our net sales for fiscal year 2022. We are therefore particularly exposed to downturns in this regional economy. We also have significant operations in the San Francisco Bay area, Los Angeles, California, New England and Middle East. Deterioration in the economic conditions of our key markets generally, or in the local economy of the New York metropolitan area, San Francisco Bay or Los Angeles, California, New England and Middle East areas, specifically, could affect our business, financial condition or results of operations in a materially adverse manner.

In addition, given our geographic concentrations, and recent international expansion, other regional occurrences such as adverse weather conditions, terrorist attacks and other catastrophic events could have a material adverse effect on our business, financial condition or results of operations. Adverse weather conditions can significantly impact the business of our customers and our ability to profitably and efficiently conduct our operations and, in severe cases, could result in our trucks being unable to make deliveries or cause the temporary closure or the destruction of one or more of our distribution centers. Our operations and/or distribution centers which are located in (i) New York City, New England, Ohio, Washington D.C., Chicago and Canada are particularly susceptible to significant amounts of snowfall and ice, (ii) Miami and Orlando are particularly susceptible to hurricanes and flooding, and (iii) Los Angeles and San Francisco are particularly susceptible to earthquakes, mudslides and wildfires, among other locally occurring adverse weather conditions. In addition, our restaurant customers, many of which are independently owned with operations limited to one or two markets, may be less able to withstand the impact on their business from adverse weather conditions than national chain restaurants because they are unable to spread the risks of such events across numerous locations. In some cases, these customers may not be able to re-open their restaurants, and consequently make payment to us for products previously provided, if the weather event or other catastrophic event is severe, particularly if they lacked sufficient insurance or their insurance claims are not processed quickly.

Due to their prominence as, among other characteristics, densely-populated major metropolitan cities and as international hubs for intermodal transportation, a majority of our markets are known as targets for terrorist activity and other catastrophic events and could be subject to transportation disruption. Our markets outside the United States may also be impacted by political protests or instability. If our or our customers' operations are significantly disrupted or if any one or more of our distribution centers is temporarily closed or destroyed for any of the foregoing reasons, our business, financial condition or results of operations may be materially adversely affected. In anticipation of any such adverse weather conditions, terrorist attacks, man-made disasters or other unforeseen regional occurrences, we have implemented a disaster recovery plan. Should any of these events occur, and if we are unable to execute our disaster recovery plan, we may experience challenges in acquiring and distributing our products, failures or delays in the recovery of critical data, delayed reporting and compliance with governmental entities, inability to perform necessary corporate functions and other breakdowns in normal operating procedures that could have a material adverse effect on our business and create exposure to administrative and other legal claims against us.

As a result of our global operations, we are required to comply with laws and regulations governing ethical, anti-bribery and similar business practices. In our foreign operations, we are subject to the risk that one or more of our employees, contractors or agents could engage in business practices prohibited by U.S. laws and regulations that are applicable to us, such as the Foreign Corrupt Practices Act, including those based in or from countries where practices that violate U.S. laws and regulations or the laws and regulations of other countries may be customary, or will engage in business practices that are prohibited by the Company's policies or circumvent its compliance programs. Any of these violations could adversely affect our business, financial condition and operating results. Further, foreign currency exchange rates and fluctuations may have an effect on our future costs or on future cash flows from our foreign operations and could adversely affect our financial condition and operating results.

### **Information Technology, Intellectual Property and Data Risk**

***Information technology system failures, cybersecurity incidents or other disruptions to our use of technology and networks could interrupt our operations and adversely affect our business.***

We rely upon information technology solutions including enterprise networks and software to process, transmit and store data related to virtually all our business processes and activities. Our business involves the storage and transmission of many types of sensitive or confidential information, including customers' and suppliers' personal information, private information about employees, and financial and strategic information about us and our operations. We leverage a suite of integrated hardware and software that relies on the availability of private and public networks to facilitate collaboration among all stakeholders.

Likewise, we use mobile networks, web social media and other online applications to conduct business with suppliers and customers. Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external cybersecurity breaches, viruses, worms and other disruptive problems. We are continuously improving our information technology solutions, resulting in a larger technological presence and corresponding increase in exposure to cybersecurity risk. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations, due to theft, destruction, loss, misappropriation, or release of confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability, remediation costs, and competitive disadvantage, which in turn could adversely affect our business and results of operations. While we have implemented cybersecurity solutions, conducted employee awareness campaigns, employed both internal resources and external consultants to conduct auditing and testing for weaknesses in our systems, controls, firewalls and encryption and intend to maintain and upgrade our security technology and operational procedures to prevent such damage, breaches or other disruptive problems, we cannot assure investors that these security measures will either continue or be successful.

***Our investments in information technology may not produce the benefits that we anticipate.***

In an attempt to reduce our operating expenses, increase our operational efficiencies, boost our operating margins and more closely track the movement of our inventory in our center-of-the-plate category, we have aggressively invested in the development and implementation of new information technology. We may not be able to implement these technological changes in the time frame we have planned, and any delays in implementation could negatively impact our business, financial condition or results of operations. In addition, the costs to make these changes may exceed our estimates and will likely exceed any benefits that we realize during the early stages of implementation. Even if we are able to implement the changes as planned, and within our cost estimates, we may not be able to achieve the expected efficiencies, cost savings and operational enhancements from these investments which could have an adverse effect on our business, financial condition or results of operations.

***We may not be able to adequately protect our intellectual property, which, in turn, could harm the value of our brands and adversely affect our business.***

Our ability to implement our business plan successfully depends in part upon our ability to further build brand recognition, including for our proprietary products, using our trademarks, service marks and other proprietary intellectual property, including our names and logos. We have registered or applied to register a number of our trademarks. We cannot assure investors that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our goods and services, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. If our efforts to register, maintain and protect our intellectual property are inadequate, or if any third party misappropriates, dilutes or infringes upon our intellectual property, the value of our brands may be harmed, which could have a material adverse effect on our business, financial condition or results of operations and might prevent our brands from achieving or maintaining market acceptance.

We may also face the risk of claims that we have infringed third parties' intellectual property rights. If third parties claim that we have infringed or are infringing upon their intellectual property rights, our operating profits could be affected in a materially adverse manner. Any claims of intellectual property infringement, even those without merit, could be expensive and time consuming to defend, require us to rebrand our services, if feasible, divert management's attention and resources or require us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property. Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. A successful claim of infringement against us could result in our being required to pay significant damages, enter into costly license or royalty agreements, or stop the sale of certain products or services, any of which could have a negative impact on our business, financial condition or results of operations and could harm our future prospects.

### **Legal and Regulatory Risk**

***Product liability claims could have a material adverse effect on our business, financial condition or results of operations.***

Like any other distributor of food products, we face an inherent risk of exposure to product liability claims if the products we sell cause injury or illness. We may be subject to liability, which could be substantial, because of actual or alleged contamination in products sold by us, including products sold by companies before we acquired them. We have, and the companies we have acquired have had, liability insurance with respect to product liability claims. This insurance may not continue to be available at a reasonable cost or at all, and it may not be adequate to cover product liability claims against us or

against any of the companies we have acquired. We generally seek contractual indemnification from manufacturers or suppliers of the product, but any such indemnification is limited, as a practical matter, to the creditworthiness of the indemnifying party. If we or any of our acquired companies do not have adequate insurance or contractual indemnification available, product liability claims and costs associated with product recalls, including a loss of business, could have a material adverse effect on our business, financial condition or results of operations.

***We are subject to significant governmental regulation, and failure to comply could subject us to enforcement actions, recalls or other penalties, which could have a material adverse effect on our business, financial condition or results of operations.***

Our business is highly regulated at the federal, state and local levels, and our specialty food products, meat, poultry and seafood products and distribution operations require various licenses, permits and approvals. For example:

- the products we distribute in the United States are subject to regulation and inspection by the FDA and the USDA, the products we distribute in the Middle East are subject to regulation and inspection by the Abu Dhabi Food Control Authority, Ministry of Health, and Centre for Food Safety and Quality, and the products we distribute in Canada are subject to regulation by Health Canada and the Canadian Food Inspection Agency;
- our warehouse, distribution facilities, repackaging activities and other operations also are subject to regulation and inspection, as applicable, by the FDA, the USDA, Health Canada, the Canadian Food Inspection Agency, Abu Dhabi Food Control Authority, Ministry of Health, Centre for Food Safety and Quality, and state, and provincial health authorities; and
- our U.S., Canadian, and Middle Eastern trucking operations are subject to regulation by, as applicable, the U.S. Department of Transportation, the U.S. Federal Highway Administration, Transport Canada, the Surface Transportation Board, Dubai Road and Transport Authority, Abu Dhabi Transport Authority, Ministry of Transport, and provincial transportation authorities.

The failure to comply with applicable regulatory requirements could result in civil or criminal fines or penalties, product recalls, closure of facilities or operations, the loss or revocation of any existing licenses, permits or approvals or the failure to obtain additional licenses, permits or approvals in new jurisdictions where we intend to do business, any of which could have a material adverse effect on our business, financial condition or results of operations. Our suppliers are also subject to similar regulatory requirements and oversight.

In addition, as a distributor and repackager of specialty food products and meat, poultry and seafood products, we are subject to increasing governmental scrutiny of and public awareness regarding food safety and the manufacture, sale, packaging, storage and marketing of natural, organic and other food products. Compliance with these laws may impose a significant burden upon our operations. If we were to distribute foods that are or are perceived to be contaminated, or otherwise not in compliance with applicable laws, any resulting product recalls could have a material adverse effect on our business, financial condition or results of operations. We cannot assure investors in our common stock that these actions will not adversely impact us or others in our industry further, including suppliers of the products we sell, many of whom are small-scale producers who may be unable or unwilling to bear the expected increases in costs of compliance and as a result cease operations or seek to pass along these costs to us.

Additionally, concern over climate change, including the impact of global warming, has led to significant U.S. and international legislative and regulatory efforts to limit greenhouse gas emissions. Increased regulation regarding greenhouse gas emissions, especially diesel engine emissions, could impose substantial costs upon us. These costs include an increase in the cost of the fuel and other energy we purchase and capital costs associated with updating or replacing our vehicles prematurely.

Until the timing, scope and extent of such regulation becomes known, we cannot predict its effect on our business, financial condition or results of operations. It is reasonably possible, however, that such regulation could impose material costs on us that we may be unable to pass on to our customers.

***Federal, state, provincial and local tax rules in the United States, Canada and the Middle East may adversely impact our business, financial condition or results of operations.***

We are subject to federal, state, provincial and local tax rules in the United States, Canada and Middle East. Although we believe that our tax estimates are reasonable, if the Internal Revenue Service (“IRS”) or any other taxing authority disagrees with the positions we have taken on our tax returns, we could face additional tax liability, including interest and penalties. If material, payment of such additional amounts upon final adjudication of any disputes could have a material impact on our business, financial condition or results of operations.

Many jurisdictions and intergovernmental organizations have been discussing or are in the process of implementing proposals that may change various aspects of the existing framework under which our tax obligations are determined in future periods. For example, the Organization for Economic Co-operation and Development (the “OECD”), an international association comprised of 38 countries, including the United States, has issued proposals that change long-standing tax principles including on a global minimum tax initiative. On December 12, 2022 the European Union member states agreed to implement the OECD’s Base Erosion and Profit Shifting (“BEPS”) 2.0 Pillar Two global corporate minimum tax rate of 15% on companies with revenues of at least €750 million, which would go into effect in 2024. In December 2022, South Korea enacted new global minimum tax rules to align with the OECD’s BEPS 2.0 Pillar Two. Other countries, including the United Kingdom, Switzerland, Canada, and Australia are also actively considering changes to their tax laws to adopt certain parts of the OECD’s proposals. The Company will continue to monitor regulatory developments to assess potential impacts to the Company.

Complying with new tax rules, laws or regulations could impact our business, financial condition or results of operations, and increases to federal, provincial or state statutory tax rates and other changes in tax laws, rules or regulations may increase our effective tax rate. Any increase in our effective tax rate could have a material impact on our business, financial condition or results of operations.

We estimate our ability to recover deferred tax assets within the jurisdiction from which they arise. A valuation allowance is recognized if, based on the available positive and negative evidence, it is more likely than not that some or all of a deferred tax asset is not recoverable. This evaluation considers several factors, including recent results of operations, future taxable income, scheduled reversal of deferred tax liabilities, and tax planning strategies. Our financial condition and results of operations could be adversely impacted if our valuation allowances increase due to an unfavorable change in our estimate of the recoverability of our deferred tax assets or changes in laws or regulations that limit our ability to recover them.

## **Financial Risk**

***Our substantial indebtedness may limit our ability to invest in the ongoing needs of our business.***

As of December 30, 2022, we had approximately \$686.0 million of total indebtedness, consisting of \$299.3 million of loans outstanding on our senior secured term loan facility (“Term Loan”), \$333.2 million of convertible debt, \$11.3 million of finance leases, and other revolving credit facilities of \$2.2 million. We had \$40.0 million borrowings outstanding under our asset-based loan facility (“ABL”). See Note 9 “Debt Obligations” to our consolidated financial statements for a full description of our debt instruments.

Our indebtedness could have important consequences for us and our investors. For example our indebtedness:

- requires us to utilize a substantial portion of our cash flows from operations to make payments on our indebtedness, reducing the availability of our cash flows to fund working capital, capital expenditures, development activity and other general corporate purposes;
- increases our vulnerability to adverse general economic or industry conditions;
- limits our flexibility in planning for, or reacting to, changes in our business or the industries in which we operate;
- makes us more vulnerable to increases in interest rates, as borrowings under our Term Loan and ABL (together the “Credit Facilities”) are at variable rates;
- in the case of our convertible debt, could result in the issuance of additional shares of our common stock that would result in the dilution of our then-existing stockholders;
- limits our ability to obtain additional financing in the future for working capital or other purposes, including to finance acquisitions; and
- places us at a competitive disadvantage compared to our competitors with less indebtedness.

If our earnings are insufficient to fund our operations, including our acquisition growth strategy, we will need to raise additional capital or issue additional debt, including longer-term, fixed-rate debt, to pay our indebtedness as it comes due or as our availability under our ABL is exhausted. If we are unable to obtain funds necessary to make required payments or if we fail to comply with the various requirements of our Credit Facilities and convertible debt agreements, we would be in default, which would permit the holders of our indebtedness to accelerate the maturity of the indebtedness and could cause defaults under any indebtedness we may incur in the future. Any default under our indebtedness requiring the repayment of outstanding borrowings would have a material adverse effect on our business, financial condition and results of operations. If we are unable to refinance or repay our indebtedness as it becomes due, we may become insolvent and be unable to continue operations.

Although the agreements governing the Credit Facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness.

The agreements governing the Credit Facilities require us to maintain fixed charge coverage ratios and leverage ratios. Our ability to comply with these ratios in the future may be affected by events beyond our control, and our inability to comply with the required financial ratios could result in a default under the Credit Facilities. In the event of events of default, the lenders under the Credit Facilities could elect to terminate lending commitments and declare all borrowings outstanding, together with accrued and unpaid interest and other fees, to be immediately due and payable. See “Management’s Discussion and Financial Condition and Results of Operations—Liquidity and Capital Resources.”

***Our ability to raise capital in the future may be limited.***

Our business and operations may consume resources, including availability under our ABL, faster than we currently anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt, including longer-term, fixed-rate debt, or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements or grow our business through acquisitions, or otherwise. If we issue new debt securities, the debt holders may have rights senior to those of our common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities or convertible debt, existing stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend upon market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

***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.***

There are inherent risks in our ability to borrow debt capital. Lenders, including those participating in the Credit Facilities, may become insolvent or tighten their lending standards, which could make it more difficult for us to borrow under our ABL, refinance our existing indebtedness or obtain other financing on favorable terms or at all. Our access to funds under the Credit Facilities is dependent upon the ability of our lenders to meet their funding commitments. Our financial condition and results of operations would be adversely affected in a material manner if we were unable to draw funds under the ABL because of a lender default or if we had to obtain other cost-effective financing. Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to liquidity needed for our business. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business can be arranged. Such measures could include deferring capital expenditures (including our entry into new markets, including through acquisitions) and reducing or eliminating other discretionary uses of cash.

**Risks Relating to Ownership of our Common Stock**

***The price of our common stock may be volatile and our stockholders could lose all or part of their investment.***

Volatility in the market price of our common stock may prevent our stockholders from being able to sell their shares at or above the price the stockholders paid for their shares. The market price of our common stock could fluctuate significantly for various reasons, which include the following:

- our quarterly or annual earnings or those of other companies in our industry;
- changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to our business;
- the public’s reaction to our press releases, our other public announcements and our filings with the SEC;
- changes in accounting standards, policies, guidance, interpretations or principles;
- additions or departures of our senior management personnel;
- sales of common stock by our directors and executive officers;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by stockholders;

- the level and quality of research analyst coverage for our common stock, changes in financial estimates or investment recommendations by securities analysts following our business or failure to meet such estimates;
- the financial disclosure we may provide to the public, any changes in such disclosure or our failure to meet projections included in our public disclosure;
- various market factors or perceived market factors, including rumors, whether or not correct, involving us, our customers, our distributors or suppliers or our competitors;
- introductions of new products or new pricing policies by us or by our competitors;
- acquisitions or strategic alliances by us or our competitors;
- short sales, hedging and other derivative transactions in our common stock;
- the operating and stock price performance of other companies that investors may deem comparable to us; and
- other events or factors, including changes in general conditions in the United States and global economies or financial markets (including those resulting from acts of God, war, incidents of terrorism, global pandemics or responses to such events).

***Concentration of ownership among our existing executive officers, directors and their affiliates may prevent new investors from influencing significant corporate decisions.***

As of February 13, 2023, our executive officers, directors and their affiliates beneficially owned, in the aggregate, approximately 11.9% of our outstanding shares of common stock. In particular, Christopher Pappas, our president and chief executive officer, and John Pappas, our vice chairman, beneficially owned approximately 10.0% of our outstanding shares of common stock as of February 13, 2023. As a result of their significant individual ownership levels, these stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

***If securities analysts or industry analysts downgrade our stock, publish negative research or reports or do not publish reports about our business, our stock price and trading volume could decline.***

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us, our business and our industry. If one or more analysts adversely change their recommendation regarding our stock or our competitors' stock, our stock price may likely decline. If one or more analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

***We do not intend to pay dividends for the foreseeable future and our stock may not appreciate in value.***

We currently intend to retain our future earnings, if any, to finance the operation and growth of our business and do not expect to pay any cash dividends in the foreseeable future. As a result, the success of an investment in shares of our common stock will depend upon any future appreciation in its value. There is no guarantee that shares of our common stock will appreciate in value or that the price at which our stockholders have purchased their shares will be able to be maintained.

***Our issuance of preferred stock or debt securities could adversely affect holders of our common stock and discourage a takeover.***

Our board of directors is authorized to issue up to 5 million shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue preferred stock in the future that has preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock could be adversely affected. In addition, the ability of our board of directors to issue shares of preferred stock without any action on the part of our stockholders may impede a takeover of us and prevent a transaction favorable to our stockholders.

Additionally, in the future, we may need to raise additional funds or pay all, or a portion, of the acquisition price for a business we acquire through the issuance of new debt, including longer-term, fixed-rate debt. If we issue new debt securities, the debt holders may have rights senior to those of our common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock.

*Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.*

Provisions in our certificate of incorporation and bylaws as well as provisions of the Delaware General Corporation Law could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions include:

- authorizing the issuance of “blank check” preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;
- eliminating the ability of stockholders to call a special meeting of stockholders; and
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings.

**Item 1B. UNRESOLVED STAFF COMMENTS**

None.

**Item 2. PROPERTIES**

We operate 44 distributions centers located in the United States, Canada, Qatar, Oman, and United Arab Emirates, totaling approximately 2.9 million square feet. We own two distribution facilities in Massachusetts with a combined 241,000 square feet, two distribution centers in Ohio with a combined 120,397 square feet, and a 10,000 square foot protein processing facility and distribution center in Chicago, Illinois. All of our other properties are leased. The following table sets forth our significant distribution, protein processing, corporate and other support facilities by state or country and their approximate aggregate square footage as of February 13, 2023.

<b>State / Country</b>	<b>Number of Facilities</b>	<b>Total Square Footage</b>
California	10	701,400
Maryland	4	324,500
United Arab Emirates	2	299,300
Massachusetts	6	287,300
Florida <sup>(2)</sup>	6	273,700
New York	2	246,100
Texas	4	234,700
Oregon	3	211,300
New Jersey	2	206,900
Illinois	3	144,200
Ohio	2	120,400
Nevada	3	117,600
Canada	4	94,300
Qatar	1	43,200
Connecticut <sup>(1)</sup>	1	29,200
Arizona	1	14,500
Oman	2	11,800
Washington	1	10,500
Colorado	1	3,600
Total	58	3,374,500

(1) Represents our corporate headquarters in Ridgefield, Connecticut.

(2) Includes a corporate office in Miami, Florida.

We consider our properties to be in good condition generally and believe our facilities are adequate for our operations and provide sufficient capacity to meet our anticipated requirements.

**Item 3. LEGAL PROCEEDINGS**

From time to time, we are subject to various legal proceedings that arise from the normal course of business activities. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on our results of operations, prospects, cash flows, financial position and brand. We are not currently aware of any pending or threatened legal proceeding against us that could have a material adverse effect on our business, operating results or financial condition.

**Item 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II**

**Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

**The Chefs’ Warehouse, Inc. Common Stock**

Our common stock is publicly traded under the symbol “CHEF” on the NASDAQ Global Select Market. As of December 31, 2022, there were 204 holders of record of our common stock. This does not include the number of persons whose stock is in nominee or “street” name accounts through brokers.

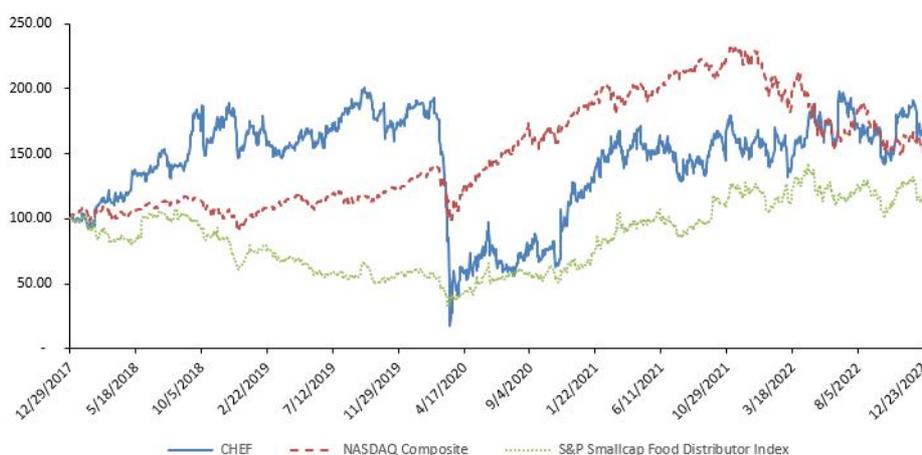
We have never paid a cash dividend on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Furthermore, we are prohibited from paying cash dividends under the terms of our senior secured credit facilities without the consent of the lenders thereunder.

**Performance Graph**

The following graph compares the cumulative total stockholder return on our common stock during the period from December 29, 2017 through December 30, 2022 with the cumulative total return on the NASDAQ Composite and the S&P Smallcap Food Distributor Index. The comparison assumes that \$100 was invested on December 29, 2017 in our common stock and in each of the foregoing indices and assumes reinvestment of dividends, if any.

*The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate such information by reference into such filing.*

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN  
AMONG THE CHEFS’ WAREHOUSE, INC.  
NASDAQ COMPOSITE INDEX AND THE S&P SMALLCAP FOOD DISTRIBUTOR INDEX  
ASSUMES \$100 INVESTED ON DECEMBER 29, 2017**



	<b>December 29, 2017</b>	<b>December 28, 2018</b>	<b>December 27, 2019</b>	<b>December 25, 2020</b>	<b>December 24, 2021</b>	<b>December 30, 2022</b>
The Chefs’ Warehouse, Inc.	\$ 100.00	\$ 152.83	\$ 185.22	\$ 116.54	\$ 158.88	\$ 162.34
NASDAQ Composite Index	\$ 100.00	\$ 95.38	\$ 130.47	\$ 185.48	\$ 226.75	\$ 151.61
S&P Smallcap Food Distributor Index	\$ 100.00	\$ 63.50	\$ 59.46	\$ 63.45	\$ 122.95	\$ 112.92

## 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
September 24, 2022 to October 21, 2022	—	\$ —	—	—
October 22, 2022 to November 18, 2022	2,371	37.21	—	—
November 19, 2022 to December 30, 2022	—	—	—	—
Total	2,371	\$ 37.21	—	—

(1) During the fourteen weeks ended December 30, 2022, we withheld 2,371 shares of our common stock to satisfy tax withholding requirements upon the vesting of restricted shares of our common stock awarded to certain of our officers and key employees.

### Equity Compensation Plan Information

See Part III, Item 12 for information regarding securities authorized for issuance under our equity compensation plans.

### Item 6. RESERVED

## **Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion should be read in conjunction with information included in Item 8 of this report. Unless otherwise indicated, the terms “Company”, “Chefs’ Warehouse”, “we”, “us”, and “our” refer to The Chefs’ Warehouse, Inc. and its subsidiaries.

### **Overview and Recent Developments**

#### ***Overview***

We are a premier distributor of specialty foods in the leading culinary markets in the United States and the Middle East. We offer more than 55,000 SKUs, ranging from high-quality specialty foods and ingredients to basic ingredients and staples, produce and center-of-the-plate proteins. We serve more than 40,000 core customer locations, primarily located in our twenty-three geographic markets across the United States, Middle East and Canada, and the majority of our customers are independent restaurants and fine dining establishments. Our Allen Brothers subsidiary sells certain of our center-of-the-plate products directly to consumers. We expanded our direct-to-consumer product offerings in fiscal 2020 by launching our “Shop Like a Chef” online home delivery platform in several of the markets we serve.

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 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, including, as a result of our acquisitions; the expansion of our existing distribution centers; our entry into new distribution centers, including the construction of new distribution centers in San Francisco, Toronto, Dallas, Los Angeles and Miami; 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.

#### ***Effect of the COVID-19 Pandemic on our Business and Operations***

The Pandemic had and could again have an adverse impact on numerous aspects of our business and those of our customers including, but not limited to, demand for our products, cost inflation and labor shortages. Despite these challenges, we continued to provide our core customers with high touch service, executed on our cost control measures and returned to profitability during the second quarter of fiscal 2021.

#### ***Recent Major Acquisitions***

On December 28, 2021, pursuant to an asset purchase agreement, the Company acquired substantially all of the assets of CGC Holdings, Inc. (“Capital Seaboard”), a specialty seafood and produce distributor in Maryland. The purchase price was approximately \$31,036, consisting of \$28,000 paid in cash at closing, common stock warrants valued at \$1,701, and \$1,335 paid upon settlement of a net working capital true-up.

On November 1, 2022, pursuant to a share sale and purchase agreement, the Company acquired substantially all of the shares of Chef Middle East LLC (“CME”), a specialty food distributor with operations in the United Arab Emirates, Qatar and Oman. The purchase price was approximately \$108,749, paid in cash at closing. The Company is in the process of finalizing a valuation of tangible and intangible assets of CME as of the acquisition date. The Company will also pay additional contingent consideration, if earned, in the form of an earn-out amount which could total \$10,000 over a two-year period upon successful attainment of certain gross profit targets.

### ***Transition of Trademarks***

During the second quarter of fiscal 2021, we committed to a plan to shift our brand strategy to leverage our Allen Brothers brand in our New England market and determined our Cambridge trademark did not fit our long-term strategic objectives. As a result, we recognized a \$0.6 million impairment charge, \$0.4 million net of tax, to fully write-down the net book value of our Cambridge trademark.

During the fourth quarter of fiscal 2020, we committed to a plan to shift our brand strategy to leverage our Allen Brothers brand in our west coast region and determined that our Del Monte, Ports Seafood and Bassian Farms trademarks did not fit our long-term strategic objectives. This brand transition began in the second quarter of fiscal 2021. As a result, we recorded a \$24.2 million impairment charge, \$17.5 million net of tax, to write-down the value of our Del Monte and Bassian Farms trademarks.

### ***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 2.9 million square feet in 44 distribution facilities as of February 13, 2023. From fiscal 2020 through the end of fiscal 2022, we 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, chocolateries, 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, Middle East 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. Similarly, 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 protein 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.

## ***Performance Indicators***

In addition to evaluating our income from operations, our management team analyzes our performance based on net sales growth, gross profit and gross profit margin.

- *Net sales growth.* Our net sales growth is driven principally by changes in volume and, to a lesser degree, changes in price related to the impact of inflation in commodity prices and product mix. In particular, product cost inflation and deflation impacts our results of operations and, depending on the amount of inflation or deflation, such impact may be material. For example, inflation may increase the dollar value of our sales, and deflation may cause the dollar value of our sales to fall despite our unit sales remaining constant or growing.
- *Gross profit and gross profit margin.* Our gross profit and gross profit as a percentage of net sales, or gross profit margin, are driven principally by changes in volume and fluctuations in food and commodity prices and our ability to pass on any price increases to our customers in an inflationary environment and maintain or increase gross profit margin when our costs decline. Our gross profit margin is also a function of the product mix of our net sales in any period. 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, impact of product mix from acquisitions, as well as the continued growth in item penetration on higher velocity items such as dairy products.

## ***Key Financial Definitions***

- *Net sales:* Net sales consist primarily of sales of specialty products, produce, center-of-the-plate proteins and other food products to independently-owned restaurants and other high-end foodservice customers, which we report net of certain group discounts and customer sales incentives. Net sales also include direct-to-consumer sales on our e-commerce platforms.
- *Cost of sales:* Cost of sales include the net purchase price paid for products sold, plus the cost of transportation necessary to bring the product to our distribution facilities and food processing costs. Food processing costs include, but are not limited, to direct labor and benefits, applicable overhead and depreciation of equipment and facilities used in food processing activities. Our cost of sales may not be comparable to other similar companies within our industry.
- *Selling, general and administrative expenses:* Selling, general and administrative expenses include facilities costs, product shipping and handling costs, warehouse costs, and other selling, general and administrative costs.
- *Other operating expenses:* Other operating expenses includes expenses primarily related to changes in the fair value of the Company's contingent earn-out liabilities, gains and losses on asset disposals, asset impairments and certain third-party deal costs incurred in connection with business acquisitions or financing arrangements.
- *Interest expense:* Interest and other expense consists primarily of interest on our outstanding indebtedness and, as applicable, the amortization or write-off of deferred financing fees.

## Results of Operations

	Fiscal Years Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Net sales	\$ 2,613,399	\$ 1,745,757	\$ 1,111,631
Cost of sales	1,994,763	1,355,272	863,480
Gross profit	618,636	390,485	248,151
Selling, general and administrative expenses	518,219	379,252	336,394
Other operating expenses	14,679	422	14,417
Operating income (loss)	85,738	10,811	(102,660)
Interest and other expense, net	43,849	17,587	20,946
Income (loss) before income taxes	41,889	(6,776)	(123,606)
Provision for income tax expense (benefit)	14,139	(1,853)	(40,703)
Net income (loss)	\$ 27,750	\$ (4,923)	\$ (82,903)

### Fiscal Year Ended December 30, 2022 Compared to Fiscal Year Ended December 24, 2021

The fiscal year ended December 30, 2022 consisted of 53 weeks as compared to the fiscal year ended December 24, 2021, which consisted of 52 weeks.

#### Net Sales

	2022	2021	\$ Change	% Change
Net sales	\$ 2,613,399	\$ 1,745,757	\$ 867,642	49.7 %

Organic growth contributed \$561.6 million, or 32.2%, to sales growth in the year primarily driven by our recovery from the Pandemic. The remaining growth of \$306.1 million, or 17.5%, resulted from acquisitions. The incremental 53rd week of the fiscal year ended December 30, 2022 contributed approximately 2.0% to the annual sales growth. Organic case count increased approximately 27.6% in our specialty category. In addition, specialty unique customers and placements increased 26.8% and 35.7%, respectively, compared to the prior year. Pounds sold in our center-of-the-plate category increased 16.1% compared to the prior year. Estimated inflation was 15.0% in our specialty category and 8.0% in our center-of-the-plate category compared to fiscal 2021.

#### Gross Profit

	2022	2021	\$ Change	% Change
Gross profit	\$ 618,636	\$ 390,485	\$ 228,151	58.4 %
Gross profit margin	23.7 %	22.4 %		

Gross profit increased primarily due to increased sales volumes. Gross profit margin increased approximately 130 basis points. Gross profit margins decreased 50 basis points in the Company's specialty category and increased 181 basis points in the Company's center-of-the-plate category compared to the prior year period. Higher inflation compressed margin rates in the specialty categories, while margin rates in the center-of-the-plate category were benefited from the reopening of favorable margin markets in fiscal 2022.

#### Selling, General and Administrative Expenses

	2022	2021	\$ Change	% Change
Selling, general and administrative expenses	518,219	379,252	138,967	36.6 %
Percentage of net sales	19.8 %	21.7 %		

The increase in selling, general and administrative expenses was primarily due to higher costs associated with compensation and benefits, facilities costs, and fuel costs to support sales growth. Our ratio of selling, general and administrative expenses to net sales decreased predominately due to sales growth which contributing to improved fixed cost leverage.

**Other Operating Expenses, Net**

	2022	2021	\$ Change	% Change
Other operating expenses	14,679	422	14,257	3,378.4 %

The increase in net other operating expenses relates primarily to non-cash charges of \$8.5 million for changes in the fair value of our contingent earn-out liabilities in fiscal 2022 compared to non-cash credits of \$1.3 million in the prior year period and a year over year increase of \$5.7 million primarily related to third-party deal costs incurred in connection with business acquisitions and financing arrangements. The prior year period also includes a \$0.6 million impairment of Cambridge trademarks as a result of a shift in brand strategy to leverage our Allen Brothers brand in our New England region during the second quarter of fiscal 2021.

**Interest Expense**

	2022	2021	\$ Change	% Change
Interest expense	43,849	17,587	\$ 26,262	149.3 %

Interest expense increased primarily due to the \$14.3 million loss on debt extinguishment from the refinancing of our senior convertible debt and term loan and certain third-party transaction fees of \$4.5 million. Additionally, we had higher amounts of debt outstanding and increases in the variable portion of interest rates charged on our outstanding debt during fiscal 2022.

**Provision for Income Tax Expense (Benefit)**

	2022	2021	\$ Change	% Change
Provision for income tax expense (benefit)	14,139	(1,853)	\$ 15,992	(863.0)%
Effective tax rate	33.8 %	27.3 %		

The effective tax rate in the current period increased primarily due to the \$14.1 million loss on debt extinguishment from the refinancing of our senior convertible debt, which was not tax deductible.

**Fiscal Year Ended December 24, 2021 Compared to Fiscal Year Ended December 25, 2020****Net Sales**

	2021	2020	\$ Change	% Change
Net sales	\$ 1,745,757	\$ 1,111,631	\$ 634,126	57.0 %

Organic growth contributed \$574.2 million, or 51.6%, to sales growth in the year primarily driven by our recovery from the Pandemic. The remaining growth of \$59.9 million, or 5.4%, resulted from acquisitions. Organic case count increased approximately 33.8% in our specialty category. In addition, specialty unique customers and placements increased 26.1% and 31.6%, respectively, compared to the prior year. Pounds sold in our center-of-the-plate category increased 28.2% compared to the prior year. Estimated inflation was 9.6% in our specialty category and 18.1% in our center-of-the-plate category compared to fiscal 2020.

**Gross Profit**

	2021	2020	\$ Change	% Change
Gross profit	390,485	248,151	\$ 142,334	57.4 %
Gross profit margin	22.4 %	22.3 %		

Gross profit increased primarily due to increased sales volumes. Gross profit margin increased approximately 4 basis points. Gross profit margins increased 379 basis points in the Company's specialty category and decreased 350 basis points in the Company's center-of-the-plate category compared to the prior year period. Our prior year gross profit results include a charge of approximately \$14.6 million related to estimated inventory losses from obsolescence due to the Pandemic's impact on our customers' purchasing behavior.

### ***Selling, General and Administrative Expenses***

	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Selling, general and administrative expenses	379,252	336,394	42,858	12.7 %
Percentage of net sales	21.7 %	30.3 %		

The increase in selling, general and administrative expense relates primarily to increased sales volumes and acquisitions. Our prior year results include an estimated non-cash charge of approximately \$15.8 million to bad debt expense incurred during the first quarter of fiscal 2020 at the onset of the Pandemic. Our ratio of selling, general and administrative expenses to net sales was lower as a result of sales growth.

### ***Other Operating Expenses, Net***

	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Other operating expenses	422	14,417	(13,995)	(97.1)%

The decrease in net other operating expenses relates primarily to a \$24.2 million impairment charge for Del Monte and Bassian trademarks as a result of a shift in brand strategy to leverage our Allen Brothers brand in our west coast region during the fourth quarter of fiscal 2020 and non-cash credits of \$1.3 million for changes in the fair value of our contingent earn-out liabilities in the fiscal 2021 period compared to non-cash credits of \$11.5 million in the prior year period.

### ***Interest Expense***

	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Interest expense	17,587	20,946	\$ (3,359)	(16.0)%

Interest expense decreased primarily due to \$1.2 million in one-time third-party costs incurred during the second quarter of 2020 in connection with the extension of a majority of our senior secured term loans and lower effective interest rates charged on our outstanding debt as a result of the \$50.0 million aggregate principal amount of Convertible Senior Notes issued on March 1, 2021 which were used to repay higher interest rate debt.

### ***Provision for Income Tax Benefit***

	<b>2021</b>	<b>2020</b>	<b>\$ Change</b>	<b>% Change</b>
Provision for income tax benefit	(1,853)	(40,703)	\$ 38,850	(95.4)%
Effective tax rate	27.3 %	32.9 %		

The higher effective tax rate in fiscal 2020 is primarily related to our net taxable loss for fiscal 2020 which allowed us to claim tax refunds against taxes paid in fiscal 2015 and 2017, both of which were at statutory tax rates of 35%.

### ***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, operating leases, trade payables and equity financing.

### ***Indebtedness***

The following table presents selected financial information on our indebtedness (in thousands):

	<b>December 30, 2022</b>	<b>December 24, 2021</b>	<b>December 25, 2020</b>
Senior secured term loan	\$ 299,250	\$ 168,675	\$ 201,553
Total convertible debt	\$ 333,184	\$ 204,000	\$ 154,000
Borrowings outstanding on asset-based loan facility and revolving credit facilities	\$ 42,217	\$ 20,000	\$ 40,000
Finance leases and other financing obligations	\$ 11,331	\$ 11,602	\$ 15,798

As of December 30, 2022, we have various floating- and fixed-rate debt instruments with varying maturities for an aggregate principal amount of \$674.7 million. We had outstanding letters of credit of approximately \$25.8 million and \$20.5 million at December 30, 2022 and December 24, 2021, respectively. Substantially all of our assets are pledged as collateral to secure our borrowings under our credit facilities. See Note 9 “Debt Obligations” to our consolidated financial statements for a full description of our debt instruments.

### **Recent Significant Financing Transactions**

On December 13, 2022, we issued \$287.5 million aggregate principal amount of 2.375% Convertible Senior Notes (the “2028 Convertible Notes”). Concurrently with the issuance of the 2028 Convertible Notes, we exchanged or repurchased approximately \$158.3 million principal amount of 1.875% Convertible Senior Notes (the “2024 Convertible Notes”) for an aggregate consideration consisting of approximately \$159.7 million in cash, which includes accrued interest on the 2024 Convertible Notes, and approximately 324,066 shares of the Company’s common stock. We incurred transaction costs of approximately \$7.0 million which were capitalized as deferred financing fees to be amortized over the term of the 2028 Senior Notes.

On August 23, 2022, we refinanced our senior secured term loans in an aggregate principal amount of \$300.0 million maturing in August 2029, comprising of a refinancing of the then existing term loans balance of \$167.4 million and an incremental borrowing of \$132.6 million. We deferred lender and third-party fees of \$10.9 million as debt issuance costs to be amortized over the term of the term loan. Arrangement and third-party transaction costs of \$4.5 million were expensed as incurred.

On March 11, 2022, we entered into a third amendment to our asset-based loan facility which increased the aggregate commitments from \$150.0 million to \$200.0 million.

On March 1, 2021, we issued \$50.0 million aggregate principal amount of our 2024 Convertible Senior Notes at a premium which were offered as an additional issuance of our \$150.0 million Convertible Senior Notes due 2024 issued on November 22, 2019. Net proceeds were used to repay all outstanding borrowings under the our 2022 tranche of senior secured term loans of \$31.2 million and repay a portion of borrowings outstanding under our asset-based loan facility. We incurred transaction costs of approximately \$1.4 million which were capitalized as deferred financing fees to be amortized over the term of the underlying debt.

### **Liquidity**

The following table presents selected financial information on liquidity (in thousands):

	<b>December 30, 2022</b>	<b>December 24, 2021</b>	<b>December 25, 2020</b>
Cash and cash equivalents	\$ 158,800	\$ 115,155	\$ 193,281
Working capital, <sup>(1)</sup> excluding cash and cash equivalents	\$ 278,315	\$ 157,787	\$ 94,279
Availability under asset-based loan facility	\$ 135,827	\$ 109,459	\$ 50,282

(1) We define working capital as current assets less current liabilities.

We believe our existing balances of cash and cash equivalents, working capital and the availability under our asset-based loan facility, are sufficient to satisfy our working capital needs, capital expenditures, debt service and other liquidity requirements associated with our current operations over the next twelve months.

Our capital expenditures, excluding cash paid for acquisitions, were approximately \$45.8 million for fiscal 2022. We believe our capital expenditures, excluding cash paid for acquisitions, for fiscal 2023 will be approximately \$50.0 million to \$60.0 million.

Our long-term cash requirements include:

- *Debt obligations:* See Note 9 “Debt Obligations” to our consolidated financial statements for a full description of our debt instruments and the timing of expected future payments.
- *Leases:* See Note 11 “Leases” to our consolidated financial statements for details on our various lease arrangements and the timing of expected future payments.
- *Self-insurance liabilities:* We are self-insured for medical, auto and workers’ compensation claims. Claims in excess of certain levels are insured by external parties. See Note 16 “Commitments and Contingencies” to our consolidated financial statements for further detail.

- *Contingent earn-out liabilities:* Certain acquisitions involve contingent consideration, typically payable if certain financial performance targets are obtained. See Note 4 “Fair Value Measurements” to our consolidated financial statements for details on our contingent earn-out liabilities outstanding as of December 30, 2022.

### **Cash Flows**

	<b>Fiscal Year Ended</b>		
	<b>December 30, 2022</b>	<b>December 24, 2021</b>	<b>December 25, 2020</b>
Net income (loss)	\$ 27,750	\$ (4,923)	\$ (82,903)
Non-cash charges	\$ 93,325	\$ 47,372	\$ 62,509
Changes in working capital	\$ (97,941)	\$ (62,348)	\$ 63,275
Cash provided by (used in) operating activities	\$ 23,134	\$ (19,899)	\$ 42,881
Cash used in investing activities	\$ (232,023)	\$ (48,991)	\$ (67,968)
Cash provided by (used in) financing activities	\$ 253,215	\$ (9,222)	\$ 78,056

### **Fiscal Year 2022 Cash Flows**

Net cash provided by operations was \$23.1 million for the fiscal year ended December 30, 2022 compared to net cash used in operating activities of \$19.9 million for the fiscal year ended December 24, 2021. The increase in cash provided by operating activities was primarily due to the increased net income, net of non-cash charges, in the current year of \$121.1 million compared to \$42.4 million in the prior year period. This improvement in cash-based profitability is primarily due to a 49.7% increase in sales compared to the prior year period. The sales growth also resulted in higher working capital (increased accounts receivable and inventory partially offset by higher accounts payable). The working capital growth of \$35.6 million versus the prior year period partially offset the favorable impact of increased cash-based profitability. The Company’s increased working capital investment in the current year is the result of rapid sales growth driven by our recovery from the pandemic. We expect working capital growth to moderate in the future as sales growth normalizes.

Net cash used in investing activities was \$232.0 million in fiscal 2022 driven by \$186.2 million in cash to fund acquisitions and \$45.8 million in capital expenditures which includes the purchase of our distribution facility in Columbus, Ohio.

Net cash provided by financing activities was \$253.2 million for fiscal 2022 driven primarily by \$587.5 million of proceeds from debt issuances and \$20.2 million of incremental borrowings under our asset-based loan facility and other revolving credit facilities, partially offset by payments made on debt obligations of \$331.1 million and \$19.0 million of deferred financing costs.

### **Fiscal Year 2021 Cash Flows**

Net cash used in operations was \$19.9 million for fiscal 2021 consisting of a \$4.9 million net loss and investments in working capital of \$62.3 million, partially offset by \$47.4 million of non-cash charges. Non-cash charges decreased predominately due to the \$24.2 million write down of Del Monte and Bassian trademarks in fiscal 2020. The cash used in working capital of \$62.3 million is primarily driven by reinvestment in working capital to support growth.

Net cash used in investing activities was \$49.0 million in fiscal 2021 driven by \$38.8 million in capital expenditures which included the build-outs of our Los Angeles, New England and Miami distribution facilities. We used \$10.2 million in cash to fund several acquisitions.

Net cash used in financing activities was \$9.2 million for fiscal 2021 driven by \$37.6 million of payments made on senior term loans and finance lease obligations and a \$20.0 million payment on our asset-based loan facility, partially offset by \$51.8 million of proceeds from the issuance of additional convertible senior notes.

### **Seasonality**

Excluding our Allen Brothers 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 Allen Brothers 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.

The Pandemic had a material impact on our business and operations and those of our customers. Our net sales were most significantly impacted during the second quarter of fiscal 2020 when, in an effort to limit the spread of the virus, federal, state and local governments began implementing various restrictions that resulted in the closure of non-essential businesses in many of the markets we serve, which forced our customers in those markets to either transition their establishments to take-out service, delivery service or temporarily cease operations.

### ***Off-Balance Sheet Arrangements***

As of December 30, 2022, we did not have any off-balance sheet arrangements.

### **Critical Accounting Estimates**

The preparation of our consolidated financial statements requires us 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 our financial condition and results and require our 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) business combinations, (iv) valuing goodwill and intangible assets, (v) self-insurance reserves, (vi) accounting for income taxes and (vii) contingent earn-out liabilities. For all financial statement periods presented, there have been no material modifications to the application of these critical accounting policies.

### ***Allowance for Doubtful Accounts***

We analyze customer creditworthiness, accounts receivable balances, payment history, payment terms and historical bad debt levels when evaluating the adequacy of our allowance for doubtful accounts. In instances where a reserve has been recorded for a particular customer, future sales to the customer are either conducted using cash-on-delivery terms or the account is closely monitored so that agreed-upon payments are received prior to orders being released. A failure to pay results in held or cancelled orders. We also estimate receivables that will ultimately be uncollectible based upon historical write-off experience. Management incorporates current macro-economic factors in existence as of the balance sheet date that may impact the food-away-from-home industry and/or its customers, and specifically, beginning in the first quarter of fiscal 2020, the impact of the Pandemic. We may be required to increase or decrease our allowance for doubtful accounts due to various factors, including the overall economic environment and particular circumstances of individual customers. Our accounts receivable balance was \$260.2 million and \$172.5 million, net of the allowance for doubtful accounts of \$20.7 million and \$20.3 million, as of December 30, 2022 and December 24, 2021, respectively.

### ***Inventory Valuation***

We adjust our inventory balances for excess and obsolete inventories. These adjustments are primarily based upon customer demand, inventory age, specifically identified inventory items and overall economic conditions. A sudden and unexpected change in consumer preferences or change in overall economic conditions could result in a significant change to these adjustments that could require a corresponding charge to earnings. We actively manage our inventory levels as we seek to minimize the risk of loss and have consistently achieved a relatively high level of inventory turnover.

### ***Business Combinations***

We account for acquisitions in accordance with Accounting Standards Codification Topic 805 "Business Combinations." Assets acquired and liabilities assumed are recorded at their estimated fair values, as of the acquisition date. The judgments made in determining the estimated fair value of assets acquired and liabilities assumed, including estimated useful life, may have a material impact on our consolidated balance sheet and may materially impact the amount of depreciation and amortization expense recognized in periods subsequent to the acquisition. We determine the fair value of intangible assets using an income approach and, when appropriate, we engage a third party valuation firm. Generally, we utilize the multi-period excess earnings method to determine the fair value of customer relationships and the relief from royalty method to determine

the fair value of tradenames. These valuation methods contain significant assumptions and estimates including forecasts of expected future cash flows and discount rates. Determining the useful life of an intangible asset also requires judgment, as different types of intangible assets will have different useful lives. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill.

### ***Valuation of Goodwill and Intangible Assets***

We are required to test goodwill for impairment at each of our reporting units annually, or more frequently when circumstances indicate an impairment may have occurred. We have elected to perform our annual tests for indications of goodwill impairment during the fourth quarter of each fiscal year.

Goodwill is tested at the reporting unit level, which is an operating segment or a component of an operating segment. When analyzing whether to aggregate components into single reporting units, management considers whether each component has similar economic characteristics. We have evaluated the economic characteristics of our different geographic markets, including our recently acquired businesses, along with the similarity of the operations and margins, nature of the products, type of customer and methods of distribution of products and the regulatory environment in which we operate. As of December 30, 2022 we maintain four reporting units.

In testing goodwill for impairment, we may elect to perform a qualitative assessment to evaluate whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount. The qualitative analysis considers various factors including macroeconomic conditions, market conditions, industry trends, cost factors and financial performance, among others. If our qualitative assessment indicates that goodwill impairment is more likely than not, we proceed to perform a quantitative assessment to determine the fair value of the reporting unit.

When a quantitative analysis is required, we estimate the fair value of our reporting units using an income approach that incorporates the use of a discounted cash flow model that involves many management assumptions that are based upon future growth projections. Assumptions include estimates of future revenue based upon budget projections and growth rates. We develop estimates of future levels of gross and operating profits and projected capital expenditures. This methodology includes the use of estimated discount rates based upon industry and competitor analysis as well as other factors. A goodwill impairment loss, if any, would be recognized for the amount by which a reporting unit's carrying value exceeds its fair value.

For the fiscal year ended December 30, 2022 and December 24, 2021, the Company assessed the recoverability of goodwill using a qualitative analysis and determined that it is more likely than not that the fair value of its reporting units exceeded their respective carry values. Total goodwill as of December 30, 2022 and December 24, 2021 was \$287.1 million and \$221.8 million, respectively.

Intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Cash flows expected to be generated by the related assets are estimated over the assets useful lives based on updated projections. If the evaluation indicates that the carrying amount of the asset may not be recoverable, the potential impairment is measured based on a projected discounted cash flow model.

During the second quarter of fiscal 2021, we committed to a plan to shift our brand strategy to leverage the Allen Brothers brand in our New England region and determined the Cambridge trademark did not fit our long-term strategic objectives. As a result, we recognized a \$0.6 million impairment charge, \$0.4 million net of tax, to fully write-down the net book value of our Cambridge trademark

There have been no other events or changes in circumstances during fiscal 2022 or 2021 indicating that the carrying value of our finite-lived intangible assets are not recoverable. Total finite-lived intangible assets as of December 30, 2022 and December 24, 2021 were \$155.7 million and \$104.7 million, respectively.

The assessment of the recoverability of goodwill and intangible assets contain uncertainties requiring management to make assumptions and to apply judgment to estimate economic factors and the profitability of future operations. Actual results could differ from these assumptions and projections, resulting in us revising our assumptions and, if required, recognizing an impairment loss.

### ***Self-Insurance Reserves***

We maintain a self-insured group medical program. The program contains individual stop loss thresholds of \$300 thousand per incident and aggregate stop loss thresholds based upon the average number of employees enrolled in the program throughout the year. The amount in excess of the self-insured levels is fully insured by third party insurers. Liabilities associated with this program are estimated in part by considering historical claims experience and medical cost trends. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

We are self-insured for workers' compensation and automobile liability to deductibles or self-insured retentions of \$500 thousand per occurrence. The amounts in excess of our deductibles are fully insured by third party insurers. Liabilities associated with this program are estimated in part by considering historical claims experience and cost trends. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

### ***Income Taxes***

The determination of our provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. Our provision for income taxes primarily reflects a combination of income earned and taxed in the various U.S. federal state, and Middle East jurisdictions. Jurisdictional tax law changes, increases or decreases in permanent differences between book and tax items, accruals or adjustments of accruals for unrecognized tax benefits, and our change in the mix of earnings from these taxing jurisdictions all affect the overall effective tax rate.

We estimate our ability to recover deferred tax assets within the jurisdiction from which they arise. This evaluation considers several factors, including recent results of operations, scheduled reversal of deferred tax liabilities, future taxable income and tax planning strategies. As of December 30, 2022 and December 24, 2021, we had valuation allowances of \$1.6 million and \$2.0 million, respectively, relating to certain net operating losses that may not be realizable in the future based on taxable income forecasts and certain state net operating loss limitations.

### ***Contingent Earn-out Liabilities***

We account for contingent consideration relating to business combinations as a liability and an increase to goodwill at the date of the acquisition and continually remeasure the liability at each balance sheet date by recording changes in the fair value through our consolidated statements of operations. We determine the fair value of contingent consideration based on future operating projections under various potential scenarios, including the use of Monte Carlo simulations, and weight the probability of these outcomes. The ultimate settlement of contingent earn-out liabilities relating to business combinations may be for amounts which are materially different from the amounts initially recorded and may cause volatility in our results of operations.

Management has discussed the development and selection of these critical accounting policies with our board of directors, and the board of directors has reviewed the above disclosure. Our consolidated financial statements contain other items that require estimation, but are not as critical as those discussed above. These other items include our calculations for bonus accruals, depreciation and amortization. Changes in estimates and assumptions used in these and other items could have an effect on our consolidated financial statements.

### ***Recent Accounting Pronouncements***

See Note 1 "Operations and Basis of Presentation" to our consolidated financial statements for a full description of recent accounting pronouncements including the respective expected dates of adoption and expected effects on our consolidated financial statements.

## **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

### **Interest Rate Risk**

Our exposure to interest rate market risk relates primarily to our long-term debt. The Company has various floating- and fixed-rate debt instruments as described in Note 9 "Debt Obligations" to our consolidated financial statements. As of December 30, 2022, we had an aggregate \$341.5 million of floating-rate indebtedness. A 100 basis point increase in market interest rates would decrease our after tax earnings by approximately \$2.5 million per annum, holding other variables constant.

**Item 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Index to the Consolidated Financial Statements**

	<b>Page</b>
<a href="#"><u>Report of Independent Registered Public Accounting Firm (BDO USA, LLP, Stamford, Connecticut, PCAOB ID#243)</u></a>	45
<a href="#"><u>Consolidated Balance Sheets</u></a>	47
<a href="#"><u>Consolidated Statements of Operations and Comprehensive Income (Loss)</u></a>	48
<a href="#"><u>Consolidated Statements of Changes in Stockholders' Equity</u></a>	49
<a href="#"><u>Consolidated Statements of Cash Flows</u></a>	50
<a href="#"><u>Notes to Consolidated Financial Statements</u></a>	51

## Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors  
The Chefs' Warehouse, Inc.  
Ridgefield, Connecticut

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of The Chefs' Warehouse, Inc. and subsidiaries (the "Company") as of December 30, 2022 and December 24, 2021, the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 30, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 30, 2022 and December 24, 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 30, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated February 28, 2023, expressed an unqualified opinion thereon.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Accounting for Debt Transactions*

As described in Notes 2 and 9 to the consolidated financial statements, the Company entered into the following debt transactions during the year ended December 30, 2022:

On August 23, 2022, the Company entered into an eighth amendment to its senior secured term loan credit agreement, dated June 22, 2016 (the "Eighth Amendment"). The Company borrowed \$300 million maturing on August 23, 2029, comprising of a refinancing of the then existing term loans balance under the Term Credit Agreement of \$167.4 million and an incremental borrowing of \$132.6 million. The Eighth Amendment involved multiple members of a loan syndicate.

On December 13, 2022, the Company issued \$287.5 million aggregate principal amount of 2.375% Convertible Senior Notes due 2028 (the “Convertible Notes”). Concurrently, the Company entered into separate, privately negotiated transactions (the “Exchange Transactions”) with a limited number of holders of its 1.875% Convertible Senior Notes due 2024 (the “Existing Convertible Notes”) to exchange or repurchase \$158.4 million principal amount of Existing Convertible Notes for aggregate consideration consisting of \$159.8 million in cash, and approximately 324,066 shares of the Company’s common stock.

We identified the accounting for these transactions, including the evaluation of the debt transactions as a critical audit matter. The principal considerations for our determination were: (i) the evaluation of the accounting for the Eighth Amendment and the Exchange Transactions as to whether these agreements resulted in a debt modification or extinguishment based on the analysis of cash flows on a lender-by-lender basis, and (ii) the evaluation of the potential derivatives that may require bifurcation from the Convertible Notes and evaluation of the appropriate accounting treatment. Auditing these elements involved especially challenging auditor judgment due to the nature and extent of audit effort required to address these matters, including the extent of specialized skills or knowledge needed.

The primary procedures we performed to address this critical audit matter included:

- Reviewing and analyzing (i) the terms of the agreements associated with each transaction, (ii) the completeness and accuracy of the Company’s technical accounting analysis including cash flows for each lender, and (iii) the application of the relevant accounting literature.
- Utilizing personnel with specialized knowledge and skills in the relevant technical accounting guidance to assist in: (i) evaluating relevant contract terms of the debt transactions in relation to the appropriate accounting literature, and (ii) assessing the appropriateness of conclusions reached by the Company.

/s/ BDO USA, LLP

We have served as the Company’s auditor since 2006.

Stamford, Connecticut  
February 28, 2023

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

	December 30, 2022	December 24, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 158,800	\$ 115,155
Accounts receivable, net of allowance of \$20,733 in 2022 and \$20,260 in 2021	260,167	172,540
Inventories, net	245,693	144,491
Prepaid expenses and other current assets	56,200	37,774
Total current assets	720,860	469,960
Property and equipment, net	185,728	133,622
Operating lease right-of-use assets	156,629	130,701
Goodwill	287,120	221,775
Intangible assets, net	155,703	104,743
Deferred taxes, net	—	9,380
Other assets	3,256	3,614
Total assets	\$ 1,509,296	\$ 1,073,795
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 163,397	\$ 118,284
Accrued liabilities	54,325	35,390
Short-term operating lease liabilities	19,428	15,882
Accrued compensation	34,167	22,321
Current portion of long-term debt	12,428	5,141
Total current liabilities	283,745	197,018
Long-term debt, net of current portion	653,504	394,160
Operating lease liabilities	151,406	127,296
Deferred taxes, net	6,098	—
Other liabilities and deferred credits	13,034	5,110
Total liabilities	1,107,787	723,584
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock - \$0.01 par value, 5,000,000 shares authorized, no shares issued and outstanding at December 30, 2022 and December 24, 2021, respectively	—	—
Common Stock, - \$0.01 par value, 100,000,000 shares authorized, 38,599,390 and 37,887,675 shares issued and outstanding at December 30, 2022 and December 24, 2021, respectively	386	380
Additional paid in capital	337,947	314,242
Accumulated other comprehensive loss	(2,185)	(2,022)
Retained earnings	65,361	37,611
Total stockholders' equity	401,509	350,211
Total liabilities and stockholders' equity	\$ 1,509,296	\$ 1,073,795

See accompanying notes to the consolidated financial statements.

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

	Fiscal Years Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Net sales	\$ 2,613,399	\$ 1,745,757	\$ 1,111,631
Cost of sales	1,994,763	1,355,272	863,480
Gross profit	618,636	390,485	248,151
Selling, general and administrative expenses	518,219	379,252	336,394
Other operating expenses, net	14,679	422	14,417
Operating income (loss)	85,738	10,811	(102,660)
Interest expense	43,849	17,587	20,946
Income (loss) before income taxes	41,889	(6,776)	(123,606)
Provision for income tax expense (benefit)	14,139	(1,853)	(40,703)
Net income (loss)	<u>\$ 27,750</u>	<u>\$ (4,923)</u>	<u>\$ (82,903)</u>
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(163)	29	(3)
Comprehensive income (loss)	<u>\$ 27,587</u>	<u>\$ (4,894)</u>	<u>\$ (82,906)</u>
Net income (loss) per share:			
Basic	\$ 0.75	\$ (0.13)	\$ (2.46)
Diluted	\$ 0.73	\$ (0.13)	\$ (2.46)
Weighted average common shares outstanding:			
Basic	37,094,220	36,744,304	33,716,157
Diluted	38,742,328	36,744,304	33,716,157

See accompanying notes to the consolidated financial statements.

**THE CHEFS' WAREHOUSE, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
For the Fiscal Years Ended December 30, 2022, December 24, 2021, and December 25, 2020  
(Amounts in thousands, except share amounts)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount				
<b>Balance December 27, 2019</b>	<b>30,341,941</b>	<b>\$ 304</b>	<b>\$ 212,240</b>	<b>\$ (2,048)</b>	<b>\$ 125,437</b>	<b>\$ 335,933</b>
Net loss	—	—	—	—	(82,903)	(82,903)
Stock compensation	500,100	5	9,287	—	—	9,292
Public offering of common stock	6,634,615	66	85,875	—	—	85,941
Cumulative translation adjustment	—	—	—	(3)	—	(3)
Shares surrendered to pay withholding taxes	(201,888)	(2)	(3,668)	—	—	(3,670)
<b>Balance December 25, 2020</b>	<b>37,274,768</b>	<b>\$ 373</b>	<b>\$ 303,734</b>	<b>\$ (2,051)</b>	<b>\$ 42,534</b>	<b>\$ 344,590</b>
Net loss	—	—	—	—	(4,923)	(4,923)
Stock compensation	679,330	7	11,472	—	—	11,479
Shares issued for acquisition	—	—	1,120	—	—	1,120
Cumulative translation adjustment	—	—	—	29	—	29
Shares surrendered to pay withholding taxes	(66,423)	—	(2,084)	—	—	(2,084)
<b>Balance December 24, 2021</b>	<b>37,887,675</b>	<b>\$ 380</b>	<b>\$ 314,242</b>	<b>\$ (2,022)</b>	<b>\$ 37,611</b>	<b>\$ 350,211</b>
Net income	—	—	—	—	27,750	27,750
Stock compensation	466,820	4	13,236	—	—	13,240
Conversion of debt to common stock	324,066	3	11,372	—	—	11,375
Warrants issued for acquisition	—	—	1,701	—	—	1,701
Option exercises	3,407	—	69	—	—	69
Cumulative translation adjustment	—	—	—	(163)	—	(163)
Shares surrendered to pay withholding taxes	(82,578)	(1)	(2,673)	—	—	(2,674)
<b>Balance December 30, 2022</b>	<b>38,599,390</b>	<b>\$ 386</b>	<b>\$ 337,947</b>	<b>\$ (2,185)</b>	<b>\$ 65,361</b>	<b>\$ 401,509</b>

See accompanying notes to the consolidated financial statements.

**THE CHEFS' WAREHOUSE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Years Ended December 30, 2022, December 24, 2021, and December 25, 2020  
(Amounts in thousands)

	December 30, 2022	December 24, 2021	December 25, 2020
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 27,750	\$ (4,923)	\$ (82,903)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	24,332	21,998	19,774
Amortization of intangible assets	13,913	12,967	13,502
Provision for allowance for doubtful accounts	6,048	(422)	21,372
Non-cash operating lease expense	1,730	1,402	689
Provision (benefit) for deferred income taxes	9,601	(1,845)	(18,418)
Amortization of deferred financing fees	1,290	2,299	3,426
Loss on debt extinguishment	14,287	—	—
Stock compensation	13,602	11,479	9,292
Change in fair value of contingent earn-out liabilities	8,505	(1,296)	(11,479)
Intangible asset impairment	—	597	24,200
Loss on asset disposal	17	193	151
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	(48,229)	(70,777)	77,590
Inventories	(49,931)	(60,799)	49,050
Prepaid expenses and other current assets	(17,603)	(2,183)	(18,240)
Accounts payable, accrued liabilities and accrued compensation	19,163	71,519	(46,442)
Other assets and liabilities	(1,341)	(108)	1,317
<b>Net cash provided by (used in) operating activities</b>	<b>23,134</b>	<b>(19,899)</b>	<b>42,881</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(45,848)	(38,801)	(7,036)
Cash paid for acquisitions	(186,175)	(10,190)	(60,932)
<b>Net cash used in investing activities</b>	<b>(232,023)</b>	<b>(48,991)</b>	<b>(67,968)</b>
<b>Cash flows from financing activities:</b>			
Payment of debt, finance lease and other financing obligations	(331,073)	(37,610)	(40,432)
Proceeds from the issuance of common stock, net of issuance costs	—	—	85,941
Proceeds from debt issuance	587,500	51,750	—
Payment of deferred financing fees	(19,039)	(1,450)	(856)
Proceeds from exercise of stock options	69	—	—
Surrender of shares to pay withholding taxes	(2,674)	(1,829)	(3,670)
Cash paid for contingent earn-out liabilities	(3,788)	(83)	(2,927)
Borrowings under asset based loan facility and revolving credit facilities	42,220	—	100,000
Payments under asset based loan facility	(20,000)	(20,000)	(60,000)
<b>Net cash provided by (used in ) financing activities</b>	<b>253,215</b>	<b>(9,222)</b>	<b>78,056</b>
Effect of foreign currency on cash and cash equivalents	(681)	(14)	79
Net change in cash and cash equivalents	43,645	(78,126)	53,048
Cash and cash equivalents at beginning of year	115,155	193,281	140,233
<b>Cash and cash equivalents at end of year</b>	<b>\$ 158,800</b>	<b>\$ 115,155</b>	<b>\$ 193,281</b>

See accompanying notes to the consolidated financial statements.

**THE CHEFS' WAREHOUSE, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share amounts)**

**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 consolidated statement of operations for the fiscal year ended December 30, 2022 contained a 53rd week while all other years presented contained 52 weeks. The Company's business consists of three operating segments: East, Midwest and West that aggregate into one reportable segment, food product 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, chocolateries, 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.

***Guidance Not Yet Adopted***

There is no recent accounting guidance not yet adopted that is expected to have a material impact on the Company's consolidated financial statements when adopted.

***Use of Estimates***

The preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles requires it to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Estimates are used in determining, among other items, the allowance for doubtful accounts, inventory valuation adjustments, self-insurance reserves for group medical insurance, workers' compensation insurance and automobile liability insurance, future cash flows associated with impairment testing for intangible assets (including goodwill) and long-lived assets, useful lives for intangible assets, stock-based compensation, contingent earn-out liabilities and tax reserves. Actual results could differ from estimates.

**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 14 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 *selling, general and administrative 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:

	Fiscal Year Ended					
	December 30, 2022		December 24, 2021		December 25, 2020	
Center-of-the-Plate	\$ 1,126,227	43.1 %	\$ 877,060	50.2 %	\$ 533,813	48.0 %
Dry Goods	379,802	14.5 %	238,758	13.7 %	150,631	13.6 %
Pastry	286,035	10.9 %	178,352	10.2 %	135,913	12.2 %
Cheeses and Charcuterie	216,173	8.3 %	143,048	8.2 %	107,915	9.7 %
Produce	279,097	10.7 %	120,759	6.9 %	80,920	7.3 %
Dairy and Eggs	153,334	5.9 %	79,512	4.6 %	38,172	3.4 %
Oils and Vinegars	113,386	4.3 %	71,369	4.1 %	40,389	3.6 %
Kitchen Supplies	59,345	2.3 %	36,899	2.1 %	23,878	2.2 %
Total	\$ 2,613,399	100 %	\$ 1,745,757	100 %	\$ 1,111,631	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 \$2,206 and \$2,294 as of December 30, 2022 and December 24, 2021, 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 \$713 and \$389 as of December 30, 2022 and December 24, 2021, respectively. Refund liabilities are reflected as *accrued liabilities* on the Company's consolidated balance sheets. The Company recognized a corresponding asset of \$442 and \$238 as of December 30, 2022 and December 24, 2021, respectively, for its right to recover products from customers on settling its refund liabilities. This asset is reflected as *inventories, net* on the Company's 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 *selling, general and administrative expenses* on the Company's consolidated statements of operations.

### ***Cost of Sales***

The Company records cost of sales based upon the net purchase price paid for a product, including applicable freight charges incurred to deliver the product to the Company's warehouse, and food processing costs. Food processing costs include but are not limited to direct labor and benefits, applicable overhead and depreciation of equipment and facilities used in food processing activities. Food processing costs included in cost of sales were \$40,185, \$28,374 and \$18,682 for fiscal 2022, 2021 and 2020, respectively.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses include facilities costs, product shipping and handling costs, warehouse costs, and other selling, general and administrative costs. Shipping and handling costs included in selling, general and administrative expenses were \$143,435, \$98,697 and \$78,152 for fiscal 2022, 2021 and 2020, respectively.

### ***Other Operating Expenses***

Other operating expenses includes expenses primarily related to changes in the fair value of the Company's contingent earn-out liabilities, gains and losses on asset disposals, asset impairments, certain third-party deal costs incurred in connection with business acquisitions or financing arrangements and certain other costs.

### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of less than three months to be cash equivalents. The Company periodically maintains balances at financial institutions which may exceed Federal Deposit Insurance Corporation insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risks on its cash in bank accounts.

### ***Accounts Receivable***

Accounts receivable consist of trade receivables from customers and are recorded net of an allowance for doubtful accounts. The allowance for doubtful accounts is determined based upon a number of specific criteria, such as whether a customer has filed for or been placed into bankruptcy, has had accounts referred to outside parties for collections or has had accounts significantly past due. The allowance also covers short paid invoices the Company deems to be uncollectible as well as a portion of trade accounts receivable balances projected to become uncollectible based upon historic patterns and macro-economic factors in existence as of the balance sheet date that may impact the food-away-from-home industry and/or its customers, and specifically, beginning in the first quarter of fiscal 2020, the impact of the Pandemic and the subsequent recovery.

### ***Inventories***

Inventories consist primarily of finished goods, food and related food products held for resale and are valued at the lower of cost or market. Our different entities record inventory using a mixture of first-in, first-out and average cost, which we believe approximates first-in, first-out. The Company adjusts inventory balances for excess and obsolete inventories to approximate their net realizable value.

### ***Vendor Rebates and Other Promotional Incentives***

The Company receives consideration and product purchase credits from certain vendors that the Company accounts for as a reduction of cost of sales. There are several types of cash consideration received from vendors. The purchase incentive is primarily in the form of a specified amount per pound or per case, or an amount for year-over-year growth. For the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020, the recorded purchase incentives totaled approximately \$30,805, \$20,296 and \$12,678, respectively.

### ***Concentrations of Credit Risks***

Financial instruments that subject the Company to concentrations of credit risk consist of cash, temporary cash investments and trade receivables. The Company's policy is to deposit its cash and temporary cash investments with major financial institutions. The Company distributes its food and related products to a customer base that consists primarily of leading menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial conditions. The Company generally does not require collateral. However, the Company, in certain instances, has obtained personal guarantees from certain customers. There is no significant balance with any individual customer.

### ***Property and Equipment***

Property and equipment are recorded at cost and are depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Property and equipment are reviewed for impairment in accordance with ASC 360-10-35-15, "Impairment or Disposal of Long-Lived Assets" which only requires testing whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If any indicators are present, a recoverability test is performed by comparing the carrying amount of the asset to the net undiscounted cash flows expected to be generated from the asset. If the net undiscounted cash flows do not exceed the carrying amount (i.e., the asset is not recoverable), an additional step is performed that determines the fair value of the asset and the Company records an impairment, if any. The adverse impact to the Company's customer base and market capitalization at the onset of the Pandemic were considered triggering events during the first quarter of fiscal 2020, and accordingly, the Company performed a long-lived asset recoverability test as of March 27, 2020 the results of which indicated no impairment. The Company has not recorded any impairment of equipment and leasehold improvements in fiscal 2022, 2021 or 2020.

### ***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, "Leases".

Lease liabilities are recognized at commencement date based on the present value of the remaining lease payments over the lease term. The corresponding right-of-use ("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 *selling, general and administrative 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 consist 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.

### ***Software Costs***

The Company capitalizes certain computer software licenses and software implementation costs that are included in software costs in its consolidated balance sheets. These costs were incurred in connection with developing or obtaining computer software for internal use if it has a useful life in excess of one year, in accordance with Accounting Standards Codification ("ASC") 350-40 "Internal-Use Software." Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task that it previously did not perform. Internal use software is amortized on a straight-line basis over a three to seven year period. Capitalized costs include direct acquisitions as well as software and software development acquired under capitalized leases and internal labor where appropriate. Capitalized software purchases and related development costs, net of accumulated amortization, were \$11,805 at December 30, 2022 and \$14,780 at December 24, 2021.

### ***Convertible Debt***

The Company evaluates debt instruments with embedded conversion features in accordance with ASC 815 “Derivatives and Hedging” and ASC 470 “Debt” both of which provide several criteria that determine whether a conversion feature must be bifurcated from its debt host and accounted as a separate financial instrument. An entity is not required to bifurcate if the conversion feature is indexed to its own stock, meets all equity classification criteria and does not contain a beneficial conversion feature. The Company determined that bifurcation of its convertible debt instruments was not required and recognized the principal amount of these instruments as debt in its consolidated balance sheets.

### ***Debt Issuance Costs***

Certain up-front costs associated with the Company’s asset based loan facility are capitalized and included in *other non-current assets* in the Company’s consolidated balance sheets. The Company had \$448 and \$460 of such unamortized costs as of December 30, 2022 and December 24, 2021, respectively. Costs associated with the issuance of other debt instruments are capitalized and presented as a direct deduction from the carrying amount of the underlying debt liability. The Company had \$20,050 and \$4,976 of such unamortized costs as of December 30, 2022 and December 24, 2021, respectively. These costs are amortized over the terms of the related debt instruments by the effective interest rate method. Amortization of debt issuance costs was \$1,290 for the fiscal year ended December 30, 2022, \$2,299 for the fiscal year ended December 24, 2021 and \$3,426 for the fiscal year ended December 25, 2020.

### ***Business Combinations***

The Company accounts for acquisitions in accordance with ASC 805 “Business Combinations.” Assets acquired and liabilities assumed are recorded in the accompanying consolidated balance sheets at their estimated fair values, as of the acquisition date. The excess of the purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred and presented in *other operating expenses* in the Company’s consolidated statements of operations. Results of operations are included in the Company’s financial statements from the date of acquisition.

### ***Intangible Assets***

The intangible assets recorded by the Company consist of customer relationships, covenants not to compete and trademarks which are amortized over their useful lives on a schedule that approximates the pattern in which economic benefits of the intangible assets are consumed. Intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any indicators are present, a recoverability test is performed by comparing the carrying amount of the asset to the net undiscounted cash flows expected to be generated from the asset. Undiscounted cash flows expected to be generated by the related assets are estimated over the assets’ useful lives based on updated projections. If the evaluation indicates that the carrying amount of the asset may not be recoverable, the potential impairment is measured based on a projected discounted cash flow model. The adverse impact to the Company’s customer base and market capitalization at the onset of the Pandemic were considered triggering events during the first quarter of fiscal 2020, and, accordingly, the Company performed a long-lived asset recoverability test as of March 27, 2020, the results of which indicated no impairment.

During the second quarter of fiscal 2021, the Company recorded a \$597 impairment charge, \$433 net of tax, to fully write-down the net book value of its Cambridge trademark. During the fourth quarter of fiscal 2020, the Company recorded a \$24,200 impairment charge, \$17,545 net of tax, to write-down the value of its Del Monte and Bassian Farms trademarks. These impairment charges are presented within *other operating expenses* on the consolidated statements of operations. See Note 8 for more information.

There have been no other events or changes in circumstances during fiscal 2022, 2021 or 2020, indicating that the carrying value of the Company’s finite-lived intangible assets are not recoverable.

### ***Goodwill***

Goodwill is the excess of the acquisition cost of businesses over the fair value of identifiable net assets acquired in accordance with ASC 350, “Intangibles-Goodwill and Other.” The Company’s maintains four reporting units. The Company evaluates the recoverability of goodwill at each of its reporting units annually in the fourth quarter, or more frequently when circumstances indicate an impairment may have occurred. A goodwill impairment loss, if any, would be recognized for the amount by which a

reporting unit's carrying value exceeded its fair value. The Company has the option to evaluate goodwill impairment using a qualitative or quantitative analysis.

The adverse impact to the Company's customer base and market capitalization at the onset of the Pandemic were considered triggering events during the first quarter of fiscal 2020, and accordingly, the Company performed an interim goodwill impairment test as of March 27, 2020, the results of which indicated no impairment.

For its annual goodwill impairment test performed during the fourth quarter of fiscal 2020, the Company tested goodwill for impairment using a quantitative analysis. The Company estimated the fair value of its reporting units using an income approach and determined the fair value of its reporting units substantially exceeded their respective carry values. The Company's income approach incorporates the use of a discounted cash flow methodology that involves many management assumptions that are based upon future growth projections. Assumptions include estimates of future revenue based upon budget projections and growth rates. The Company develops estimates of future levels of gross and operating profits and projected capital expenditures. This methodology includes the use of estimated discount rates based upon industry and competitor analysis as well as other factors. The Company also performed a reconciliation of its market capitalization and the estimate of the aggregate fair value of its reporting units, including consideration of a control premium.

For the fiscal years ended December 30, 2022 and December 24, 2021, the Company assessed the recoverability of goodwill using a qualitative analysis and determined that it is more likely than not that the fair value of its reporting units exceeded their respective carry values. The qualitative analysis considered various factors including macroeconomic conditions, market conditions, industry trends, cost factors and financial performance, among others.

There have been no events or changes in circumstances, other than the onset of the Pandemic, during fiscal 2022, 2021 or 2020, indicating that goodwill may be impaired.

### ***Employee Benefit Programs***

The Company sponsors a defined contribution plan covering substantially all full-time employees (the "401(k) Plan"). The Company recognized expense related to the 401(k) Plan totaling \$1,714, \$683 and \$720, respectively, for fiscal 2022, 2021 and 2020.

### ***Income Taxes***

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes." Deferred tax assets or liabilities are recorded to reflect the future tax consequences of temporary differences between the financial reporting basis of assets and liabilities and their tax basis at each year-end. These amounts are adjusted, as appropriate, to reflect enacted changes in tax rates expected to be in effect when the temporary differences reverse. The Company estimates its ability to recover deferred tax assets within the jurisdiction from which they arise. This evaluation considers several factors, including results of recent operations, future taxable income, scheduled reversal of deferred tax liabilities, and tax planning strategies. As of December 30, 2022 and December 24, 2021, the Company had valuation allowances of \$1,641 and \$2,046, respectively, relating to certain net operating losses that may not be realizable in the future based on taxable income forecasts and certain state net operating loss limitations.

ASC 740, "Income Taxes" established a single model to address accounting for uncertain tax positions and clarifies the accounting for income taxes by prescribing a minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. The Company evaluates uncertain tax positions, if any, by determining if it is more likely than not to be sustained upon examination by the tax authorities. The Company records uncertain tax positions when it is more likely than not that such liabilities have been incurred. The Company, when required, will accrue interest and penalties related to income tax matters in income tax expense. The Company releases disproportionate tax effects from accumulated other comprehensive income as individual items are liquidated.

### ***Commitments and Contingencies***

The Company is subject to various claims and contingencies related to lawsuits, taxes and environmental matters, as well as commitments under contractual and other commercial obligations. The Company recognizes liabilities for contingencies and commitments when a loss is probable and can be reasonably estimated.

### ***Contingent Earn-out Liabilities***

The Company accounts for contingent consideration relating to business combinations as a liability and an increase to goodwill at the date of the acquisition and continually remeasures the liability at each balance sheet date by recording changes in the fair value through the consolidated statements of operations. The Company determines the fair value of contingent consideration based on future operating projections under various potential scenarios, including the use of Monte Carlo simulations, and weighs the probability of these outcomes. The ultimate settlement of contingent earn-out liabilities relating to business combinations may be for amounts which are materially different from the amounts initially recorded and may cause volatility in the Company's results of operations.

### ***Stock-Based Compensation***

The Company determines the accounting classification of stock awards as either a liability or equity in accordance with ASC 480 "Distinguishing Liabilities from Equity" and ASC 718 "Compensation - Stock Compensation." Stock awards are classified as liabilities when, among other considerations, they require settlement by issuing a variable number of shares. Stock-based compensation for stock awards classified as liabilities is initially measured at the grant date based on the estimated fair value of the ultimate award liability and remeasured each reporting period until settlement, considering the estimable probable outcome at the end of the performance period. The Company measures stock-based compensation for stock awards classified as equity at the grant date based on the fair value of the award. Restricted stock awards ("RSAs") and performance share units are valued based on the fair value of the stock on the grant date.

The related compensation expense is recognized over the service period on a straight-line basis and reduced by forfeitures when they occur. Stock-based compensation expense is presented within *selling, general and administrative expenses* on the Company's consolidated statements of operations. Compensation expense on performance share units reflects the estimated probable outcome at the end of the performance period. The fair value of stock options and RSAs with market conditions is determined based on a Monte Carlo simulation in order to simulate a range of possible future stock prices for the Company's common stock. For awards subject to graded vesting, the Company ensures that the compensation expense recognized is at least equal to the vested portion of the award.

### ***Self-Insurance Reserves***

The Company maintains a self-insured group medical program. The program contains individual stop loss thresholds of \$300 per incident and aggregate stop loss thresholds based upon the average number of employees enrolled in the program throughout the year. The amount in excess of the self-insured levels is fully insured by third party insurers. Liabilities associated with this program are estimated in part by considering historical claims experience and medical cost trends. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

The Company maintains an insurance program for its automobile liability and workers' compensation insurance subject to deductibles or self-insured retentions of \$500 per occurrence. The amounts in excess of the deductibles are fully insured by third party insurers. Liabilities associated with this program are estimated in part by considering historical claims experience and cost trends. Projections of future loss expenses are inherently uncertain because of the random nature of insurance claims occurrences and could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

### ***Assets and Liabilities Measured at Fair Value***

The Company accounts for certain assets and liabilities at fair value. The Company categorizes each of its fair value measurements in one of the following three levels based on the lowest level input that is significant to the fair value measurement in its entirety:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities include the following:

- a) quoted prices for similar assets in active markets;
- b) quoted prices for identical or similar assets in inactive markets;
- c) inputs other than quoted prices that are observable for the asset; and
- d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable (i.e., supported by little or no market activity) and significant to the fair value measure.

### Note 3 – Net Income (Loss) per Share

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

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Net income (loss) per share:			
Basic	\$ 0.75	\$ (0.13)	\$ (2.46)
Diluted	\$ 0.73	\$ (0.13)	\$ (2.46)
Weighted average common shares:			
Basic	37,094,220	36,744,304	33,716,157
Diluted	38,742,328	36,744,304	33,716,157

Reconciliation of net income (loss) per common share:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
<b>Numerator:</b>			
Net income (loss)	\$ 27,750	\$ (4,923)	\$ (82,903)
Add effect of dilutive securities:			
Interest on convertible notes, net of tax	580	—	—
Adjusted net income (loss)	\$ 28,330	\$ (4,923)	\$ (82,903)
<b>Denominator:</b>			
Weighted average basic common shares outstanding	37,094,220	36,744,304	33,716,157
Dilutive effect of unvested common shares	638,293	—	—
Dilutive effect of stock options and warrants	66,719	—	—
Dilutive effect of convertible notes	943,096	—	—
Weighted average diluted common shares outstanding	38,742,328	36,744,304	33,716,157

Potentially dilutive securities that have been excluded from the calculation of diluted net income (loss) per common share because the effect is anti-dilutive are as follows:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Restricted share awards	906	306,084	505,568
Stock options and warrants	—	139,198	115,639
Convertible notes	392,732	4,410,639	3,484,788

### 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. The fair value of contingent consideration are predominantly 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 *other operating expenses* on the Company's consolidated statements of operations.

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

Balance December 25, 2020	\$	2,756
Acquisition value		5,500
Cash payments		(83)
Changes in fair value		(1,296)
Balance December 24, 2021		6,877
Acquisition value		8,700
Cash payments		(6,788)
Changes in fair value		8,505
Balance December 30, 2022	\$	17,294

The long-term portion of contingent earn-out liabilities was \$10,483 and \$3,252 as of December 30, 2022 and December 24, 2021, respectively, and are reflected as *other liabilities and deferred credits* on the Company's consolidated balance sheets. The remaining short-term portion of earn-out liabilities are reflected as *accrued liabilities* on the Company's consolidated balance sheets. Contingent earn-out liability payments in excess of the acquisition date fair value of the underlying contingent earn-out liability are classified as operating activities on the Company's consolidated statements of cash flows and all other such payments are classified as financing activities.

### ***Fair Value of Financial Instruments***

The carrying amounts reported in the Company's consolidated balance sheets for accounts receivable and accounts payable approximate fair value due to the immediate to short-term nature of these financial instruments. The fair values of the asset based loan facility and term loan approximated their book values as of December 30, 2022 and December 24, 2021 as these instruments had variable interest rates that reflected current market rates available to the Company.

The following table presents the carrying value and fair value of the Company's convertible notes (more fully described in Note 9). The fair value of the Company's 2028 Convertible Senior Notes was based on Level 1 inputs. In estimating the fair value of its 2024 Convertible Senior Notes and 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 options. 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 estimates.

	December 30, 2022		December 24, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2028 Convertible Senior Notes	\$ 287,500	\$ 292,531	\$ —	\$ —
2024 Convertible Senior Notes	\$ 41,684	\$ 43,723	\$ 200,000	\$ 206,182
Convertible Unsecured Note	\$ 4,000	\$ 4,345	\$ 4,000	\$ 4,102

### **Note 5 – Acquisitions**

#### ***Chef Middle East***

On November 1, 2022, pursuant to a share sale and purchase agreement, the Company acquired substantially all of the shares of Chef Middle East LLC ("CME"), a specialty food distributor with operations in the United Arab Emirates, Qatar and Oman. The purchase price was approximately \$108,749, paid in cash at closing. The Company will also pay additional contingent consideration, if earned, in the form of an earn-out amount which could total \$10,000 over a two-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 \$7,500 as of November 1, 2022 and December 30, 2022. The Company is in the process of finalizing a valuation of tangible and intangible assets of CME as of the acquisition date. When applicable, these valuations require the use of Level 3 inputs. The goodwill recorded primarily reflects the value of acquiring an established specialty seafood and produce distributor and any intangible assets that do not qualify for separate recognition.

### **Capital Seaboard**

On December 28, 2021, pursuant to an asset purchase agreement, the Company acquired substantially all of the assets of CGC Holdings, Inc. (“Capital Seaboard”), a specialty seafood and produce distributor in Maryland. The purchase price was approximately \$31,036, consisting of \$28,000 paid in cash at closing, common stock warrants valued at \$1,701, and \$1,335 paid upon settlement of a net working capital true-up. Customer relationships and trademarks were valued at fair value using Level 3 inputs and are being amortized over 15 and 5 years, respectively. Goodwill for the Capital Seaboard acquisition will be amortized over 15 years for tax purposes. The goodwill recorded primarily reflects the value of acquiring an established specialty seafood and produce distributor to leverage the Company’s existing products in the markets served by Capital Seaboard, to supply Capital Seaboard’s product offerings to our East Coast markets and any intangible assets that do not qualify for separate recognition.

### **Other Acquisitions**

During fiscal 2022, the Company completed six other acquisitions for an aggregate purchase price of approximately \$55,300, consisting of \$55,300 paid in cash, subject to customary working capital adjustments. The Company will also pay additional contingent consideration, if earned, in the form of earn-out amounts which could total \$2,000 in the aggregate. The Company is in the process of finalizing valuations of tangible and intangible assets as of the acquisition dates. When applicable, these valuations require the use of Level 3 inputs. Goodwill for these acquisitions will be amortized over 15 years for tax purposes.

The Company recognized professional fees of \$4,357, \$450 and \$435 in *other operating expenses* related to acquisition activities in fiscal 2022, 2021 and 2020, respectively.

The Company reflected net sales and loss before taxes in its consolidated statement of operations related to the acquisitions as follows:

	<b>Fiscal Year Ended</b>	
	<b>December 30, 2022</b>	
Net sales	\$	245,670
Loss before income taxes	\$	15,377

The table below presents unaudited pro forma consolidated income statement information of the Company as if the acquisitions completed during fiscal 2022 had occurred on December 26, 2020. The pro forma results were prepared from financial information obtained from the sellers of the business, as well as information obtained during the due diligence process associated with the acquisitions. The pro forma information is not necessarily indicative of the Company’s results of operations had the acquisitions been completed on the above date, nor is it necessarily indicative of the Company’s future results. The pro forma information does not reflect any cost savings from operating efficiencies or synergies that could result from the acquisitions, any incremental costs for transitioning to become a public company, and also does not reflect additional revenue opportunities following the acquisitions. The pro forma information reflects amortization and depreciation of the acquisitions at their respective fair values.

	<b>Fiscal Year Ended</b>			
	<b>December 30, 2022</b>		<b>December 24, 2021</b>	
Net sales	\$	2,843,207	\$	2,211,208
Income before income taxes	\$	56,293	\$	4,146

The table below sets forth the purchase price allocation of these acquisitions:

	<b>Chef Middle East</b>	<b>Capital Seaboard</b>	<b>Other Acquisitions</b>
Current assets	\$ 84,811	\$ 10,130	\$ 14,743
Customer relationships	25,800	7,250	16,700
Trademarks	11,400	2,280	1,000
Non-compete agreements	320	—	—
Goodwill	23,814	8,334	34,101
Fixed assets	16,953	9,552	701
Other assets	941	122	17
Deferred tax liability	(3,635)	—	(2,365)
Right-of-use assets	5,321	16,427	1,491
Lease liabilities	(5,321)	(16,427)	(1,491)
Current liabilities	(44,155)	(6,632)	(8,397)
Earn-out liability	(7,500)	—	(1,200)
<b>Total consideration</b>	<b>\$ 108,749</b>	<b>\$ 31,036</b>	<b>\$ 55,300</b>

#### Note 6 – Inventories

Inventories consist primarily of finished product. Our entities record inventory using a mixture of first-in, first-out and average cost, which we believe approximates first-in, first-out. Inventory is reflected net of adjustments for shrinkage, excess and obsolescence to approximate their net realizable value totaling \$9,198 and \$8,312 at December 30, 2022 and December 24, 2021, respectively.

#### Note 7 – Property and Equipment

Property and equipment as of December 30, 2022 and December 24, 2021 consisted of the following:

	<b>Useful Lives</b>	<b>December 30, 2022</b>	<b>December 24, 2021</b>
Land	Indefinite	\$ 5,542	\$ 5,020
Buildings	20 years	39,893	18,406
Machinery and equipment	5 - 10 years	32,107	28,099
Computers, data processing and other equipment	3 - 7 years	18,475	15,480
Software	3 - 7 years	42,609	39,799
Leasehold improvements	1- 40 years	94,245	69,105
Furniture and fixtures	7 years	3,825	3,582
Vehicles	5 - 10 years	31,462	29,632
Construction-in-process		36,583	24,355
		304,741	233,478
Less: accumulated depreciation and amortization		(119,013)	(99,856)
Equipment, leasehold improvements and software, net		<b>\$ 185,728</b>	<b>\$ 133,622</b>

Construction-in-process at December 30, 2022 related primarily to the build-out of the Company's Miami, Dallas and Richmond, CA distribution facilities and the implementation of the Company's Enterprise Resource Planning system. Construction-in-process at December 24, 2021 related primarily to the build-outs of the Company's Los Angeles and Miami distribution facilities.

The net book value of equipment financed under finance leases at December 30, 2022 and December 24, 2021 was \$11,579 and \$10,874, respectively. No interest expense was capitalized during the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020.

The components of depreciation and amortization expense were as follows:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Depreciation expense	\$ 18,572	\$ 15,918	\$ 14,984
Software amortization	\$ 5,760	\$ 6,080	\$ 4,790

#### Note 8 – Goodwill and Other Intangible Assets

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

Carrying amount as of December 25, 2020	\$ 214,864
Acquisitions	6,845
Foreign currency translation	66
Carrying amount as of December 24, 2021	221,775
Goodwill adjustments	(792)
Acquisitions	66,249
Foreign currency translation	(112)
Carrying amount as of December 30, 2022	\$ 287,120

Other intangible assets as of December 30, 2022 and December 24, 2021 consisted of the following:

	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Amount
<b>December 30, 2022</b>				
Customer relationships	232 months	\$ 205,608	\$ (85,447)	\$ 120,161
Non-compete agreements	73 months	8,899	(8,293)	606
Trademarks	250 months	51,137	(16,201)	34,936
Total		\$ 265,644	\$ (109,941)	\$ 155,703
<b>December 24, 2021</b>				
Customer relationships	120 months	\$ 155,678	\$ (74,644)	\$ 81,034
Non-compete agreements	26 months	8,579	(8,018)	561
Trademarks	179 months	36,514	(13,366)	23,148
Total		\$ 200,771	\$ (96,028)	\$ 104,743

During the second quarter of fiscal 2021, the Company recorded a \$597 impairment charge, \$433 net of tax, to fully write-down the net book value of its Cambridge trademark.

During fourth quarter of fiscal 2020, the Company committed to a plan to shift its brand strategy, to commence in the second quarter of fiscal 2021, to leverage its Allen Brothers brand in its west region and determined its Del Monte, Ports Seafood and Bassian Farms trademarks did not fit the Company's long-term strategic objectives. The Company assessed these trademarks for impairment and used the relief of royalty method to determine fair value. Significant assumptions used include future sales forecasts, royalty rates and discount rates. As a result of the assessment, the Company recorded a \$24,200 impairment charge, \$17,545 net of tax, to write-down the value of its Del Monte and Bassian Farms trademarks. This impairment charge is presented within *other operating expenses* on the consolidated statements of operations.

Amortization expense for other intangibles was \$13,913, \$12,967 and \$13,502 for the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020, respectively.

As of December 30, 2022, estimated amortization expense for other intangible assets for each of the next five fiscal years and thereafter is as follows:

2023	\$	16,664
2024		15,811
2025		15,388
2026		15,286
2027		14,706
Thereafter		77,848
<b>Total</b>	<b>\$</b>	<b>155,703</b>

#### Note 9 – Debt Obligations

Debt obligations as of December 30, 2022 and December 24, 2021 consisted of the following:

	Weighted Average Effective Interest Rate at December 30, 2022	Maturity	December 30, 2022	December 24, 2021
Senior secured term loan	7.93 %	August 2029	\$ 299,250	\$ 168,675
2028 Convertible senior notes	2.78 %	December 2028	287,500	—
2024 Convertible senior notes	2.32 %	December 2024	41,684	200,000
Asset-based loan facility	4.50 %	March 2027	40,000	20,000
Finance leases	4.63 %	Various	11,331	11,602
Convertible unsecured note	5.00 %	June 2023	4,000	4,000
Other revolving credit facilities	7.72 %	April 2023	2,217	—
Unamortized deferred costs and premium			(20,050)	(4,976)
<b>Total debt obligations</b>			<b>665,932</b>	<b>399,301</b>
Less: current installments			(12,428)	(5,141)
<b>Total long-term debt</b>			<b>\$ 653,504</b>	<b>\$ 394,160</b>

Maturities of the Company’s debt, excluding finance leases, for each of the next five years and thereafter at December 30, 2022 are as follows:

2023	\$	9,217
2024		44,684
2025		3,000
2026		3,000
2027		3,000
Thereafter		611,750
<b>Total</b>	<b>\$</b>	<b>674,651</b>

#### Senior Secured Term Loan Credit Facility

On June 22, 2016, the Company entered into a credit agreement (the “Term Loan Credit Agreement”) with a group of lenders for which Jefferies Finance LLC 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”). On August 23, 2022, the Company entered into an eight amendment (“Eighth Amendment”) in an aggregate principal amount of \$300,000 maturing on August 23, 2029 (“2029 Term Loans”), comprising of a refinancing of the then existing term loans balance under the Term Loan Credit Agreement of \$167,391 and an incremental borrowing of \$132,609. The incremental funds are to be used for capital expenditures, permitted acquisitions, working capital, and general corporate purposes of the Company. Substantially all of the Company’s assets are pledged as collateral. The Company is required to make scheduled principal payments of 0.25% of the original principal amount per quarter.

Additionally, the Term Credit Agreement includes an accordion which permits the Company to request that the lenders extend additional Term Loans based on certain performance, leverage ratio and other restrictions. The Term Loan Credit Agreement includes a springing maturity of the earlier of August 23, 2029 and the date that is 181 days prior to the schedule maturity date of any individual tranche of unsecured indebtedness of which a principal amount in excess of \$40,000 remains outstanding on such date.

The interest charged on the 2029 Term Loans is equal to, at the Company's option, either the Alternate Base Rate (as defined in the Eighth Agreement) plus 375 basis points or the secured overnight financing rate ("SOFR") for one-, two-, three- or six -month interest periods chosen by the Company.

The Eight Amendment involved multiple members of a loan syndicate. The Company performed an analysis for each lender in accordance with ASC 470 "Debt" to determine whether the Eighth Amendment resulted in a substantial change to the remaining cash flows which is defined as a change in present value of remaining cash flows of 10% or more. As a result of the analysis, the Company incurred a loss on debt extinguishment of \$142 which represents the portion of unamortized deferred financing fees attributable to lenders that exited the loan syndicate. The transaction was accounted for as a modification for existing lenders that participated in the 2029 Term Loans. The Company deferred lender and third-party fees of \$10,852 as debt issuance costs to be amortized over the term of the loan. Arrangement and third-party transaction costs of \$4,498 were expensed as incurred.

The Term Loan Facility contains affirmative covenants, negative covenants and events of default customary for a term loan B facility of this type, as more particularly described in the Term Loan Credit Agreement. The Eight Amendment removed a minimum liquidity covenant which required the Company to maintain certain liquidity levels as of the last day of any fiscal quarter where EBITDA did not meet a predefined target.

### ***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") in the aggregate amount of up to \$150,000. On March 11, 2022 the Company entered into a third amendment to the ABL Credit Agreement which increased the aggregate commitments to \$200,000 maturing on March 11, 2027. Borrowings under the ABL will be used, and are expected to be used, for capital expenditures, permitted acquisitions, working capital and general corporate purposes of the Company. Availability under the ABL 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 Company under the ABL is entitled on one or more occasions, subject to the satisfaction of certain conditions, to request an increase in the commitments under the ABL in an aggregate principal amount of up to \$25,000. The ABL includes a springing maturity date that occurs 90 days prior to the earliest maturity under the Company's senior secured term loan facility and the date that is 181 days prior to the scheduled maturity date of any individual tranche of unsecured indebtedness of which a principal amount in excess of \$40,000 remains outstanding on such date and March 11, 2027.

The third amendment of the ABL was accounted for as a debt modification. The Company incurred transaction costs of \$406 which were capitalized as deferred financing fees to be amortized over the term of the ABL.

The interest rate charged on borrowings under the ABL is equal to a spread plus, at the Company's option, either the Base Rate (as defined in the ABL Credit Agreement) or a forward-looking term rate based on SOFR for one-, three-, or six-month interest periods chosen by the Company. The Company will pay certain recurring fees with respect to the ABL, including fees on unused lender commitments.

The ABL Credit Agreement contains customary affirmative covenants, negative covenants and events of default as more particularly described in the ABL Credit Agreement. If the amount of availability under the ABL falls below \$14,000 or 10% of the borrowing base, the Company is required to comply with a minimum consolidated fixed charge coverage ratio of 1:1.

The Company had reserved \$24,173 of the ABL for the issuance of letters of credit. As of December 30, 2022, funds totaling \$135,827 were available for borrowing under the ABL.

### ***2028 Convertible Senior Notes***

On December 13, 2022, the Company issued \$287,500 aggregate principal amount of 2.375% Convertible Senior Notes (the "2028 Convertible Notes"). The 2028 Senior Notes were issued pursuant to an indenture, dated as of December 13, 2022 (the

“2028 Indenture”), between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee. Concurrently with the issuance of the 2028 Convertible Notes, the Company entered into separate, privately negotiated transactions (the “Exchange Transactions”) with a limited number of holders of its 1.875% Convertible Senior Notes (the “2024 Convertible Notes”) to exchange or repurchase approximately \$158,316 principal amount of 2024 Convertible Notes for an aggregate consideration consisting of approximately \$159,709 in cash, which includes accrued interest on the 2024 Convertible Notes, and approximately 324,066 shares of the Company’s common stock. Net proceeds are expected to be used for capital expenditures, permitted acquisitions, working capital and general corporate purposes of the Company.

The Company performed an analysis for each lender in accordance with ASC 470 “Debt” to determine whether the Exchange Transactions resulted in a substantial change to the remaining cash flows which is defined as a change in present value of remaining cash flows or a change in the fair value of the conversion option of more than 10%. As a result of the analysis, the Exchange Transaction was recorded as an extinguishment and the Company incurred a loss on debt extinguishment of \$14,145 which is reflected in *interest expense* on the Company’s consolidated statements of operations. The Company incurred third party transaction costs of approximately \$6,971 which were capitalized as deferred financing fees to be amortized over the term of the 2028 Senior Notes.

The 2028 Convertible Notes bear interest of 2.375% per annum payable semiannually in arrears on June 15 and December 15 of each year, beginning on June 15, 2023. The initial conversion price is approximately \$44.27 per share together with cash in lieu of any fractional share. The conversion price is subject to adjustments upon the occurrence of certain events. The 2028 Convertible Notes will mature on December 15, 2028, unless earlier converted or repurchased in accordance with their terms.

Before September 15, 2028, holders of the 2028 Convertible Notes will have the right to convert only upon the occurrence of certain events. From and after September 15, 2028, holders may convert at any time at their election until the close of business on the scheduled trading day immediately before the maturity date. The Company will settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company’s election.

In addition, if the Company undergoes a fundamental change, as described in the 2028 Indenture, holders may require the Company to repurchase for cash all or part of their 2028 Convertible Notes at a repurchase price equal to 100% of the principal amount of the 2028 Convertible Notes to be repurchased, plus accrued and unpaid interest up to, but excluding, the required repurchase date.

#### **2024 Convertible Senior Notes**

On November 22, 2019, the Company issued \$150,000 aggregate principal amount of 2024 Convertible Notes pursuant to an indenture, dated as of November 22, 2019 (the “2024 Indenture”), between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee. Approximately \$43,225 of the net proceeds were used to repay all borrowings then outstanding under the ABL and the remainder was used for working capital, general corporate purposes and acquisitions. The Company incurred transaction costs of approximately \$5,082 which were capitalized as deferred financing fees to be amortized over the term of the 2024 Convertible Notes.

On March 1, 2021, the Company issued \$50,000 aggregate principal amount of 2024 Convertible Notes at a premium which were offered as an additional issuance and under the same terms as the 2024 Convertible Notes initially issued on November 22, 2019. Net proceeds were used to repay all outstanding borrowings under the Company’s 2022 tranche of senior secured term loans of \$31,166 and repay a portion of borrowings outstanding under the Company’s ABL. The Company incurred transaction costs of approximately \$1,350 which were capitalized as deferred financing fees to be amortized over the term of the 2024 Senior Notes.

The 2024 Convertible Notes bear interest of 1.875% per annum payable semiannually in arrears on June 1 and December 1 of each year, beginning on June 1, 2020. At any time before the close of business on the scheduled trading day immediately before the maturity date, the 2024 Convertible Notes will be convertible at the option of holders into shares of the Company’s common stock, together with cash in lieu of any fractional share, at an initial conversion price of approximately \$44.20 per share. The conversion price is subject to adjustments upon the occurrence of certain events. The 2024 Convertible Notes will mature on December 1, 2024, unless earlier converted or repurchased in accordance with their terms.

The Company may not redeem the 2024 Convertible Notes at its option prior to maturity. In addition, if the Company undergoes a fundamental change, as described in the 2024 Indenture, holders may require the Company to repurchase for cash all or part of their 2024 Convertible Notes at a repurchase price equal to 100% of the principal amount of the 2024 Convertible Notes to be repurchased, plus accrued and unpaid interest up to, but excluding, the required repurchase date.

### Convertible Unsecured Note

On February 25, 2019, the Company issued a \$4,000 convertible unsecured note (the “Unsecured 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 Unsecured Note was 4.5% per annum and increased 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 Unsecured Note, redeem the Unsecured Note in whole or in part for cash or convert the Unsecured 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 Unsecured Note into shares of the Company’s common stock at the conversion price. Upon a change of control event, the Holder may convert the Unsecured Note into shares of the Company’s common stock at the conversion price or redeem the Unsecured Note for cash.

The net carry value of the Company’s convertible notes as of December 30, 2022 and December 24, 2021 was:

	December 30, 2022			December 24, 2021		
	Principal Amount	Unamortized Deferred Costs and Premium	Net Amount	Principal Amount	Unamortized Deferred Costs and Premium	Net Amount
2028 Convertible Senior Notes	\$ 287,500	\$ (6,876)	\$ 280,624	\$ —	\$ —	\$ —
2024 Convertible Senior Notes	41,684	(373)	41,311	200,000	(2,686)	197,314
Convertible Unsecured Note	4,000	—	4,000	4,000	—	4,000
Total	<u>\$ 333,184</u>	<u>\$ (7,249)</u>	<u>\$ 325,935</u>	<u>\$ 204,000</u>	<u>\$ (2,686)</u>	<u>\$ 201,314</u>

The components of interest expense on the Company’s convertible notes were as follows:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Coupon interest	\$ 4,272	\$ 3,763	\$ 2,993
Amortization of deferred costs and premium	932	913	1,000
Loss on extinguishment of debt	14,145	—	—
Total interest	<u>\$ 19,349</u>	<u>\$ 4,676</u>	<u>\$ 3,993</u>

### Note 10 – Stockholders’ Equity

#### Warrants

In connection with an acquisition during the second quarter of fiscal 2021, the Company issued warrants with a fair value of \$1,120 to purchase up to 150,000 shares of the Company’s common stock at an exercise price of \$31.96 per share. These warrants expire on April 22, 2024.

In connection with the acquisition of Capital Seaboard during the first quarter of fiscal 2022, the Company issued warrants with a fair value of \$1,701 to purchase up to 150,000 shares of the Company’s common stock at an exercise price of \$31.55 per share. These warrants expire on December 26, 2025.

#### Public Common Stock Offering

On May 14, 2020, the Company completed a public offering of 5,769,231 shares of its common stock at a price of \$13.00 per share to the underwriters, to be reoffered by the underwriters at variable prices per share, which resulted in net proceeds of approximately \$74,691 after deducting underwriters’ fees, commissions and transaction expenses. In addition, the Company granted a 30-day option to purchase up to an additional 865,384 shares of its common stock at a price of \$13.00 per share to the underwriters, to be reoffered by the underwriters at variable prices per share. The option was fully exercised on June 2, 2020 and resulted in additional proceeds of \$11,250.

## 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 10 years from the date of the grant. The 2019 Plan provides for 2,600,000 shares available for grant. As of December 30, 2022, there were 2,046,252 shares available for grant.

Stock compensation expense was \$13,602, \$11,479 and \$9,292 for the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020, respectively. The related tax benefit for stock-based compensation was \$22, \$49 and \$133 for the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020, respectively.

The following table reflects the activity of RSAs during the fiscal year ended December 30, 2022:

	Time-based		Performance-based		Market-based	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested at December 24, 2021	617,996	\$ 28.33	187,437	\$ 32.04	185,129	\$ 31.44
Granted	187,153	33.69	169,408	32.47	169,408	29.13
Vested	(323,871)	26.49	—	—	—	—
Forfeited	(16,306)	29.20	(21,420)	32.14	(21,423)	30.82
Unvested at December 30, 2022	464,972	\$ 31.74	335,425	\$ 32.25	333,114	\$ 30.30

The fair value of RSAs vested during the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020, was \$8,719, \$7,848 and \$8,109, respectively.

These awards are a mix of time-, market- and performance-based grants awarded to key employees and non-employee directors that generally vest over a range of periods up to four-years. The market- and performance-based RSAs generally cliff vest, if at all, after the conclusion of a three-year performance period and vesting is subject to the award recipient's continued service to the Company as of the vesting date. The number of performance-based RSAs that ultimately vest is based on the Company's attainment of certain profitability and return on invested capital targets.

During the fourth quarter of fiscal 2020, the Company modified its 2018 performance-awards and certain 2018 time-based awards such that they vested on December 17, 2020. The modifications affected seventeen employees and resulted in incremental stock compensation expense of \$1,999. Concurrent with these modifications, the Company also cancelled its 2020 and 2019 performance-based awards and its 2020 market-based equity awards.

At December 30, 2022, the total unrecognized compensation cost for the Company's unvested RSAs was \$20,080 to be recognized over a weighted-average period of approximately 1.9 years. Of this total, \$9,281 related to RSAs with time-based vesting provisions to be recognized over a weighted average period of 2.0 years and \$10,799 related to RSAs with performance- or market-based vesting provisions to be recognized over a weighted average period of 1.8 years.

The following table summarizes stock option activity during the fiscal year ended December 30, 2022:

	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (in years)
Outstanding December 24, 2021	115,639	\$ 20.23	\$ 2,051	6.2
Exercised	(3,407)	20.23		
Outstanding December 30, 2022	112,232	\$ 20.23	\$ 1,465	3.2
Exercisable at December 30, 2022	112,232	20.23	\$ 1,465	3.2

The Company issues new shares upon the exercise of stock options. No stock option expense was recognized during the fiscal years ended December 30, 2022 and December 24, 2021. No compensation expense related to the Company's RSAs or stock options has been capitalized.

In connection with the CME acquisition, the Company issued stock awards to certain members of the CME management team which were classified as liabilities. These awards vest over a period of up to four years. Stock-based compensation expense for these awards was \$362 during the fiscal year ended December 30, 2022. As of December 30, 2022, the fair value of these awards was \$362 and is presented within *Other liabilities and deferred credits* on the Company's consolidated balance sheets.

#### Note 11 – Leases

The components of net lease cost were as follows:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Operating lease cost	\$ 31,346	\$ 26,531	\$ 27,521
Finance lease cost:			
Amortization of right-of-use asset	3,715	4,667	4,166
Interest expense on lease liabilities	442	555	552
Total finance lease cost	\$ 4,157	\$ 5,222	\$ 4,718
Short-term lease cost	5,481	3,491	2,475
Variable lease cost	7,715	3,331	1,990
Sublease income	(1,344)	(430)	(96)
Total lease cost, net	\$ 47,355	\$ 38,145	\$ 36,608

The maturities of the Company's lease liabilities for each of the next five fiscal years and thereafter at December 30, 2022 were as follows:

	Operating Leases				Finance Leases	
	Related Party Real Estate	Third Party Real Estate	Vehicles and Equipment	Total	Vehicles and Equipment	
2023	\$ 387	\$ 22,597	\$ 7,767	\$ 30,751	\$ 3,637	
2024	—	20,773	5,115	25,888	3,049	
2025	—	18,282	3,242	21,524	2,491	
2026	—	16,889	1,546	18,435	1,693	
2027	—	16,655	1,027	17,682	607	
Thereafter	—	134,768	27	134,795	663	
Total	\$ 387	\$ 229,964	\$ 18,724	\$ 249,075	\$ 12,140	
Less imputed interest				(78,241)	(809)	
Present value of lease obligations				\$ 170,834	\$ 11,331	

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

	Balance Sheet Location	December 30, 2022		December 24, 2021	
Short-term finance lease liabilities	<i>Current portion of long-term debt</i>	\$	3,211	\$	3,429
Long-term finance lease liabilities	<i>Long-term debt, net of current portion</i>	\$	8,120	\$	8,173

At December 30, 2022, the weighted-average lease term for operating and finance leases was 11.0 years and 4.0 years, respectively. At December 30, 2022, the weighted-average discount rate for operating and finance leases was 6.7% and 4.6%, respectively.

As of December 30, 2022, the Company is contractually obligated to make payments over the next 14 years of approximately \$44,593 related to long-term leases for a distribution facility, vehicles and material handling equipment that have not commenced. Accordingly, the Company has not recognized ROU assets or lease liabilities associated with these leases.

## Note 12 – Income Taxes

The components of the Company’s operating income (loss) before income taxes consist of the following:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Domestic	\$ 40,428	\$ (4,356)	\$ (119,375)
Foreign	1,461	(2,420)	(4,231)
Total	\$ 41,889	\$ (6,776)	\$ (123,606)

The provision for income taxes consists of the following:

	Fiscal Year Ended		
	December 30, 2022	December 24, 2021	December 25, 2020
Current income tax expense (benefit):			
Federal	\$ 1,665	\$ (285)	\$ (21,877)
Foreign	208	—	—
State	2,665	277	(408)
Total current income tax expense (benefit)	4,538	(8)	(22,285)
Deferred income tax expense (benefit):			
Federal	9,571	(2,002)	(10,740)
Foreign	(4)	(22)	50
State	34	179	(7,728)
Total deferred income tax expense (benefit)	9,601	(1,845)	(18,418)
Total income tax expense (benefit)	\$ 14,139	\$ (1,853)	\$ (40,703)

In response to the Pandemic, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law on March 27, 2020. Among other provisions it allows for the carryback of federal net operating losses generated in 2020 to five preceding years and a refundable Employee Retention Tax Credit (“ERTC”) to eligible employers. The Company’s fiscal 2020 income tax provision reflects the impact of an expected income tax refund receivable of \$21,250 which is reflected in prepaid expenses and other current assets on the Company’s consolidated balance sheets as of December 30, 2022 and December 24, 2021, as a result of the five year carryback allowed under the CARES Act. During the second quarter of fiscal 2021, the Company recognized a receivable of \$1,418 related to the ERTC which is presented within prepaid expenses and other current assets on the consolidated balance sheet and the related expense reduction is presented within selling, general and administrative expenses on the consolidated statements of operations.

The IRS is experiencing significant processing delays driven by an increase in net operating loss carryback requests as a result of the CARES Act, along with other factors. As a result, the processing and expected receipt of the federal income tax refund receivable and ERTC receivable have been significantly delayed. The Company is currently working with IRS Taxpayer’s

Advocate Services and consultants to resolve the processing issue. While progress has been made with the IRS and the Company expects to receive the refunds within one year, the exact timing of receipt is difficult to predict.

Income tax expense (benefit) differed from amounts computed using the statutory federal income tax rate due to the following reasons:

	<b>Fiscal Year Ended</b>		
	<b>December 30, 2022</b>	<b>December 24, 2021</b>	<b>December 25, 2020</b>
Statutory U.S. Federal tax	\$ 8,797	\$ (1,423)	\$ (25,957)
Differences due to:			
State and local taxes, net of federal benefit	3,251	(396)	(6,414)
Change in valuation allowance	(405)	(215)	1,354
Foreign rate differential	(560)	—	—
Loss on debt extinguishment	2,982	—	—
Acquisition costs	472	—	—
Federal NOL rate differential	—	—	(5,212)
Stock compensation	(170)	(361)	(102)
Other	(228)	542	(4,372)
<b>Income tax expense (benefit)</b>	<b>\$ 14,139</b>	<b>\$ (1,853)</b>	<b>\$ (40,703)</b>

Deferred tax assets and liabilities at December 30, 2022 and December 24, 2021 consist of the following:

	<b>December 30, 2022</b>	<b>December 24, 2021</b>
<b>Deferred tax assets:</b>		
Receivables and inventory	\$ 10,574	\$ 9,425
Self-insurance reserves	2,846	2,211
Net operating loss carryforwards	5,374	15,177
Interest expense carryforward	7,671	—
Stock compensation	4,629	3,246
Intangible assets	2,796	5,210
Charitable contribution carryforward	2,569	3,865
Operating lease liabilities	44,495	39,335
Other	527	3,072
<b>Total deferred tax assets</b>	<b>81,481</b>	<b>81,541</b>
<b>Deferred tax liabilities:</b>		
Property & equipment	(15,602)	(7,808)
Goodwill	(25,539)	(24,529)
Intangible assets	(3,439)	—
Prepaid expenses and other	(907)	(1,916)
Operating lease right-of-use assets	(40,451)	(35,862)
<b>Total deferred tax liabilities</b>	<b>(85,938)</b>	<b>(70,115)</b>
Valuation allowance	(1,641)	(2,046)
<b>Total net deferred tax (liability) asset</b>	<b>\$ (6,098)</b>	<b>\$ 9,380</b>

The deferred tax provision results from the effects of net changes during the year in deferred tax assets and liabilities arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company files income tax returns in the U.S. Federal and various state and local jurisdictions as well as the Canadian Federal and provincial districts. For Federal income tax purposes, the 2019 through 2022 tax years remain open for examination by the tax authorities under the normal three-year statute of limitations and the fact that we have not yet filed our tax return for 2022. For state tax purposes, the 2018 through 2022 tax years remain open for

examination by the tax authorities under a four-year statute of limitations. The Company records interest and penalties, if any, in income tax expense.

The Company considered all available positive and negative evidence to determine if based on the weight of such evidence, a valuation allowance is needed. At December 30, 2022, the Company had a valuation allowance of \$1,641, which consisted of foreign net operating loss carryforwards as it is not expected to be fully realizable in the future.

The Company's Canada net operating loss carryforward of \$1,770 expires at various dates between fiscal 2038 and 2040. The Company's state net operating loss carryforwards of \$3,604 expire at various dates, the earliest of which expire in fiscal 2026 while others are indefinite-lived. The Company's charitable contributions carry forward of \$2,569 expire between fiscal 2025 and 2027.

The Company is permanently reinvesting the earnings of its foreign operations. The accumulated undistributed earnings of its foreign subsidiaries are immaterial, as a majority of such earnings have been taxed in the U.S.

As of December 30, 2022 and December 24, 2021, the Company did not have any material uncertain tax positions.

#### Note 13 – Supplemental Disclosures of Cash Flow Information

	December 30, 2022	December 24, 2021	December 25, 2020
Cash paid for income taxes, net of cash received	\$ 4,275	\$ (230)	\$ 308
Cash paid for interest	\$ 27,225	\$ 15,387	\$ 18,182
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 28,144	\$ 25,111	\$ 25,090
Operating cash flows from finance leases	\$ 3,659	\$ 555	\$ 3,856
ROU assets obtained in exchange for lease liabilities:			
Operating leases	\$ 49,643	\$ 32,741	\$ 7,201
Finance leases	\$ 2,960	\$ 536	\$ 16,063
Non-cash investing and financing activities:			
Warrants issued for acquisition	\$ 1,701	\$ 1,120	\$ —
Conversion of debt into common stock	\$ 11,375	\$ —	\$ —
Contingent earn-out liabilities for acquisitions	\$ 8,700	\$ 5,500	\$ 3,464

#### Note 14 – Employee Benefit Plans

##### Employee Tax-Deferred Savings Plan

The Company offers a 401(k) Plan to eligible employees that provides for tax-deferred salary deductions for eligible employees. Employees may choose to make voluntary contributions of their annual compensation to the 401(k) Plan, limited to an annual maximum amount as set periodically by the Internal Revenue Service. The Company provides discretionary matching contributions equal to 50 percent of the employee's contribution amount, up to a maximum of six of the employee's annual salary, capped at \$2.5 per employee per year. Matching contributions begin vesting after one year and are fully vested after five years. Employee contributions are fully vested when made. As a result of the Pandemic, the Company's matching contributions were temporarily suspended from March 31, 2020 through August 31, 2021. Under the 401(k) Plan there is no option available to the employee to receive or purchase the Company's common stock. Matching contributions under the 401(k) Plan were \$1,714, \$683 and \$720, respectively, for fiscal 2022, 2021 and 2020.

#### Note 15 – 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 was \$493 for fiscal 2022, \$493 for fiscal 2021 and \$488 for fiscal 2020. This lease was amended during the first quarter of fiscal 2020 and expires on September 30, 2023.

## Note 16 – Commitments and Contingencies

### *Legal Contingencies*

The Company is involved in various legal proceedings. The Company establishes reserves for specific legal proceedings when it determines that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Management has also identified certain other legal matters where the Company believes an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made. The Company does not believe that there is a reasonable possibility of material loss or loss in excess of the amount that the Company has accrued. The Company recognizes legal fees related to any ongoing legal proceeding as incurred.

### *Audits*

The Company is involved in various matters, with respect to some of which the outcome is uncertain. These audits may result in the assessment of additional taxes or other costs that are subsequently resolved with authorities or potentially through the courts.

### *Risk Management Programs*

The Company's self-insurance reserves for its medical program totaled \$2,310 and \$2,373 at December 30, 2022 and December 24, 2021, respectively.

The Company's self-insurance reserves for its automobile liability program totaled \$3,830 and \$3,980 at December 30, 2022 and December 24, 2021, respectively. Self-insurance reserves for workers' compensation totaled \$10,544 and \$7,053 at December 30, 2022 and December 24, 2021, respectively.

### *Workforce*

As of December 30, 2022, approximately 4.4% of the Company's employees are represented by unions, all of whom are operating under collective bargaining agreements which expire at various times between fiscal 2024 and 2025. Approximately 0.8% of the Company's employees are under a collective bargaining agreement that expires in fiscal 2024.

## Note 17 – Valuation Reserves

The following tables summarize the activity in our valuation accounts during the fiscal years ended December 30, 2022, December 24, 2021 and December 25, 2020:

	<u>Balance at Beginning of Period</u>	<u>Additions (Recoveries) Charged to Expense</u>	<u>Deductions</u>	<u>Balance at End of Period</u>
<u>Allowance for doubtful accounts</u>				
December 30, 2022	\$ 20,260	\$ 6,048	\$ (5,575)	\$ 20,733
December 24, 2021	24,027	(422)	(3,345)	20,260
December 25, 2020	8,846	21,372	(6,191)	24,027
<u>Allowance for deferred tax assets</u>				
December 30, 2022	\$ 2,046	\$ (405)	\$ —	\$ 1,641
December 24, 2021	2,261	(215)	—	2,046
December 25, 2020	907	1,354	—	2,261

## Note 18 – Subsequent Events

On January 23, 2023, the Company entered into an asset purchase agreement to acquire substantially all of the assets of a specialty food and produce distributor in California. The purchase price was \$10,000 paid in cash at closing and is subject to a customary working capital true-up. The Company will also pay additional contingent consideration, if earned, in the form of earn-out amounts which could total \$2,000. The Company has not provided the preliminary purchase price allocation for this acquisition as the initial accounting is incomplete.

## **Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

Not applicable.

## **Item 9A. CONTROLS AND PROCEDURES**

### **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 December 30, 2022.

### **Management's Annual Report on Internal Control Over Financial Reporting.**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of our Chief Executive Officer and Chief Financial Officer, our management assessed the effectiveness of the Company's internal control over financial reporting as of December 30, 2022. In making this assessment, management used the criteria set forth in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal control over financial reporting was effective as of December 30, 2022.

The Company's financial statements included in this Annual Report on Form 10-K have been audited by BDO USA, LLP, an independent registered public accounting firm, as indicated in the report appearing on page 45 of this Form 10-K. BDO USA, LLP has also provided an attestation report on the Company's internal control over financial reporting.

### **Changes In Internal Control Over Financial Reporting.**

There were no changes in our internal control over financial reporting that have occurred during the fiscal quarter ended December 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **Report of Independent Registered Public Accounting Firm**

Stockholders and Board of Directors  
The Chefs' Warehouse, Inc.  
Ridgefield, Connecticut

### **Opinion on Internal Control over Financial Reporting**

We have audited The Chefs' Warehouse, Inc.'s (the "Company's") internal control over financial reporting as of December 30, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 30, 2022, based on the COSO criteria

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 30, 2022 and December 24, 2021, the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 30, 2022, and the related notes and our report dated February 28, 2023 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, LLP

Stamford, Connecticut  
February 28, 2023

**Item 9B. OTHER INFORMATION**

None.

**Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

None.

### PART III

#### Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information set forth under the captions “Corporate Governance,” “Proposal 1 - Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders to be held on May 19, 2023, which we intend to file within 120 days after our fiscal year-end, is incorporated herein by reference. As provided in General Instruction G(3) to Form 10-K and Instruction 3 to Item 401(b) of Regulation S-K, information regarding executive officers of our Company is provided in Part I of this Annual Report on Form 10-K under the caption, “Information about our Executive Officers.”

#### Item 11. EXECUTIVE COMPENSATION

The information set forth under the caption “Executive Compensation” in our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders to be held on May 19, 2023, which we intend to file within 120 days after our fiscal year-end, is incorporated herein by reference.

#### Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the caption “Stock Ownership of Certain Beneficial Owners and Management” in our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders to be held on May 19, 2023, which we intend to file within 120 days after our fiscal year-end, is incorporated herein by reference.

The following table provides certain information with respect to equity awards under our equity compensation plans as of December 30, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column)
Plans approved by stockholders	112,232	\$ 20.23	1,934,020
Plans not approved by stockholders	—	—	—
Total	112,232	\$ 20.23	1,934,020

#### Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth under the captions “Corporate Governance – Director Independence” and “Corporate Governance – Certain Relationships and Related Transactions” in our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders to be held on May 19, 2023, which we intend to file within 120 days after our fiscal year-end, is incorporated herein by reference.

#### Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information set forth under the captions “Proposal 2 – Ratification of Independent Registered Public Accounting Firm – Fees Paid to BDO USA, LLP” and “Proposal 2 – Ratification of Independent Registered Public Accounting Firm – Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services” in our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders to be held on May 19, 2023, which we intend to file within 120 days after our fiscal year-end, is incorporated herein by reference.

## **PART IV**

### **Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE**

The following documents are filed as part of this report:

1. Financial Statements – See Index to the Consolidated Financial Statements at Item 8 of this Annual Report on Form 10-K.
2. Financial Statement Schedules - Supplemental schedules are not provided because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.
3. Exhibits – The exhibits listed in the accompanying Index of Exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K.

### **Item 16. FORM 10-K SUMMARY**

None.

## INDEX OF EXHIBITS

<b>Exhibit No.</b>	<b>Description</b>
2.1	<a href="#"><u>Asset Purchase Agreement, dated as of January 11, 2015, by and among The Chefs' Warehouse, Inc., a Delaware corporation, Del Monte Capitol Meat Company, LLC, a Delaware limited liability company, T.J. Foodservice Co., Inc., a California corporation, TJ Seafood, LLC, a California limited liability company, John DeBenedetti, Victoria DeBenedetti, Theresa Lincoln, and John DeBenedetti, as the Sellers' Representative (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on January 15, 2015) (Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and exhibits to this agreement are omitted, but will be provided supplementally to the Securities and Exchange Commission upon request).</u></a>
2.2	<a href="#"><u>Merger Agreement, dated as of January 11, 2015, by and among The Chefs' Warehouse, Inc., a Delaware corporation, Del Monte Merger Sub, LLC, a Delaware limited liability company, Del Monte Capitol Meat Co., Inc., a California corporation, David DeBenedetti, Victoria DeBenedetti, DeBenedetti/Del Monte Trust, and John DeBenedetti, as the Sellers' Representative (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on January 15, 2015) (Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and exhibits to this agreement are omitted, but will be provided supplementally to the Securities and Exchange Commission upon request).</u></a>
2.3	<a href="#"><u>Earn-Out Agreement, dated April 6, 2015 by and among The Chefs' Warehouse, Inc., Del Monte Capitol Meat Company, LLC, T.J. Foodservice Co., Inc., TJ Seafood, LLC, and John DeBenedetti, as the Sellers' Representative (incorporated by reference to Exhibit 2.1 to the Company's 8-K filed on April 9, 2015) (Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and exhibits to this agreement are omitted, but will be provided supplementally to the Securities and Exchange Commission upon request).</u></a>
2.4	<a href="#"><u>Indemnification Agreement, dated April 6, 2015, by and among Del Monte Merger Sub, LLC, The Chefs' Warehouse, Inc., Del Monte Capitol Meat Company, LLC, DeBenedetti/Del Monte Trust, Victoria DeBenedetti, David DeBenedetti, Del Monte Capitol Meat Co., Inc., T.J. Foodservice Co., Inc., TJ Seafood, LLC, John DeBenedetti, Theresa Lincoln and John DeBenedetti, as the Selling Parties' Representative (incorporated by reference to Exhibit 2.2 to the Company's 8-K filed on April 9, 2015) (Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and exhibits to this agreement are omitted, but will be provided supplementally to the Securities and Exchange Commission upon request).</u></a>
2.5	<a href="#"><u>Earn-Out Agreement, dated August 25, 2017 by and among Fells Point, LLC, Fells Point Wholesale Meats, Inc., Erik M. Oosterwijk and Leendert H. Pruissen (incorporated by reference to Exhibit 2.1 to the Company's 8-K filed on August 25, 2017).</u></a>
2.6	<a href="#"><u>Asset Purchase Agreement dated as of August 25, 2017, by and among Fells Point, LLC, a Delaware limited liability company, Fells Point Wholesale Meats, Inc., a Maryland close corporation, Erik M. Oosterwijk, and Leendert H. Pruissen (incorporated by reference to Exhibit 10.1 to the Company's 8-K filed on August 25, 2017) (Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and exhibits to this agreement are omitted, but will be provided supplementally to the Securities and Exchange Commission upon request).</u></a>
3.1	<a href="#"><u>Certificate of Incorporation of the Company, dated as of July 27, 2011 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on August 2, 2011).</u></a>
3.2	<a href="#"><u>Bylaws of the Company, dated as of January 30, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on January 31, 2017).</u></a>
3.3	<a href="#"><u>Amended Bylaws of the Company, dated as of August 3, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on August 4, 2021).</u></a>
3.4	<a href="#"><u>Certificate of Designation of the Voting Powers, Designation, Preferences and Relative, Participating, Optional or Other Special Rights and Qualifications, Limitations and Restrictions of the Series A Preferred Stock of The Chefs' Warehouse, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on March 23, 2020).</u></a>

- 4.0 [Description of Securities \(incorporated by reference to Exhibit 4.0 to the Company's Form 10-K filed on February 24, 2020\).](#)
- 4.1 [Form of Common Stock Certificate \(incorporated by reference to Exhibit 4.1 to the Company's S-1/A filed on July 1, 2011\).](#)
- 4.2 [Indenture, dated as of November 22, 2019, between The Chefs' Warehouse, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee \(incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on November 22, 2019\).](#)
- 4.3 [Form of 1.875% Convertible Senior Note due 2024 \(included as an exhibit to Exhibit 4.2\)](#)
- 4.4 [Rights Agreement, dated as of March 22, 2020, between The Chefs' Warehouse, Inc. and American Stock Transfer & Trust Company, LLC, as Rights Agent \(incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on March 23, 2020\).](#)
- 4.5 [Indenture, dated as of December 13, 2022, between The Chefs' Warehouse, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee \(incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on December 13, 2022\).](#)
- 4.6 [Form of 2.375% Convertible Senior Note due 2028 \(included as an exhibit to Exhibit 4.5\)](#)
- 10.1 [Joint and Several Guaranty of Payment, dated as of April 26, 2012, among The Chefs' Warehouse, Inc., Chefs' Warehouse Parent, LLC, Dairyland USA Corporation, The Chefs' Warehouse Mid-Atlantic, LLC, Bel Canto Foods, LLC, The Chefs' Warehouse West Coast, LLC, and The Chefs' Warehouse of Florida, LLC \(incorporated by reference to Exhibit 10.4 to the Company's Form 8-K filed on April 30, 2012\).](#)
- 10.2 [Lease between The Chefs' Warehouse Leasing Co., LLC and Dairyland USA Corporation, dated as of December 29, 2004 \(incorporated by reference to Exhibit 10.2 to the Company's Form S-1/A filed on June 8, 2011\).](#)
- 10.3 [First Amendment of Lease dated as of January 1, 2015 between Dairyland USA Corporation and TCW Leasing Co., LLC, f/k/a The Chefs' Warehouse Leasing Co., LLC \(incorporated by reference to Exhibit 10.12 to the Company's Form 10-Q filed on August 5, 2015\).](#)
- 10.4 [Lease Agreement, dated as of June 30, 2015, between CW LV Real Estate, LLC, The Chefs' Warehouse, Inc., Chefs' Warehouse Parent, LLC and The Chefs' Warehouse West Coast, LLC, jointly and severally as the Tenant, and CW Nevada Landlord, LLC, as the Landlord \(incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed on July 7, 2015\).](#)
- 10.5\* [Employment Agreement between Christopher Pappas and The Chefs' Warehouse, Inc., together with its subsidiaries, dated as of August 2, 2011 \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on August 2, 2011\).](#)
- 10.6\* [Amended and Restated Employment Agreement between John Pappas and The Chefs' Warehouse, Inc., together with its subsidiaries, dated as of January 12, 2012 \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on January 19, 2012\).](#)
- 10.7\* [Offer letter between Chefs' Warehouse Holdings, LLC and Alexandros Aldous, dated as of February 18, 2011 \(incorporated by reference to Exhibit 10.17 to the Company's Form 10-K filed on March 13, 2013\).](#)
- 10.8\* [Severance Agreement, made as of August 1, 2014, by and between The Chefs' Warehouse, Inc. and Alexandros Aldous \(incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on August 6, 2014\).](#)

- 10.9\* [The Chefs' Warehouse, Inc. 2011 Omnibus Equity Incentive Plan \(incorporated by reference to Exhibit 10.13 to the Company's Form S-1/A filed on July 1, 2011\).](#)
- 10.10\* [The Chefs' Warehouse, Inc. Executive Change in Control Plan \(incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on May 6, 2020\).](#)
- 10.11 [Credit Agreement, dated as of June 22, 2016, by and among Dairyland USA Corporation and Chefs' Warehouse Parent, LLC, as Borrowers, and The Chefs' Warehouse, Inc. and the other Loan Parties party thereto, as Guarantors, the Lenders party thereto and Jefferies Finance LLC, as administrative agent and collateral agent \(the "Term Loan Facility"\) \(incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on June 22, 2016\).](#)
- 10.12 [Amendment No. 1, dated as of September 14, 2016, to the Term Loan Facility \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on September 15, 2016\).](#)
- 10.13 [Amendment No. 2, dated as of September 1, 2017, to the Term Loan Facility \(incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on November 8, 2017\).](#)
- 10.14 [Amendment No. 3, dated as of December 13, 2017, to the Term Loan Facility \(incorporated by reference to Exhibit 10.25 to the Company's Form 10-K filed on March 1, 2019\).](#)
- 10.15 [Amendment No. 4, dated as of November 16, 2018, to the Term Loan Facility \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on November 19, 2018\).](#)
- 10.16 [Amendment No. 5, dated as of November 28, 2019, to the Term Loan Facility \(incorporated by reference to Exhibit 10.25 to the Company's Form 10-K filed on February 24, 2020\).](#)
- 10.17 [Sixth Amendment to Credit Agreement, dated June 8, 2020, by and among Dairyland USA Corporation and Chefs' Warehouse Parent, LLC, as borrowers, The Chefs' Warehouse, Inc., certain other subsidiaries, as guarantors, the lenders party thereto and Jefferies Finance LLC, as administrative agent and collateral agent \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on June 8, 2020\).](#)
- 10.18† [Seventh Amendment to Credit Agreement, dated February 24, 2021, by and among Dairyland USA Corporation and Chefs' Warehouse Parent, LLC, as borrowers, The Chefs' Warehouse, Inc., certain other subsidiaries, as guarantors, the lenders party thereto and Jefferies Finance LLC, as administrative agent and collateral agent.](#)
- 10.19 [Amendment No. 8, dated as of August 23, 2022, to the Term Loan Credit Agreement \(incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on October 26, 2022\).](#)
- 10.20† [Amendment No. 9, dated as of December 7, 2022, to the Term Loan Credit Agreement.](#)
- 10.21 [Credit Agreement, dated as of June 29, 2018, by and among Chefs' Warehouse Parent, LLC and Dairyland USA Corporation, as Borrowers, and The Chefs' Warehouse, Inc., The Chefs' Warehouse Mid-Atlantic, LLC, Bel Canto Foods, LLC, The Chefs' Warehouse West Coast, LLC, The Chefs' Warehouse Of Florida, LLC, Michael's Finer Meats, LLC, Michael's Finer Meats Holdings, LLC, The Chefs' Warehouse Midwest, LLC, Fells Point Holdings, LLC and other Loan Parties party thereto as Guarantors, the Lenders party thereto and BMO Harris Bank N.A., as Administrative Agent and Swing Line Lender \(the "ABL Facility"\) \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on July 2, 2018\).](#)
- 10.22 [Amendment No. 1, dated as of November 28, 2019, to the ABL Facility \(incorporated by reference to Exhibit 10.27 to the Company's Form 10-K filed on February 24, 2020\).](#)

- 10.23† [Amendment No. 2, dated as of February 24, 2021, to the ABL Facility.](#)
- 10.24 [Amendment No. 3, dated as of March 11, 2022, to the ABL Facility \(incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on April 27, 2022\).](#)
- 10.25 [Amendment No. 4, dated as of August 23, 2022 to the ABL Facility \(incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on October 26, 2022\).](#)
- 10.26† [Amendment No. 5, dated as of December 7, 2022 to the ABL Facility.](#)
- 10.27\* [Offer Letter, dated October 17, 2017, by and between The Chefs' Warehouse, Inc. and James Leddy \(incorporated by reference to Exhibit 99.2 to the Company's Form 8-K filed on October 17, 2017\).](#)
- 10.28\* [Offer Letter, dated February 19, 2018, by and between The Chefs' Warehouse Inc. and Tim McCauley \(incorporated by reference to Exhibit 99.2 to the Company's Form 8-K filed on February 20, 2018\).](#)
- 10.29 [Cooperation Agreement dated January 15, 2018, among The Chefs' Warehouse, Inc., Legion Partners, L.P. I, Legion Partners, L.P. II, Legion Partners Special Opportunities, L.P. VII, Legion Partners, LLC, Legion Partners Asset Management, LLC, Legion Partners Holdings, LLC, Christopher S. Kiper, and Raymond White \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on January 16, 2018\).](#)
- 10.30\* [Form of Indemnification Agreement by and between The Chefs' Warehouse, Inc. and its directors and executive officers \(incorporated by reference to Exhibit 10.24 to the Company's Form S-1/A filed on July 14, 2011\).](#)
- 10.31\* [The Chefs' Warehouse, Inc. Amended and Restated 2019 Omnibus Equity Incentive Plan \(incorporated by reference to Exhibit 99.1 to the Company's Form S-8 filed on May 26, 2022\).](#)
- 10.32\* [Form of Restricted Share Award Agreement under The Chefs' Warehouse, Inc. Omnibus Equity Incentive Plan \(incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on July 31, 2019\).](#)
- 10.33\* [Form of Performance Restricted Share Award Agreement under The Chefs' Warehouse, Inc. Omnibus Equity Incentive Plan \(incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on July 31, 2019\).](#)
- 10.34\* [Form of Non-Qualified Stock Option Agreement under The Chefs' Warehouse, Inc. Omnibus Equity Incentive Plan \(incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q filed on July 31, 2019\).](#)
- 10.35\* [Form of Restricted Share Award Agreement under The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on May 6, 2020\).](#)
- 10.36\* [Form of Executive Severance Agreement \(incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on May 6, 2020\).](#)
- 10.37\* [The Chefs' Warehouse, Inc 2020 Cash Incentive Plan \(incorporated by reference to Exhibit 10.41 to the Company's Form 10-K filed on February 23, 2021\).](#)
- 10.38\* [2021 Form of Restricted Share Award Agreement - Directors \(incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on July 28, 2021\).](#)

10.39*	<a href="#"><u>2021 Non-Employee Director Deferral Plan (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on July 28, 2021).</u></a>
10.40†	<a href="#"><u>The Chefs's Warehouse, Inc. Seventh Amended and Restated Compensation and Human Capital Committee Charter as adopted by the Board of Directors, November 1, 2022.</u></a>
14.1	<a href="#"><u>The Chefs' Warehouse, Inc. Code of Business Conduct and Ethics (incorporated by reference to Exhibit 14.1 to the Company's Form 10-Q filed on August 6, 2013).</u></a>
21†	<a href="#"><u>Subsidiaries of the Company.</u></a>
23.1†	<a href="#"><u>Consent of the Independent Registered Public Accounting Firm.</u></a>
31.1†	<a href="#"><u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2†	<a href="#"><u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1†	<a href="#"><u>Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2†	<a href="#"><u>Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS†	XBRL Instance Document – the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Schema Document
101.CAL†	XBRL Calculation Linkbase Document
101.DEF†	XBRL Definition Linkbase Document
101.LAB†	XBRL Label Linkbase Document
101.PRE†	XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.
*	Management Contract or Compensatory Plan or Arrangement
†	Filed herewith

## SIGNATURES

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 February 28, 2023.

### THE CHEFS' WAREHOUSE, INC.

February 28, 2023

/s/ Christopher Pappas

Christopher Pappas

Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Christopher Pappas</u> Christopher Pappas	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 28, 2023
<u>/s/ James Leddy</u> James Leddy	Chief Financial Officer (Principal Financial Officer)	February 28, 2023
<u>/s/ Timothy McCauley</u> Timothy McCauley	Chief Accounting Officer (Principal Accounting Officer)	February 28, 2023
<u>/s/ John Pappas</u> John Pappas	Director and Vice Chairman	February 28, 2023
<u>/s/ Alan Guarino</u> Alan Guarino	Director	February 28, 2023
<u>/s/ Dominick C. Cerbone</u> Dominick C. Cerbone	Director	February 28, 2023
<u>/s/ Joseph Cugine</u> Joseph Cugine	Director	February 28, 2023
<u>/s/ Stephen Hanson</u> Stephen Hanson	Director	February 28, 2023
<u>/s/ Katherine Oliver</u> Katherine Oliver	Director	February 28, 2023
<u>/s/ Steven F. Goldstone</u> Steven F. Goldstone	Director	February 28, 2023
<u>/s/ Ivy Brown</u> Ivy Brown	Director	February 28, 2023
<u>/s/ Aylwin Lewis</u> Aylwin Lewis	Director	February 28, 2023

## SEVENTH AMENDMENT TO CREDIT AGREEMENT

This SEVENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of February 24, 2021, by and among DAIRYLAND USA CORPORATION, a New York corporation ("Dairyland"), CHEFS' WAREHOUSE PARENT, LLC, a Delaware limited liability company (together with Dairyland, the "Borrowers"), THE CHEFS' WAREHOUSE, INC., a Delaware corporation ("Holdings"), the other Loan Parties party hereto, the Lenders party hereto and Jefferies Finance LLC ("Jefferies"), as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (in such capacity, the "Collateral Agent" or, as Administrative Agent and Collateral Agent, the "Agents").

WITNESSETH:

**WHEREAS**, the Borrowers, Holdings, the other Loan Parties party thereto, certain Lenders party thereto and the Agents, among others, are parties to that certain Credit Agreement, dated as of June 22, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement");

**WHEREAS**, pursuant to and in accordance with Section 9.02 of the Existing Credit Agreement, the Borrowers have requested that the Lenders amend, and the Lenders party hereto (collectively, the "Seventh Amendment Consenting Lenders") have agreed to so amend, the Existing Credit Agreement in the manner set forth in Section 2 hereof;

**WHEREAS**, the Agents and the Seventh Amendment Consenting Lenders are willing, on the terms and subject to the conditions set forth below, to enter into the amendments, modifications and agreements set forth in this Amendment; and

**WHEREAS**, the Seventh Amendment Consenting Lenders collectively constitute the Required Lenders under the Existing Credit Agreement and consent to the Loan Parties entering into and authorize, instruct and direct the Administrative Agent and Collateral Agent to enter into this Amendment.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Defined Terms.** Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings ascribed thereto in the Existing Credit Agreement, as amended hereby (the "Amended Credit Agreement").

2. **Amendments.** Subject to the satisfaction (or waiver by the Administrative Agent and the Required Lenders) of the conditions precedent set forth in Section 5 below, the Loan Parties, the Seventh Amendment Consenting Lenders and the Agents hereby agree as follows:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating the following definitions as follows:

"1.875% Convertible Notes" means the 1.875% Convertible Senior Notes due 2024 issued by Holdings pursuant to an Indenture dated as of November 22, 2019, between Holdings and The Bank of New York Mellon Trust Company, N.A., as Trustee (as amended in accordance with its terms).

"Permitted Convertible Notes" means, collectively, (a) Permitted Convertible Seller Notes and (b) any other unsecured notes issued by Holdings that are convertible into common stock of Holdings, cash or any combination thereof; provided that, for purposes of clause (b) of this definition, the Indebtedness thereunder satisfies the following requirements: (i) both immediately prior to and after giving effect (including pro forma effect) to the incurrence of such Indebtedness, no Default or Event of Default shall exist or result therefrom, (ii) such Indebtedness matures after, and does not require any scheduled amortization or other scheduled payments of principal prior to, (A) with respect to such Indebtedness incurred prior to the Sixth Amendment Date, the date that is six (6) months after June 22, 2022, (B) with respect to any 1.875% Convertible Notes, November 30, 2024 and (C) with respect to such Indebtedness incurred on or after the Sixth Amendment Date (other than any 1.875% Convertible Notes), the date that is six (6) months after the Latest Maturity Date (it being understood that, in each case, neither (x) any provision requiring an offer to purchase such Indebtedness as a result of change of control or asset sale or other fundamental change nor (y) any early conversion of any Permitted Convertible Notes in accordance with the terms thereof shall violate the foregoing restriction), (iii) such Indebtedness is not guaranteed by any Subsidiary of Holdings other than the Loan Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness) and (iv) the covenants applicable to such Indebtedness are not more onerous or more restrictive in any material respect (taken as a whole) than the applicable covenants set forth in this Agreement.

(b) Section 2.11(f) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

(f) The Borrower Representative shall notify the Administrative Agent by telephone (confirmed by facsimile) of any prepayment hereunder not later than 10:00 a.m., New York City time, (A) in the case of prepayment of a Eurodollar Borrowing, three (3) Business Days before the date of prepayment, or (B) in the case of prepayment of an ABR Borrowing, one (1) Business Day before the date of prepayment (or, in each case in the foregoing clauses (A) and (B), such shorter time periods as agreed by the Administrative Agent in its sole discretion); provided, that notwithstanding the foregoing, no notice shall be required for the making of the Sixth Amendment Prepayment (as defined in the Sixth Amendment) on the Sixth Amendment Date. Each such notice shall (i) specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid and (ii) be irrevocable, except that such notice may be conditioned upon the effectiveness of other credit facilities or transactions on the specified prepayment date, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to such specified prepayment date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13, amounts due under Section 2.16 and the prepayment premiums referred to in Sections 2.12(b) and 2.12(e).

(c) Section 6.01(j) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

(j) (i) unsecured Subordinated Indebtedness under any Permitted Convertible Seller Notes in an aggregate principal amount not to exceed \$36,750,000 at any time outstanding and (ii) other unsecured or Subordinated Indebtedness of the Borrowers or Holdings in an aggregate principal amount not exceeding (A) \$80,000,000 at any time outstanding *plus* (B) an unlimited amount so long as (x) the Total Leverage Ratio would not exceed 4.90:1.00 calculated on a pro forma basis (including the application of the proceeds of any such Indebtedness) as of the last day of the most recent Fiscal Quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, as of the last Fiscal Quarter included in the financial statements referred to in Section 3.04(a)) and (y) the Borrower Representative shall have delivered to the Administrative Agent a certificate of a Financial Officer of Holdings, setting forth reasonably detailed calculations demonstrating the satisfaction of the condition appearing in clause (x) above; provided that such Indebtedness shall satisfy each of the following requirements: (1) such Indebtedness matures after, and does not require any scheduled amortization or other scheduled payments of principal prior to, (A) with respect to such Indebtedness incurred prior to the Sixth Amendment Date, the date that is 91 days after June 22, 2022, (B) with respect to any 1.875% Convertible Notes, November 30, 2024 and (C) with respect to such Indebtedness incurred on or after the Sixth Amendment Date (other than any 1.875% Convertible Notes), the date that is 91 days after the Latest Maturity Date (it being understood that, in each case, neither (x) any provision requiring an offer to purchase such Indebtedness as a result of change of control or asset sale or other fundamental change nor (y) any early conversion of any Permitted Convertible Notes in accordance with the terms thereof shall violate the foregoing restriction), (2) such Indebtedness is not guaranteed by any Subsidiary of Holdings other than the Loan Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness), (3) to the extent any such Indebtedness constitutes Subordinated Indebtedness, such Indebtedness shall be subject to the terms of a customary subordination agreement (and if such Indebtedness is secured, an intercreditor agreement) in form and substance reasonably acceptable to the Administrative Agent, and (4) to the extent any such Subordinated Indebtedness is secured by the Collateral, the Liens securing such Subordinated Indebtedness shall rank junior to the Liens securing the Secured Obligations; provided further that, for the avoidance of doubt, the amount available to the Borrowers or Holdings pursuant to clause (A) above shall be available at all times and shall not be subject to the ratio test described in clause (B) above and the Borrowers or Holdings may incur such Indebtedness under either clause (A) or (B) above in such order as they may elect in their sole discretion;

3. Fees. On the Seventh Amendment Date, the Borrowers shall pay to the Administrative Agent, for the benefit of each Seventh Amendment Consenting Lender who unconditionally submits an executed signature page to this Amendment to the Administrative Agent at [ChefsFeb21@Lendamend.com](mailto:ChefsFeb21@Lendamend.com) on or prior to February 24, 2021 at 12:00 p.m. (New York time), a consent fee equal to 0.05% of the aggregate principal amount of Term Loans of such Seventh Amendment Consenting Lender outstanding

under the Existing Credit Agreement immediately prior to the effectiveness of this Amendment, which fee shall be non-refundable and fully earned and payable on the Seventh Amendment Date.

4. Representations and Warranties. In order to induce the other parties hereto to enter into this Amendment in the manner provided herein, each Loan Party represents and warrants to the other parties hereto that the following statements are true and correct:

(a) each of the representations and warranties contained in the Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the Seventh Amendment Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of such earlier date;

(b) the transactions contemplated by this Amendment are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders;

(c) this Amendment has been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(d) the transactions contemplated by this Amendment (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (ii) will not violate any Requirement of Law applicable to any Loan Party or any of its Subsidiaries, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of its Subsidiaries or the assets of any Loan Party or any of its Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Subsidiaries, and (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries, except Liens created pursuant to the Loan Documents, or subject to the Intercreditor Agreement, the ABL Loan Documents; and

(e) as of the date hereof and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

5. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction (or waiver by the Administrative Agent and the Required Lenders) of the following conditions (the date on which all such conditions are so satisfied (or waived) is referred to herein as the "Seventh Amendment Date"):

(a) the Administrative Agent shall have received a certificate, dated the Seventh Amendment Date, executed by the President, a Vice President or a Financial Officer of the Borrower Representative, certifying that, as of the Seventh Amendment Date, (i) the representations and warranties contained in this Amendment and the other Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of such date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse

Effect, in all respects) on and as of such earlier date; (ii) as of the Seventh Amendment Date and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and (iii) this Amendment is effected in accordance with the terms of the Existing Credit Agreement, the ABL Loan Documents and the Intercreditor Agreement;

(b) Holdings and the Borrowers shall have paid to the Administrative Agent all fees, costs and expenses due and payable under this Amendment (including under Sections 3 and 9 hereof);

(c) the Administrative Agent shall have received counterparts of this Amendment duly executed by Holdings, the Borrowers, each other Loan Party, the Administrative Agent and Lenders constituting the Required Lenders; and

(d) the Administrative Agent shall have received an executed copy of an amendment to the ABL Facility dated as of the date hereof in form and substance reasonably satisfactory to the Administrative Agent (the "ABL Amendment").

## 6. GOVERNING LAW AND WAIVER OF JURY TRIAL.

(a) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflict of law principles (other than sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) To the fullest extent permitted by applicable law, each Loan Party hereby irrevocably submits to the exclusive jurisdiction of any New York State court or federal court sitting in the County of New York and the Borough of Manhattan in respect of any claim, suit, action or proceeding arising out of or relating to the provisions of this Amendment and irrevocably agree that all claims in respect of any such claim, suit, action or proceeding may be heard and determined in any such court and that service of process therein may be made by certified mail, postage prepaid, to your address set forth above. Each Loan Party hereby waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any such claim, suit, action or proceeding brought in any such court, and any claim that any such claim, suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment shall affect any right that the Agents or any Lender may otherwise have to bring any action or proceeding relating to this Amendment against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Amendment irrevocably consents to service of process in the manner provided for notices in Section 9.01 of the Existing Credit Agreement. Nothing in this Amendment will affect the right of any party to this Amendment to serve process in any other manner permitted by law.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS

AMENDMENT, THE AMENDED CREDIT AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

7. Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall become effective on the Seventh Amendment Date. Except as provided in Section 5, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

8. Reference to and Limited Effect on the Existing Credit Agreement and the Other Loan Documents.

(a) On and after the Seventh Amendment Date, (x) each reference in the Amended Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Existing Credit Agreement, and (y) each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof", "therein" or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

(b) Except as specifically amended by this Amendment, the Existing Credit Agreement and each of the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Agents or Lenders under, the Amended Credit Agreement or any of the other Loan Documents.

(d) Each Loan Party hereby (i) ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Existing Credit

Agreement, the Amended Credit Agreement and the other Loan Documents and (ii) acknowledges, ratifies and confirms that such liabilities, obligations and agreements constitute valid and existing Obligations under the Amended Credit Agreement, in each case, to the extent such Loan Party is a party thereto. In addition, each Loan Party hereby ratifies, confirms and reaffirms (i) the liens and security interests granted, created and perfected under the Collateral Documents and any other Loan Documents and (ii) that each of the Collateral Documents to which it is a party remain in full force and effect notwithstanding the effectiveness of this Amendment. Without limiting the generality of the foregoing, each Loan Party further agrees (A) that any reference to "Obligations" contained in any Collateral Documents shall include, without limitation, the "Obligations" (as such term is defined in the Amended Credit Agreement) and (B) that the related guarantees and grants of security contained in such Collateral Documents shall include and extend to such Obligations. This Amendment shall not constitute a modification of the Existing Credit Agreement, except as specified under Section 2 hereto, or a course of dealing with the Agents or any Lender at variance with the Existing Credit Agreement such as to require further notice by any Agent or any Lender to require strict compliance with the terms of the Amended Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. This Amendment contains the entire agreement among the Loan Parties and the Seventh Amendment Consenting Lenders contemplated by this Amendment. No Loan Party has any knowledge of any challenge to the Agent's or any Lender's claims arising under the Loan Documents or the effectiveness of the Loan Documents. The Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations, or otherwise with respect to the Existing Credit Agreement or any other Loan Document, or to constitute a mutual departure from the strict terms, provisions and conditions of the Existing Credit Agreement or any other Loan Document other than with respect to the amendments set forth in Section 2 hereof, or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

(e) Each Loan Party hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to the amendment of the Existing Credit Agreement effected pursuant to this Amendment.

(f) Each Loan Party that is not a Borrower acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Loan Party is not required by the terms of the Existing Credit Agreement or any other Loan Document to consent to the amendments to the Existing Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Amended Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Loan Party to any future amendments to the Amended Credit Agreement.

(g) The parties hereto acknowledge and agree that, for all purposes under the Amended Credit Agreement and the other Loan Documents, this Amendment constitutes a "Loan Document" under and as defined in the Amended Credit Agreement.

(h) For the avoidance of doubt, the Required Lenders hereto consent to the Loan Parties entering into the ABL Amendment.

9. Expenses. The Borrowers and Holdings agree, jointly and severally, to pay on demand all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment, including, without limitation, all attorney costs.

10. Severability. Any provision of any this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining

provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

11. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

12. Conflicts. In the event of any conflict between the terms of this Amendment and the terms of the Amended Credit Agreement or any of the other Loan Documents, the terms of this Amendment shall govern.

**NINTH AMENDMENT TO CREDIT AGREEMENT**

This NINTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of December 7, 2022, by and among DAIRYLAND USA CORPORATION, a New York corporation (“Dairyland”), CHEFS’ WAREHOUSE PARENT, LLC, a Delaware limited liability company (together with Dairyland, the “Borrowers”), THE CHEFS’ WAREHOUSE, INC., a Delaware corporation (“Holdings”), the other Loan Parties party hereto, the Lenders party hereto and Jefferies Finance LLC (“Jefferies”), as administrative agent for the Lenders (in such capacity, the “Administrative Agent”) and as collateral agent for the Secured Parties (in such capacity, the “Collateral Agent” or, as Administrative Agent and Collateral Agent, the “Agents”).

WITNESSETH:

**WHEREAS**, the Borrowers, Holdings, the other Loan Parties party thereto, certain Lenders party thereto and the Agents, among others, are parties to that certain Credit Agreement, dated as of June 22, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “Existing Credit Agreement”);

**WHEREAS**, pursuant to the Existing Credit Agreement, the Lenders (as defined in the Existing Credit Agreement) have extended credit in the form of Term Loans (as defined in the Existing Credit Agreement) (the “Existing Term Loans”) to the Borrowers pursuant to the terms and subject to the conditions set forth in the Existing Credit Agreement;

**WHEREAS**, pursuant to and in accordance with Section 9.02 of the Existing Credit Agreement, the Borrowers have requested that the Lenders amend, and the Lenders (including the Replacement Lenders (as defined in Section 8 below)) party hereto (including pursuant to a Consent (as defined below)) have agreed to so amend, the Existing Credit Agreement in the manner set forth in Section 2 hereof;

**WHEREAS**, each Lender (including each Replacement Lender) that executes and delivers a lender consent in substantially the same form attached as Annex A hereto (or such other form as the Administrative Agent may approve) (a “Consent”) (each such Lender (other than any Replacement Lender) in such capacity, a “Consenting Lender”) will, by the fact of such execution and delivery, be deemed to amend the terms and conditions of the Existing Credit Agreement on the terms set forth herein; and

**WHEREAS**, (x) the Consenting Lenders collectively constitute the “Required Lenders” under the Existing Credit Agreement, (y) the Consenting Lenders and the Replacement Lenders collectively constitute all of the Lenders party to the Existing Credit Agreement (after giving effect to the Non-Consenting Lender Replacement (as defined in Section 8 below)), and (z) the Consenting Lenders and the Replacement Lenders (after giving effect to the Non-Consenting Lender Replacement) collectively will constitute all of the Lenders party to the Amended Credit Agreement (as defined in Section 1 below) immediately after giving effect to this Amendment, and each of the Consenting Lenders and the Replacement Lenders consents to the Loan Parties entering into, and authorizes, instructs and directs the Administrative Agent and the Collateral Agent to enter into, this Amendment, to amend certain provisions of the Existing Credit Agreement as set forth herein.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings ascribed thereto in the Existing Credit Agreement, as amended hereby (the “Amended Credit Agreement”).
2. Amendments. Subject to the satisfaction (or waiver) of the conditions precedent set forth in Section 7 below, the Existing Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating each of the following definitions in its entirety as follows:

“Maturity Date” means the earlier of (i) August 23, 2029, and (ii) the date that is 181 days prior to the scheduled maturity date of any individual tranche of unsecured Indebtedness of which a principal amount in excess of \$40,000,000 remains outstanding on such date.

“Permitted Convertible Notes” means, collectively, (a) Permitted Convertible Seller Notes, (b) any other unsecured notes issued by Holdings that are convertible into common stock of Holdings, cash or any combination thereof; provided that, for purposes of clause (b) of this definition, the Indebtedness thereunder satisfies the following requirements: (i) both immediately prior to and immediately after giving effect (including pro forma effect) to the incurrence of such Indebtedness, no Default or Event of Default shall exist or result therefrom, (ii) such Indebtedness does not require any scheduled amortization, other scheduled payments of principal or any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case prior to the date that is 91 days after the Latest Maturity Date (or, in the case of any such Indebtedness, together with unsecured Indebtedness incurred under Section 6.01(n), unsecured Permitted Ratio Debt incurred under Section 6.01(s) and unsecured Incremental Equivalent Debt incurred under Section 6.01(t), in an aggregate principal amount not exceeding the Unsecured Debt Amount at any time outstanding, prior to its scheduled maturity date) (other than (A) payments as part of an “applicable high yield discount obligation” catch-up payment, (B) customary offers to repurchase in connection with any change of control, asset disposition, casualty event or fundamental change, (C) customary acceleration rights after an event of default, (D) any conversion of any such Indebtedness in accordance with the terms thereof, and (E) any issuance of Equity Interests and/or any cash payment in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any such Indebtedness) (for the avoidance of doubt, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted), (iii) such Indebtedness is not guaranteed by any Subsidiary of Holdings other than the Loan Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness), and (iv) the covenants applicable to such Indebtedness are not more onerous or more restrictive in any material respect (taken as a whole) than the applicable covenants set forth in this Agreement, (c) the 1.875% Convertible Notes, and (d) any other unsecured notes issued by Holdings that are convertible into common stock of Holdings, cash or any combination thereof, so long as such notes are issued pursuant to clauses (f), (m), (n), (s) or (t) of Section 6.01.

“Permitted Ratio Debt” means Indebtedness incurred by the Borrowers or any Loan Party in the form of one or more series of notes or loans; provided that (i) such Indebtedness shall rank *pari passu* or junior in right of payment to the Secured Obligations, (ii) in the case of secured Indebtedness, such Indebtedness shall not have a shorter Average Life than the remaining Average Life of the then-existing Loans or a maturity date earlier than the Latest Maturity Date (or, if such Indebtedness is secured on a junior basis to the Secured Obligations, a maturity date earlier than the date that is 91 days after the Latest Maturity Date), (iii) such Indebtedness is not at any time guaranteed by any Person that is not a Loan Party or secured by any assets other than the Collateral, (iv) in the case of such Indebtedness that is secured, (x) such Indebtedness shall be subject to an intercreditor agreement reasonably acceptable to the Administrative Agent and (y) in the case of such Indebtedness that is in the form of loans that are secured on a *pari passu* basis with the Secured Obligations and is incurred on or prior to the date that is the two-year anniversary of the Eighth Amendment Date, the All-in-Yield for such loans shall be subject to the “most favored nation” requirements set forth in Section 2.22(c)(iii), as applicable, and (v) in the case of such Indebtedness that is unsecured, such Indebtedness shall not require any scheduled amortization, other scheduled payments of principal or

any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case prior to the date that is 91 days after the Latest Maturity Date (or, in the case of any such Indebtedness, together with unsecured Indebtedness under Permitted Convertible Notes incurred under Section 6.01(m), unsecured Indebtedness incurred under Section 6.01(n) and unsecured Incremental Equivalent Debt incurred under Section 6.01(t), in an aggregate principal amount not exceeding the Unsecured Debt Amount at any time outstanding, prior to its scheduled maturity date) (other than (A) payments as part of an “applicable high yield discount obligation” catch-up payment, (B) customary offers to repurchase in connection with any change of control, asset disposition, casualty event or fundamental change, (C) customary acceleration rights after an event of default, (D) any conversion of such Indebtedness in accordance with the terms thereof, and (E) any issuance of Equity Interests and/or any cash payment in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any such Indebtedness) (for the avoidance of doubt, in the case of such Indebtedness that is unsecured, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted).

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings or any of its Subsidiaries to their Equity Interest holders in such capacity, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in Holdings or its Subsidiaries or any option, warrant or other right to acquire any such Equity Interests in Holdings or its Subsidiaries, or any payment of management or similar fees to any Person. Notwithstanding the foregoing, and for the avoidance of doubt, (i) the conversion, redemption, retirement, prepayment, exchange, repurchase or cancellation of (including any issuance of common Equity Interests and/or cash payment upon conversion, redemption, retirement, prepayment, exchange, repurchase or cancellation), or payment of any principal or premium on, or payment of any interest with respect to, any Permitted Convertible Notes shall not constitute a Restricted Payment and (ii) any payment with respect to, or early unwind or settlement of, any Permitted Call Spread Swap Agreement shall not constitute a Restricted Payment.

“Unsecured Debt Amount” means, on any date, an amount equal to (i) \$350,000,000 minus (ii) the aggregate principal amount of 1.875% Convertible Notes outstanding on such date.

follows:

(b) Clause (m) of Section 6.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(m) Indebtedness under Permitted Convertible Notes in an aggregate principal amount not exceeding \$200,000,000 at any time outstanding;

follows:

(c) Clause (n) of Section 6.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(n) Indebtedness incurred to finance Permitted Acquisitions after the Eighth Amendment Date in an aggregate principal amount not exceeding at any time outstanding the aggregate principal amount set forth under clause (a) of the Incremental Cap (less the aggregate principal amount of any Incremental Term Loans or Incremental Equivalent Debt incurred in reliance on clause (a) of the Incremental Cap); provided that (i) no Event of Default exists (or would result therefrom), (ii) if such Indebtedness is borrowed or issued by any Loan Party, it shall not be guaranteed by any Person that is not a Loan Party or secured by any assets other than the Collateral, (iii) in the case such Indebtedness is secured, such Indebtedness shall not have a shorter Average Life than the remaining Average Life of the then-existing Loans or a maturity date earlier than the Latest Maturity Date, (iv) such Indebtedness shall rank *pari passu* or junior in right of payment

with the Secured Obligations, and (v) in the case of such Indebtedness of the Loan Parties that is secured on a *pari passu* basis with or junior basis to the Secured Obligations, (x) such Indebtedness shall be subject to an intercreditor agreement reasonably acceptable to the Administrative Agent and (y) in the case of such Indebtedness that is in the form of loans that are secured on a *pari passu* basis with the Secured Obligations and is incurred on or prior to the date that is the two-year anniversary of the Eighth Amendment Date, the All-in-Yield for such loans shall be subject to the “most favored nation” requirements set forth in Section 2.22(c)(iii), as applicable; provided, further, that in the case of any such Indebtedness of the Loan Parties that is secured on a junior basis to the Secured Obligations, (i) such Indebtedness shall not have a shorter Average Life than the remaining Average Life of the Loans or a maturity date prior to the date that is 91 days after the Latest Maturity Date and (ii) such Indebtedness shall not be guaranteed by any Person that is not a Loan Party and shall not be secured by any assets other than the Collateral unless, in each case, such Indebtedness was incurred in order to finance the acquisition of (x) a target that becomes a Subsidiary but not a Loan Party hereunder (in which case such target may guarantee such Indebtedness but not the Secured Obligations) or (y) assets that are “Excluded Assets” (in which case such assets may secure such Indebtedness but not the Secured Obligations); provided, further, that if such Indebtedness is unsecured, such Indebtedness shall not require any scheduled amortization, other scheduled payments of principal or any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case prior to the date that is 91 days after the Latest Maturity Date (or, in the case of any such Indebtedness, together with unsecured Indebtedness under Permitted Convertible Notes incurred under Section 6.01(m), unsecured Permitted Ratio Debt incurred under Section 6.01(s) and unsecured Incremental Equivalent Debt incurred under Section 6.01(t), in an aggregate principal amount not exceeding the Unsecured Debt Amount at any time outstanding, prior to its scheduled maturity date) (other than (A) payments as part of an “applicable high yield discount obligation” catch-up payment, (B) customary offers to repurchase in connection with any change of control, asset disposition, casualty event or fundamental change, (C) customary acceleration rights after an event of default, (D) any conversion of such Indebtedness in accordance with the terms thereof, and (E) any issuance of Equity Interests and/or any cash payment in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any such Indebtedness) (for the avoidance of doubt, in the case of such Indebtedness that is unsecured, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted);

follows: (d) Clause (t) of Section 6.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(t) Indebtedness incurred by the Borrowers (which may be unsecured or secured on a junior lien basis or a *pari passu* basis with the Secured Obligations) (the “Incremental Equivalent Debt”); provided that (i) on the date of incurrence of such Indebtedness, no Event of Default shall have occurred and be continuing or would result therefrom, (i) such Incremental Equivalent Debt shall be subject to (and comply with) the provisions of Section 2.22(c) (other than, if such Indebtedness is unsecured, the provisions set forth in clause (ii) thereof); provided that (a) if such Indebtedness is secured, the All-in-Yield for such Incremental Equivalent Debt shall be subject to the “most favored nation” requirements set forth in Section 2.22(c)(iii) only to the extent that such Incremental Equivalent Debt is incurred on or prior to the date that is the two-year anniversary of the Eighth Amendment Date, and (b) notwithstanding the requirements set forth in Section 2.22(c), if such Indebtedness is unsecured, such Indebtedness shall not require any scheduled amortization, other scheduled payments of principal or any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case prior to the date that is 91 days after the Latest Maturity Date (or, in the case of any such Indebtedness, together with unsecured Indebtedness under Permitted Convertible Notes incurred under Section 6.01(m), unsecured Indebtedness incurred under Section 6.01(n) and unsecured Permitted Ratio Debt incurred under Section 6.01(s), in an aggregate

principal amount not exceeding the Unsecured Debt Amount at any time outstanding, prior to its scheduled maturity date) (other than (A) payments as part of an “applicable high yield discount obligation” catch-up payment, (B) customary offers to repurchase in connection with any change of control, asset disposition, casualty event or fundamental change, (C) customary acceleration rights after an event of default, (D) any conversion of such Indebtedness in accordance with the terms thereof, and (E) any issuance of Equity Interests and/or any cash payment in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any such Indebtedness) (for the avoidance of doubt, in the case of such Indebtedness that is unsecured, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted), (ii) immediately after giving effect to the incurrence of such Incremental Equivalent Debt, the Incremental Cap is not exceeded, and (iii) the Borrower Representative shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Borrower Representative, setting forth reasonably detailed calculations demonstrating the satisfaction of any applicable First Lien Leverage Ratio, Secured Leverage Ratio, or Total Leverage Ratio test applicable to such to the incurrence of the Incremental Equivalent Debt;

follows: (e) Clause (o) of Section 6.05 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(o) dispositions of investment securities, cash and cash equivalents in the ordinary course of business;

follows: (f) Clause (x) of Section 6.08(b) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(x) payment of regularly scheduled interest payments in respect of Permitted Convertible Notes permitted pursuant to Section 6.01, so long as no Default or Event of Default has occurred and is continuing or would be caused by such payment; and

follows: (g) Clause (ix) of Section 6.08(b) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(ix) issuance of Equity Interests, or making cash payments, in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any Permitted Convertible Notes;

follows: (h) Clause (g) of Article VII of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(g) after giving effect to any applicable grace periods with respect thereto, any event or condition occurs that results in the ABL Facility or any other Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of the ABL Facility or any Material Indebtedness or any trustee or agent on its or their behalf to cause any of the ABL Obligations or any Material Indebtedness, as applicable, to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness in accordance with the terms hereof so long as the proceeds of such sale are sufficient to repay such Indebtedness in full, (y) any redemption, repurchase, conversion (or the vesting of any conversion right) or settlement with respect to any Permitted Convertible Notes pursuant to their terms unless such redemption, repurchase, conversion (or vesting) or settlement results from a default thereunder or an event of the type that constitutes an Event of Default or (z) any early payment requirement or unwinding or termination with respect to any Permitted Call Spread Swap Agreement;

3. [Reserved].

4. Fees. On the Ninth Amendment Date, the Borrowers shall pay to the Administrative Agent, for the benefit of (i) each Consenting Lender who has delivered its Consent to the Administrative Agent on or prior to 4:00 p.m. (New York time) on December 6, 2022 (the "Consent Deadline"), a consent fee equal to 0.05% of the aggregate principal amount of such Consenting Lender's Term Loans as of the Ninth Amendment Date immediately prior to giving effect to the Ninth Amendment, and (ii) each Replacement Lender who has delivered its Consent to the Administrative Agent on or prior to the Consent Deadline, a consent fee equal to 0.05% of the aggregate principal amount of Term Loans purchased by such Replacement Lender pursuant to Section 8 below, in each case, which fees shall be non-refundable and fully earned and payable on the Ninth Amendment Date; provided that, the Administrative Agent shall pay over the applicable amounts to each Lender without any withholding or deduction for or on the account of taxes, except as required by applicable Law, and if any such withholding or deduction is required to be made, the Borrowers shall provide a gross-up in respect of such withholding or deduction to the extent required by Section 2.17 of the Existing Credit Agreement.

5. Representations and Warranties. In order to induce the other parties hereto to enter into this Amendment in the manner provided herein, each Loan Party represents and warrants to the other parties hereto that the following statements are true and correct:

(a) each of the representations and warranties contained in the Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the Ninth Amendment Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of such earlier date;

(b) the transactions contemplated by this Amendment are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders;

(c) this Amendment has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(d) the transactions contemplated by this Amendment (i) do not require any material consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (ii) will not violate any Requirement of Law applicable to any Loan Party or any of its Restricted Subsidiaries (as defined in the Amended Credit Agreement), (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of its Restricted Subsidiaries or the assets of any Loan Party or any of its Restricted Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Restricted Subsidiaries, and (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Restricted Subsidiaries, except Liens created pursuant to the Loan Documents, or subject to the Intercreditor Agreement, the ABL Loan Documents, except, in each case referred to in the foregoing clauses (ii), (iii) and (iv), where such violation or Lien would not reasonably be expected to result in a Material Adverse Effect (as defined in the Amended Credit Agreement);

(e) as of the date hereof and immediately after giving effect to this Amendment and the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing; and

(f) as of the Ninth Amendment Date, the information included in the Beneficial Ownership Certification previously delivered by each Borrower to the Administrative Agent is true and correct in all respects.

1. Additional Agreements. Each Person that executes and delivers a signature page to this Amendment (including by way of an executed Consent) in the capacity of a Consenting Lender or a Replacement Lender irrevocably consents to the terms of this Amendment and the Amended Credit Agreement.

2. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction (or waiver by the Administrative Agent, the Consenting Lenders and the Replacement Lenders) of the following conditions (the date on which all such conditions are so satisfied (or waived) is referred to herein as the “Ninth Amendment Date”):

(a) the Administrative Agent shall have received a certificate, dated the Ninth Amendment Date, executed by the President, a Vice President or a Financial Officer of the Borrower Representative, certifying that, as of the Ninth Amendment Date, (i) the representations and warranties contained in this Amendment and the other Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of such date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of such earlier date; (ii) as of the Ninth Amendment Date and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and (iii) this Amendment is effected in accordance with the terms of the Existing Credit Agreement, the ABL Loan Documents and the Intercreditor Agreement;

(b) Holdings and the Borrowers shall have paid to the Administrative Agent all accrued fees and all reasonable and documented costs and expenses due and payable under this Amendment (including under Sections 4 and 12 hereof) to the extent invoiced at least one Business Day prior to the Ninth Amendment Date (or such later date as the Borrower Representative may agree);

(c) the Borrowers shall have paid in full all accrued and unpaid interest on the Term Loans that has accrued through but excluding the Ninth Amendment Date;

(d) the Administrative Agent shall have received (x) Consents (which shall serve as counterparts to this Amendment) duly executed by the Lenders (constituting at least the Required Lenders under the Existing Credit Agreement (without giving effect to the Non-Consenting Lender Replacement), (y) Consents (which shall serve as counterparts to this Amendment) duly executed by the Replacement Lenders, and (z) counterparts of this Amendment duly executed by Holdings, the Borrowers, each other Loan Party, and the Administrative Agent; and

(e) the Administrative Agent and each Replacement Lender shall have received all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering laws, including without limitation the Act and the Beneficial Ownership Regulation, to the extent requested at least two Business Days prior to the Ninth Amendment Date.

1. Replacement Lenders. If any Lender under the Existing Credit Agreement has failed to execute and deliver a Consent on or prior to the Consent Deadline (each such non-consenting Lender, a “Non-Consenting Lender”), and Lenders constituting the Required Lenders under the Existing Credit Agreement have so consented and the Administrative Agent has received Consents from the Replacement Lenders (as defined below) such that the Consenting Lenders and the Replacement Lenders collectively constitute all of the Lenders party to the Existing Credit Agreement (after giving effect to the Non-Consenting Lender Replacement), then the Borrowers shall exercise their rights, effective as of the Ninth Amendment Date, to replace (such act of replacement, the “Non-Consenting Lender Replacement”) each such Non-Consenting Lender in accordance with Section 9.02(e) of the Existing Credit Agreement, and each such Non-Consenting Lender, upon receipt of an amount equal to the sum of (i) the principal amount

of the outstanding Existing Term Loans of such Non-Consenting Lender immediately prior to the effectiveness of this Amendment (but, for the avoidance of doubt, without any prepayment premium thereon), (ii) all interest, fees and other amounts accrued but unpaid to such Non-Consenting Lender by the Borrowers under the Existing Credit Agreement to but excluding the Ninth Amendment Date, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17 of the Existing Credit Agreement, and (iii) an amount, if any, equal to the payment which would have been due to such Non-Consenting Lender on the Ninth Amendment Date under Section 2.16 of the Existing Credit Agreement had the Loans of such Non-Consenting Lender been prepaid in full on the Ninth Amendment Date rather than sold to the applicable Replacement Lender, shall be deemed to have assigned all of its rights and obligations under the Existing Credit Agreement to one or more assignee Lenders (each of whom shall have consented to this Amendment by delivering a Consent to the Administrative Agent on or prior to the Consent Deadline (each such assignee Lender, to the extent of such assigned interest, a “Replacement Lender”). Each Lender party hereto or to a Consent hereby waives any requirement of the Borrowers to deliver any notice to the Administrative Agent and/or any Lender in connection with any assignment contemplated herein pursuant to Section 9.02(e) of the Existing Credit Agreement.

## 2. GOVERNING LAW AND WAIVER OF JURY TRIAL.

(a) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflict of law principles (other than sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) To the fullest extent permitted by applicable law, each Loan Party hereby irrevocably submits to the exclusive jurisdiction of any New York State court or federal court sitting in the County of New York and the Borough of Manhattan in respect of any claim, suit, action or proceeding arising out of or relating to the provisions of this Amendment and irrevocably agree that all claims in respect of any such claim, suit, action or proceeding may be heard and determined in any such court and that service of process therein may be made by certified mail, postage prepaid, to your address set forth above. Each Loan Party hereby waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any such claim, suit, action or proceeding brought in any such court, and any claim that any such claim, suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment shall affect any right that the Agents or any Lender may otherwise have to bring any action or proceeding relating to this Amendment against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Amendment irrevocably consents to service of process in the manner provided for notices in Section 9.01 of the Existing Credit Agreement. Nothing in this Amendment will affect the right of any party to this Amendment to serve process in any other manner permitted by law.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, THE AMENDED CREDIT AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY

OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

1. Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall become effective on the Ninth Amendment Date. Except as provided in Section 7, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

2. Reference to and Limited Effect on the Existing Credit Agreement and the Other Loan Documents.

(a) On and after the Ninth Amendment Date, (x) each reference in the Amended Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Existing Credit Agreement, and (y) each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof", "therein" or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

(b) Except as specifically amended by this Amendment, the Existing Credit Agreement and each of the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Agents or Lenders under, the Amended Credit Agreement or any of the other Loan Documents.

(d) Each Loan Party hereby (i) ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements (including its Guarantees) under the Existing Credit Agreement, the Amended Credit Agreement and the other Loan Documents and (ii) acknowledges, ratifies and confirms that such liabilities, obligations and agreements (including its Guarantees) constitute valid and existing Obligations under the Amended Credit Agreement, in each case, to the extent such Loan Party is a party thereto. In addition, each Loan Party hereby ratifies, confirms and reaffirms (i) the liens and security interests granted by it and as created and perfected under the Collateral Documents and any other Loan Documents and (ii) that each of the Collateral Documents to which it is a party remain in full force and effect notwithstanding the effectiveness of this Amendment. Without limiting the generality of the foregoing, each Loan Party further agrees (A) that any reference to "Obligations" contained in any Collateral Documents shall include, without limitation, the "Obligations" (as such term is defined in the Amended Credit Agreement) and (B) that the related guarantees and grants of security contained in such Collateral

Documents shall include and extend to such Obligations. This Amendment shall not constitute a modification of the Existing Credit Agreement, except as specified under Section 2 hereto, or a course of dealing with the Agents or any Lender at variance with the Existing Credit Agreement such as to require further notice by any Agent or any Lender to require strict compliance with the terms of the Amended Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. This Amendment contains the entire agreement among the Loan Parties, the Consenting Lenders and the Replacement Lenders contemplated by this Amendment. No Loan Party has any knowledge of any challenge to the Agent's or any Lender's claims arising under the Loan Documents or the effectiveness of the Loan Documents. The Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations, or otherwise with respect to the Existing Credit Agreement or any other Loan Document, or to constitute a mutual departure from the strict terms, provisions and conditions of the Existing Credit Agreement or any other Loan Document other than with respect to the amendments set forth in Section 2 hereof, or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

(e) Each Loan Party hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to the amendment of the Existing Credit Agreement effected pursuant to this Amendment.

(f) Each Loan Party that is not a Borrower acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Loan Party is not required by the terms of the Existing Credit Agreement or any other Loan Document to consent to the amendments to the Existing Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Amended Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Loan Party to any future amendments to the Amended Credit Agreement.

(g) The parties hereto acknowledge and agree that, for all purposes under the Amended Credit Agreement and the other Loan Documents, this Amendment constitutes a "Loan Document" under and as defined in the Amended Credit Agreement.

1. Expenses. The Borrowers and Holdings agree, jointly and severally, to pay on demand all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment, including, without limitation, all reasonable, documented and invoiced attorney costs.

2. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

3. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

4. Conflicts. In the event of any conflict between the terms of this Amendment and the terms of the Amended Credit Agreement or any of the other Loan Documents, the terms of this Amendment shall govern.

*[SIGNATURE PAGES FOLLOW]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first written above.

**CHEFS' WAREHOUSE PARENT, LLC,**  
as a Borrower

By: /s/ Alexandros Aldous  
Name: Alexandros Aldous  
Title: General Counsel

**DAIRYLAND USA CORPORATION,**  
as a Borrower

By: /s/ Alexandros Aldous  
Name: Alexandros Aldous  
Title: General Counsel

[SIGNATURE PAGES OMITTED]

**THE CHEFS' WAREHOUSE, INC.  
THE CHEFS' WAREHOUSE MID ATLANTIC, LLC  
BEL CANTO FOODS, LLC  
THE CHEFS' WAREHOUSE WEST COAST, LLC  
THE CHEFS' WAREHOUSE OF FLORIDA, LLC  
MICHAEL'S FINER MEATS, LLC  
MICHAEL'S FINER MEATS HOLDINGS, LLC  
THE CHEFS' WAREHOUSE MIDWEST, LLC  
THE CHEFS' WAREHOUSE PASTRY DIVISION, INC.  
QZ ACQUISITION (USA), INC.  
QZINA SPECIALTY FOODS NORTH AMERICA (USA), INC.  
QZINA SPECIALTY FOODS, INC., a Florida corporation  
QZINA SPECIALTY FOODS, INC., a Washington corporation  
QZINA SPECIALTY FOODS (AMBASSADOR), INC.  
CW LV REAL ESTATE LLC  
ALLEN BROTHERS 1893, LLC  
DAIRYLAND HP LLC  
THE GREAT STEAKHOUSE STEAKS, LLC  
DEL MONTE CAPITOL MEAT COMPANY HOLDINGS, LLC  
DEL MONTE CAPITOL MEAT COMPANY, LLC  
FELLS POINT HOLDINGS, LLC  
FELLS POINT, LLC  
CHEFS' WAREHOUSE TRANSPORTATION, LLC  
CAMBRIDGE, LLC  
CAMBRIDGE PROTEIN HOLDINGS, LLC  
DAIRYLAND PRODUCE, LLC  
DAIRYLAND PRODUCE HOLDINGS, LLC  
CHEFS' WAREHOUSE MIDDLE EAST HOLDINGS, LLC  
CHEFS' WAREHOUSE MIDDLE EAST, LLC**

By: /s/ Alexandros Aldous  
Name: Alexandros Aldous  
Title: General Counsel

[SIGNATURE PAGES OMITTED]

## SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of February 24, 2021, by and among DAIRYLAND USA CORPORATION, a New York corporation (“Dairyland”), CHEFS’ WAREHOUSE PARENT, LLC, a Delaware limited liability company (together with Dairyland, the “Borrowers”), THE CHEFS’ WAREHOUSE, INC., a Delaware corporation (“Holdings”), the other Loan Parties party hereto, the Lenders party hereto and BMO Harris Bank N.A. (“BMO”), as administrative agent for the Lenders (in such capacity, the “Agent”).

WITNESSETH:

**WHEREAS**, the Borrowers, Holdings, the other Loan Parties party thereto, certain Lenders party thereto and the Agent, among others, are parties to that certain Credit Agreement, dated as of June 29, 2018 (as amended on November 18, 2019, as the same may be further amended by this Amendment and as otherwise amended, restated, amended and restated, supplemented or modified from time to time prior to the date hereof, the “Existing Credit Agreement”);

**WHEREAS**, pursuant to and in accordance with Section 9.02 of the Existing Credit Agreement, the Borrowers have requested that the Lenders amend, and the Lenders party hereto (collectively, the “Second Amendment Consenting Lenders”) have agreed to so amend, the Existing Credit Agreement in the manner set forth in Section 2 hereof;

**WHEREAS**, the Agent and the Second Amendment Consenting Lenders are willing, on the terms and subject to the conditions set forth below, to enter into the amendments, modifications and agreements set forth in this Amendment; and

**WHEREAS**, the Second Amendment Consenting Lenders shall constitute the Required Lenders.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Defined Terms**. Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings ascribed thereto in the Existing Credit Agreement, as amended hereby (the “Amended Credit Agreement”).

2. **Amendment**. Subject to the satisfaction of the conditions precedent set forth in Section 4 below, the Loan Parties, the Second Amendment Consenting Lenders and the Agent hereby agree that Section 6.01(n) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

unsecured Indebtedness or Subordinated Indebtedness, in each case, under Permitted Convertible Notes (other than Permitted Convertible Seller Notes) in an aggregate principal amount not exceeding \$150,000,000 at any time outstanding;

3. **Representations and Warranties**. In order to induce the other parties hereto to enter into this Amendment in the manner provided herein, each Loan Party represents and warrants to the other parties hereto that the following statements are true and correct:

a) each of the representations and warranties contained in the Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and

as of the Second Amendment Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of such earlier date;

b) the transactions contemplated by this Amendment are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders;

c) this Amendment has been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

d) the transactions contemplated by this Amendment (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or any of its Subsidiaries, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of its Subsidiaries or the assets of any Loan Party or any of its Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries, except Liens created pursuant to the Loan Documents, or subject to the Intercreditor Agreement or the Term Loan Documents; and

e) as of the date hereof and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

4. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction of the following conditions (the date on which all such conditions are so satisfied is referred to herein as the "Second Amendment Date"):

a) the Agent shall have received a certificate, dated the Second Amendment Date, executed by the President, a Vice President or a Financial Officer of the Borrower Representative, certifying that, as of the Second Amendment Date, (i) that the representations and warranties contained in this Amendment and the other Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of such date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of such earlier date; (ii) that as of the Second Amendment Date and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and (iii) this Amendment is effected in accordance with the terms of the Existing Credit Agreement, the Term Loan Documents and the Intercreditor Agreement;

b) Holdings and the Borrowers shall have paid to the Agent all fees, costs and expenses due and payable under this Amendment (including under Section 8 hereof);

c) the Agent shall have received counterparts of this Amendment duly executed by

(i) Holdings, the Borrowers, each other Loan Party and the Administrative Agent and (ii) Lenders constituting the Required Lenders.

5. GOVERNING LAW AND WAIVER OF JURY TRIAL.

(a) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflict of law principles (other than sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) To the fullest extent permitted by applicable law, each Loan Party hereby irrevocably submits to the exclusive jurisdiction of any New York State court or federal court sitting in the County of New York and the Borough of Manhattan in respect of any claim, suit, action or proceeding arising out of or relating to the provisions of this Amendment and irrevocably agree that all claims in respect of any such claim, suit, action or proceeding may be heard and determined in any such court and that service of process therein may be made by certified mail, postage prepaid, to your address set forth above. Each Loan Party hereby waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any such claim, suit, action or proceeding brought in any such court, and any claim that any such claim, suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Amendment against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Amendment irrevocably consents to service of process in the manner provided for notices in Section 9.01 of the Existing Credit Agreement. Nothing in this Amendment will affect the right of any party to this Amendment to serve process in any other manner permitted by law.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, THE AMENDED CREDIT AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.



6. Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall become effective on the Second Amendment Date. Except as provided in Section 4, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

7. Reference to and Limited Effect on the Credit Agreement and the Other Loan Documents.

a) On and after the Second Amendment Date, (x) each reference in the Amended Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Existing Credit Agreement, and (y) each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof”, “therein” or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

b) Except as specifically amended by this Amendment, the Existing Credit Agreement and each of the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Agent or Lender under, the Amended Credit Agreement or any of the other Loan Documents.

d) Each Loan Party hereby (i) ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Existing Credit Agreement, the Amended Credit Agreement and the other Loan Documents and (ii) acknowledges, ratifies and confirms that such liabilities, obligations and agreements constitute valid and existing Obligations under the Amended Credit Agreement, in each case, to the extent such Loan Party is a party thereto. In addition, each Loan Party hereby ratifies, confirms and reaffirms (i) the liens and security interests granted, created and perfected under the Collateral Documents and any other Loan Documents and (ii) that each of the Collateral Documents to which it is a party remain in full force and effect notwithstanding the effectiveness of this Amendment. Without limiting the generality of the foregoing, each Loan Party further agrees (A) that any reference to “Obligations” contained in any Collateral Documents shall include, without limitation, the “Obligations” (as such term is defined in the Amended Credit Agreement) and (B) that the

related guarantees and grants of security contained in such Collateral Documents shall include and extend to such Obligations. This Amendment shall not constitute a modification of the Existing Credit Agreement, except as specified under Section 2 hereto, or a course of dealing with the Agent or any Lender at variance with the Existing Credit Agreement such as to require further notice by the Agent or any Lender to require strict compliance with the terms of the Amended Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. This Amendment contains the entire agreement among the Loan Parties and the Second Amendment Consenting Lenders contemplated by this Amendment. No Loan Party has any knowledge of any challenge to the Agent's or any Lender's claims arising under the Loan Documents or the effectiveness of the Loan Documents. The Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations, or otherwise with respect to the Existing Credit Agreement or any other Loan Document, or to constitute a mutual departure from the strict terms, provisions and conditions of the Existing Credit Agreement or any other Loan Document other than with respect to the amendments set forth in Section 2 hereof, or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

e) Each Loan Party hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to the amendment of the Existing Credit Agreement effected pursuant to this Amendment.

f) Each Loan Party that is not a Borrower acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Loan Party is not required by the terms of the Existing Credit Agreement or any other Loan Document to consent to the amendments to the Existing Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Amended Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Loan Party to any future amendments to the Amended Credit Agreement.

g) The parties hereto acknowledge and agree that, for all purposes under the Amended Credit Agreement and the other Loan Documents, this Amendment constitutes a "Loan Document" under and as defined in the Amended Credit Agreement.

8. Expenses. The Borrowers and Holdings agree, jointly and severally, to pay on demand all reasonable out-of-pocket costs and expenses incurred by the Agent in connection with the preparation, negotiation and execution of this Amendment, including, without limitation, all attorney costs.

9. Severability. Any provision of any this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

10. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

11. Conflicts. In the event of any conflict between the terms of this Amendment and the terms of the Amended Credit Agreement or any of the other Loan Documents, the terms of this Amendment shall govern.

**FIFTH AMENDMENT TO CREDIT AGREEMENT**

This FIFTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of December 7, 2022, by and among DAIRYLAND USA CORPORATION, a New York corporation (“Dairyland”), CHEFS’ WAREHOUSE PARENT, LLC, a Delaware limited liability company (together with Dairyland, the “Borrowers”), THE CHEFS’ WAREHOUSE, INC., a Delaware corporation (“Holdings”), the other Loan Parties party hereto, the Lenders party hereto and BMO Harris Bank N.A. (“BMO”), as administrative agent for the Lenders (in such capacity, the “Agent”).

WITNESSETH:

**WHEREAS**, the Borrowers, Holdings and the other Loan Parties party thereto have entered into that certain Credit Agreement, dated as of June 29, 2018 (as amended by the First Amendment to Credit Agreement, dated as of November 18, 2019, the Second Amendment to Credit Agreement, dated as of February 24, 2021, the Third Amendment to Credit Agreement and First Amendment to Pledge and Security Agreement, dated as of March 11, 2022, and the Fourth Amendment to Credit Agreement, dated as of August 25, 2022, and as otherwise amended, restated, amended and restated, supplemented or modified from time to time prior to the date hereof, the “Existing Credit Agreement”), by and among the Borrowers, Holdings, the other Loan Parties party thereto, certain Lenders party thereto and the Agent;

**WHEREAS**, pursuant to and in accordance with Section 9.02 of the Existing Credit Agreement, the Borrowers have requested that the Lenders amend, and all of the Lenders under the Existing Credit Agreement on the Fifth Amendment Effective Date (as defined below) party hereto (the “Fifth Amendment Consenting Lenders”) have agreed to so amend, the Existing Credit Agreement in the manner set forth in Section 2 hereof; and

**WHEREAS**, the Agent and the Fifth Amendment Consenting Lenders are willing, on the terms and subject to the conditions set forth below, to enter into the amendments, modifications and agreements set forth in this Amendment.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Defined Terms**. Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings ascribed thereto in the Existing Credit Agreement, as amended hereby (the “Amended Credit Agreement”).

2. **Amendments**. Subject to the satisfaction (or waiver in accordance with Section 9.02 of the Existing Credit Agreement) of the conditions precedent set forth in Section 5 below:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by deleting in its entirety the definition of “Convertible Springing Date”.

(b) Section 1.01 of the Existing Credit Agreement is hereby further amended by amending and restating each of the following definitions in its entirety to read as follows:

“**Maturity Date**” means the earliest of (i) March 11, 2027, (ii) if the “Term Loan Obligations Payment Date” (as defined in the Intercreditor Agreement) has not occurred, the date that occurs ninety (90) days prior to the earliest “Maturity Date” under (and as defined in) the Term Loan Agreement (or words of similar import reflecting a maturity date under any amendment, restatement or replacement of the Term Loan Agreement) and (iii) the date that is 181 days prior to the scheduled maturity date of any individual tranche (or series of related tranches) of unsecured Indebtedness of which a principal amount in excess of \$40,000,000 remains outstanding on such date.

“**Permitted Convertible Notes**” means, collectively, (a) Permitted Convertible Seller Notes, (b) any other unsecured notes issued by Holdings that are convertible into

common stock of Holdings, cash or any combination thereof; provided that, for purposes of clause (b) of this definition, the Indebtedness thereunder satisfies the following requirements: (i) both immediately prior to and immediately after giving effect (including pro forma effect) to the incurrence of such Indebtedness, no Default or Event of Default shall exist or result therefrom, (ii) such Indebtedness does not require any scheduled amortization, other scheduled payments of principal or any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case prior to its scheduled maturity date (other than (A) payments as part of an “applicable high yield discount obligation” catch-up payment, (B) customary offers to repurchase in connection with any change of control, asset disposition, casualty event or fundamental change, (C) customary acceleration rights after an event of default, (D) any conversion of any such Indebtedness in accordance with the terms thereof, and (E) any issuance of Equity Interests and/or any cash payment in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any such Indebtedness) (for the avoidance of doubt, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted), (iii) such Indebtedness is not guaranteed by any Subsidiary of Holdings other than the Loan Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness), and (iv) the covenants applicable to such Indebtedness are not more onerous or more restrictive in any material respect (taken as a whole) than the applicable covenants set forth in this Agreement, (c) the 1.875% Convertible Notes, and (d) any other unsecured notes issued by Holdings that are convertible into common stock of Holdings, cash or any combination thereof, so long as such notes are issued pursuant to clauses (f), (n), (o), (s) or (t) of Section 6.01.

“Permitted Ratio Debt” means Indebtedness incurred by the Borrowers or any Loan Party in the form of one or more series of notes or loans; provided that (i) such Indebtedness shall rank *pari passu* or junior in right of payment to the Secured Obligations (provided, that, the Liens securing such Indebtedness shall be junior to the Administrative Agent’s Liens in respect of ABL Priority Collateral), (ii) in the case of secured Indebtedness, such Indebtedness shall not have a shorter Average Life than the remaining Average Life of the then-existing Loans or a maturity date earlier than the Latest Maturity Date (or, if such Indebtedness is secured on a junior basis to the Secured Obligations, a maturity date earlier than the date that is 91 days after the Latest Maturity Date), (iii) such Indebtedness is not at any time guaranteed by any Person that is not a Loan Party or secured by any assets other than the Collateral, and (iv) in the case of such Indebtedness that is secured, such Indebtedness shall be subject to an intercreditor agreement reasonably acceptable to the Administrative Agent (for the avoidance of doubt, in the case of such Indebtedness that is unsecured, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted).

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings or any of its Subsidiaries to their Equity Interest holders in such capacity, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in Holdings or its Subsidiaries or any option, warrant or other right to acquire any such Equity Interests in Holdings or its Subsidiaries, or any payment of management or similar fees to any Person. Notwithstanding the foregoing, and for the avoidance of doubt, (i) the conversion or exchange of (including any issuance of common Equity Interests and/or any cash payment upon conversion or exchange), or payment of any principal or premium on, or payment of any interest with respect to, any Permitted Convertible Notes shall not constitute a Restricted Payment and (ii) any payment with respect to, or early unwind or settlement of, any Permitted Call Spread Swap Agreement shall not constitute a Restricted Payment.

follows: (c) Clause (n) of Section 6.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(n) Indebtedness under Permitted Convertible Notes in an aggregate principal amount not exceeding \$200,000,000 at any time outstanding;

follows: (d) Clause (o) of Section 6.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(o) Indebtedness incurred to finance Permitted Acquisitions after the Fourth Amendment Effective Date to the extent such Indebtedness is incurred in reliance on Section 6.01(n) of the Term Loan Agreement (as in effect on the Fourth Amendment Effective Date) and at the time of such incurrence, is permitted to be incurred in reliance on such basket; provided that (i) no Event of Default exists (or would result therefrom), (ii) if such Indebtedness is borrowed or issued by any Loan Party, it shall not be guaranteed by any Person that is not a Loan Party or secured by any assets other than the Collateral, (iii) in the case such Indebtedness is secured, such Indebtedness shall not have a maturity date earlier than the date that is 91 days after the Latest Maturity Date, (iv) such Indebtedness shall rank *pari passu* or junior in right of payment with the Secured Obligations, and (v) in the case of such Indebtedness of the Loan Parties that is secured on a *pari passu* basis with or junior basis to the Secured Obligations, such Indebtedness shall be subject to an intercreditor agreement reasonably acceptable to the Administrative Agent; provided, further, that in the case of any such Indebtedness of the Loan Parties that is secured on a junior basis to the Secured Obligations, (i) such Indebtedness shall not have a maturity date prior to the date that is 91 days after the Latest Maturity Date and (ii) such Indebtedness shall not be guaranteed by any Person that is not a Loan Party and shall not be secured by any assets other than the Collateral unless, in each case, such Indebtedness was incurred in order to finance the acquisition of (x) a target that becomes a Subsidiary but not a Loan Party hereunder (in which case such target may guarantee such Indebtedness but not the Secured Obligations) or (y) assets that are “Excluded Assets” (in which case such assets may secure such Indebtedness but not the Secured Obligations); provided, further, that if such Indebtedness is unsecured, such Indebtedness shall not require any scheduled amortization, other scheduled payments of principal or any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case prior to its scheduled maturity date (other than (A) payments as part of an “applicable high yield discount obligation” catch up payment, (B) customary offers to repurchase in connection with any change of control, asset disposition, casualty event or fundamental change, (C) customary acceleration rights after an event of default, (D) any conversion of such Indebtedness in accordance with the terms thereof, and (E) any issuance of Equity Interests and/or any cash payment in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any such Indebtedness) (for the avoidance of doubt, in the case of such Indebtedness that is unsecured, (x) scheduled payments of interest and (y) conversion into common Equity Interests shall be permitted);

follows: (e) Clause (n) of Section 6.05 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as

(n) dispositions of investment securities, cash and cash equivalents in the ordinary course of business;

as follows: (f) Clause (vii) of Section 6.08(b) of the Existing Credit Agreement is hereby amended and restated in its entirety to read

(vii) issuance of Equity Interests, or making cash payments, in connection with or as part of the conversion, redemption, retirement, prepayment, exchange or cancellation of any Permitted Convertible Notes;

(g) Clause (viii) of Section 6.08(b) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

(viii) payment of regularly scheduled interest payments in respect of Permitted Convertible Notes permitted pursuant to Section 6.01 hereof, so long as no Default or Event of Default has occurred and is continuing or would be caused by such payment;

(h) Clause (g) of Article VII of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

(g) after giving effect to any applicable grace periods with respect thereto, any event or condition occurs that results in the Term Loan Obligations or any other Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of the Term Loan Obligations or any Material Indebtedness or any trustee or agent on its or their behalf to cause any of the Term Loan Obligations or any Material Indebtedness, as applicable, to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness in accordance with the terms hereof so long as the proceeds of such sale are sufficient to repay such Indebtedness in full, (ii) mandatory prepayments of the Term Loan Obligations required by the Term Loan Agreement, but subject to terms of the Intercreditor Agreement, (iii) any redemption, repurchase, conversion (or the vesting of any conversion right) or settlement with respect to any Permitted Convertible Notes pursuant to their terms unless such redemption, repurchase, conversion (or vesting) or settlement results from a default thereunder or an event of the type that constitutes an Event of Default or (iv) any early payment requirement or unwinding or termination with respect to any Permitted Call Spread Swap Agreement;

1. Representations and Warranties. In order to induce the Fifth Amendment Consenting Lenders and the Agent to enter into this Amendment, each Loan Party represents and warrants that the following statements are true and correct on the date hereof:

(a) each of the representations and warranties contained in the Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the Fifth Amendment Effective Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of such earlier date;

(b) the transactions contemplated by this Amendment are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders;

(c) this Amendment has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(d) the transactions contemplated by this Amendment (i) do not require any material consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (ii) will not violate any Requirement of Law applicable to any Loan Party or any of its Restricted Subsidiaries, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of its Restricted Subsidiaries or the assets of any Loan Party or any of its Restricted Subsidiaries, or give rise to

a right thereunder to require any payment to be made by any Loan Party or any of its Restricted Subsidiaries, and (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Restricted Subsidiaries, except Liens created pursuant to the Loan Documents, or subject to the Intercreditor Agreement, the Term Loan Documents, except, in each case referred to in clauses (ii), (iii) and (iv), where such violation or Lien would not reasonably be expected to result in a Material Adverse Effect; and

(e) as of the date hereof and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

1. [Reserved].

2. Conditions to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction (or waiver in accordance with Section 9.02 of the Existing Credit Agreement) of the following conditions (the date on which all such conditions are so satisfied or waived is referred to herein as the "Fifth Amendment Effective Date"):

(a) the Agent shall have received a certificate, dated the Fifth Amendment Effective Date, executed by the President, a Vice President or a Financial Officer of the Borrower Representative, certifying that, on the Fifth Amendment Effective Date, (i) the representations and warranties contained in this Amendment and the other Loan Documents are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on such date except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, in the case of any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on such earlier date; and (ii) on the Fifth Amendment Effective Date and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing;

(b) Holdings and the Borrowers shall have paid to the Agent all accrued fees, and all reasonable and documented costs and expenses due and payable under this Amendment (including under Section 9 hereof) to the extent invoiced at least two Business Days prior to the Fifth Amendment Effective Date; and

(c) the Agent shall have received counterparts of this Amendment duly executed by Holdings, the Borrowers, each other Loan Party, the Agent and each Lender under the Existing Credit Agreement.

1. GOVERNING LAW AND WAIVER OF JURY TRIAL.

(a) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflict of law principles (other than sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) To the fullest extent permitted by applicable law, each Loan Party hereby irrevocably submits to the exclusive jurisdiction of any New York State court or federal court sitting in the County of New York and the Borough of Manhattan in respect of any claim, suit, action or proceeding arising out of or relating to the provisions of this Amendment and irrevocably agree that all claims in respect of any such claim, suit, action or proceeding may be heard and determined in any such court and that service of process therein may be made by certified mail, postage prepaid, to the address set forth in, or provided pursuant to, Section 9.01 of the Amended Credit Agreement. Each Loan Party hereby waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any such claim, suit, action or proceeding brought in any such court, and any claim that any such claim, suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Amendment against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Amendment irrevocably consents to service of process in the manner provided for notices in Section 9.01 of the Existing Credit Agreement. Nothing in this Amendment will affect the right of any party to this Amendment to serve process in any other manner permitted by law.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, THE AMENDED CREDIT AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

1. Miscellaneous.

(a) Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

(b) Integration. This Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

(c) Effectiveness. This Amendment shall become effective on the Fifth Amendment Effective Date. Except as provided in Section 5, this Amendment shall become effective when it shall have been executed and delivered by the Agent and when the Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(d) Electronic Signatures. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

1. Reference to and Limited Effect on the Existing Credit Agreement and the Other Loan Documents.

(a) On and after the Fifth Amendment Effective Date, (x) each reference in the Amended Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Existing Credit Agreement, and (y) each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof”, “therein” or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

(b) Except as specifically amended by this Amendment, the Existing Credit Agreement and each of the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Agent or the Lenders under, the Amended Credit Agreement or any of the other Loan Documents.

(d) Each Loan Party hereby (i) ratifies, confirms and reaffirms its liabilities, its payment and performance obligations (contingent or otherwise) and its agreements under the Existing Credit Agreement and the other Loan Documents and (ii) acknowledges, ratifies and confirms that such liabilities, obligations and agreements constitute valid and existing Obligations under the Amended Credit Agreement, in each case, to the extent such Loan Party is a party thereto. In addition, each Loan Party hereby ratifies, confirms and reaffirms (i) the liens and security interests granted by it and as created and perfected under the Collateral Documents and any other Loan Documents and (ii) that each of the Collateral Documents to which it is a party remains in full force and effect notwithstanding the effectiveness of this Amendment. Without limiting the generality of the foregoing, each Loan Party further agrees (A) that any reference to “Obligations” contained in any Collateral Documents shall include, without limitation, the “Obligations” (as such term is defined in the Amended Credit Agreement) and (B) that the related guarantees and grants of security contained in such Collateral Documents shall include and extend to such Obligations. This Amendment shall not constitute a modification of the Existing Credit Agreement, except as specified under Section 2 hereto, or a course of dealing with the Agent or any Lender at variance with the Existing Credit Agreement such as to require further notice by the Agent or any Lender to require strict compliance with the terms of the Amended Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. This Amendment contains the entire agreement among the Loan Parties and the Fifth Amendment Consenting Lenders contemplated by this Amendment. No Loan Party has any knowledge of any challenge to the Agent’s or any Lender’s claims arising under the Loan Documents or the effectiveness of the Loan Documents. The Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the Obligations, or otherwise with respect to the Existing Credit Agreement or any other Loan Document, or to constitute a mutual departure from the strict terms, provisions and conditions of the Existing Credit Agreement or any other Loan Document other than with respect to the amendments set forth in Section 2 hereof, or to modify, affect or impair the perfection, priority or continuation of the security interests in, security titles to or other Liens on any Collateral for the Obligations.

(e) Each Loan Party hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to the amendment of the Existing Credit Agreement effected pursuant to this Amendment.

(f) Each Loan Party that is not a Borrower acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Loan Party is not required by the terms of the Existing Credit Agreement or any other Loan Document to consent to the amendments to the Existing Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Amended Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Loan Party to any future amendments to the Amended Credit Agreement.

(g) The parties hereto acknowledge and agree that, for all purposes under the Amended Credit Agreement and the other Loan Documents, this Amendment constitutes a “Loan Document” under, and as defined in, the Amended Credit Agreement.

1. Expenses. The Borrowers and Holdings agree, jointly and severally, to pay on demand all reasonable and documented out-of-pocket costs and expenses incurred by the Agent in connection with the preparation, negotiation and execution of this Amendment, including, without limitation, all reasonable, documented and invoiced attorney costs, to the extent and as provided in Section 9.03(a) of the Existing Credit Agreement.

2. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

3. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

4. Conflicts. In the event of any conflict between the terms of this Amendment and the terms of the Amended Credit Agreement or any of the other Loan Documents, the terms of this Amendment shall govern.

*[SIGNATURE PAGES FOLLOW]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first written above.

**CHEFS' WAREHOUSE PARENT, LLC,**  
as a Borrower

By: /s/ Alexandros Aldous  
Name: Alexandros Aldous  
Title: General Counsel

**DAIRYLAND USA CORPORATION,**  
as a Borrower

By: /s/ Alexandros Aldous  
Name: Alexandros Aldous  
Title: General Counsel

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

**THE CHEFS' WAREHOUSE MID ATLANTIC, LLC  
BEL CANTO FOODS, LLC  
THE CHEFS' WAREHOUSE WEST COAST, LLC  
THE CHEFS' WAREHOUSE OF FLORIDA, LLC  
THE CHEFS' WAREHOUSE, INC.  
MICHAEL'S FINER MEATS, LLC  
MICHAEL'S FINER MEATS HOLDINGS, LLC  
THE CHEFS' WAREHOUSE MIDWEST, LLC  
THE CHEFS' WAREHOUSE PASTRY DIVISION, INC.  
QZ ACQUISITION (USA), INC.  
QZINA SPECIALTY FOODS NORTH AMERICA (USA), INC.  
QZINA SPECIALTY FOODS, INC., a Florida corporation  
QZINA SPECIALTY FOODS, INC., a Washington corporation  
QZINA SPECIALTY FOODS (AMBASSADOR), INC.  
CW LV REAL ESTATE LLC  
ALLEN BROTHERS 1893, LLC  
THE GREAT STEAKHOUSE STEAKS, LLC  
DEL MONTE CAPITOL MEAT COMPANY HOLDINGS, LLC  
DEL MONTE CAPITOL MEAT COMPANY, LLC  
FELLS POINT HOLDINGS, LLC  
FELLS POINT, LLC  
CHEFS' WAREHOUSE TRANSPORTATION, LLC  
DAIRYLAND HP LLC  
CAMBRIDGE, LLC  
CAMBRIDGE PROTEIN HOLDINGS, LLC  
DAIRYLAND PRODUCE, LLC  
DAIRYLAND PRODUCE HOLDINGS, LLC  
CHEFS' WAREHOUSE MIDDLE EAST HOLDINGS, LLC  
CHEFS' WAREHOUSE MIDDLE EAST, LLC**

By: /s/ Alexandros Aldous  
Name: Alexandros Aldous  
Title: General Counsel

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

**BMO HARRIS BANK N.A.,**  
individually as a Lender and as Agent

By: /s/ Elizabeth Mitchell  
Name: Elizabeth Mitchell  
Title: Director

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

**BANK OF AMERICA, N.A.,**  
as Lender

By: /s/ Matthew Bourgeois  
Name: Matthew Bourgeois  
Title: Senior Vice President

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

**JPMORGAN CHASE BANK, N.A.,**  
as Lender

By: /s/ Anne Hall  
Name: Anne Hall  
Title: Authorized Officer

[SIGNATURE PAGE TO FIFTH AMENDMENT TO CREDIT AGREEMENT]

**THE CHEFS' WAREHOUSE, INC.**  
**SEVENTH AMENDED AND RESTATED**  
**COMPENSATION AND HUMAN CAPITAL COMMITTEE CHARTER**

**Purpose**

The Compensation and Human Capital Committee (the "**Committee**") of The Chefs' Warehouse, Inc., a Delaware corporation (the "**Company**"), is a committee of the Board of Directors (the "**Board**") of the Company. The purpose of the Committee is to assist the Company in maximizing stockholder value by utilizing compensation policies and strategies that will (i) attract, retain and reward management personnel and non-employee directors; (ii) align the Company's executive compensation programs with the interests of stockholders by rewarding performance that enhances stockholder value; and (iii) provide appropriate incentives for executives to achieve Company-wide and individual performance goals. The Committee shall also develop and make recommendations to the Board regarding executive staffing and succession planning and organizational development.

**Committee Membership**

The Committee shall consist of three or more directors and shall be comprised solely of directors who are determined by the Board to be "independent" in accordance with the rules of the Securities and Exchange Commission (the "**Commission**") and The NASDAQ Stock Market ("**NASDAQ**"). Additionally, no director may serve unless he or she is a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. To the extent the Committee is not composed entirely of directors who satisfy the requirements to qualify as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, all awards under equity-based compensation plans shall be approved by a sub-committee of the Committee consisting of two or more members, each of whom shall satisfy such requirements to qualify as an "outside director."

The members of the Committee shall be appointed by the Board based on recommendations from the Nominating and Corporate Governance Committee of the Board. One member of the Committee shall be appointed as the chairperson of the Committee by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

Reference is made to the Company's Corporate Governance Guidelines for Committee member qualifications, procedures for Committee member appointment and removal and Committee organizational procedures.

**Meetings**

The Committee shall meet as often and at such times and places as it deems necessary to fulfill its responsibilities. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The chairperson of the Committee shall preside at each meeting. In the event the

chairperson of the Committee is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting. The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the Chief Executive Officer (“*CEO*”) and any other such officers shall not be present during portions of meetings at which their compensation or performance is discussed or determined.

### **Committee Authority and Responsibilities**

In general, the authority and responsibilities delegated to the Committee by the Board shall include the following:

1. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s compensation (including base salary, incentive compensation, equity awards and perquisites and benefits other than those available generally to all employees) based on this evaluation. In determining the components of CEO compensation, the Committee may consider a number of factors, including, but not limited to, the Company’s performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years. The CEO shall not be present during voting or deliberations by the Committee on his or her compensation.

2. The Committee shall review periodically with the Chairman of the Board and CEO their respective assessments of and succession plans relating to senior management, including long range development plans. In connection with such succession planning, the Committee shall oversee and review any changes to the named executive officers of the Company, including any hirings, promotions, or terminations of employment for named executive officers of the Company. In the event of an unexpected disability or retirement of the CEO, the Committee shall formulate and present to the Board emergency actions to be taken for management succession.

3. The Committee shall, at least annually, review, approve and determine, or recommend to the Board for determination, the annual base salaries, annual incentive opportunities, equity awards and other compensation of the Company’s executive officers and other senior executives as the Committee from time to time determines shall be subject to its direct purview.

4. The Committee shall, periodically and as and when it deems appropriate, review and approve the following as they affect the Company’s executive officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the Company’s executive officers and individuals who formerly served as executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.

5. The Committee shall review and make recommendations to the Board regarding the Company’s overall philosophy for compensation and benefit plans and practices for other

employees, including with respect to incentive compensation plans and equity-based plans, policies and programs.

6. The Committee shall approve grants and/or awards of restricted stock, stock options and other forms of equity-based compensation, and otherwise administer the Company's equity incentive plans.

7. The Committee shall periodically review and make recommendations to the Board with respect to compensation philosophy and policies for director compensation.

8. The Committee shall review and discuss with management the Compensation Discussion and Analysis (the "**CD&A**") and the related executive compensation information required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the Commission and, based on such review and discussion, approve the CD&A and the related executive compensation information for inclusion in the applicable filing.

9. The Committee shall produce the annual Compensation Committee Report for inclusion in the Company's proxy statement and annual report on Form 10-K in compliance with the rules and regulations promulgated by the Commission.

10. The Committee shall review the Company's incentive compensation arrangements to determine whether they encourage excessive risk taking and discuss at least annually the relationship between risk management policies and compensation, as well as evaluate compensation policies and practices that could mitigate any such risk.

11. Review and make recommendations to the Board regarding organizational and leadership development plans and programs, including programs that are designed (a) to identify, attract and retain high potential employees and (b) to ensure adequate long term leadership succession exists or is being developed at various levels. When practical, these topics in Section 11(a)-(b) should be discussed twice annually by the Committee.

12. Where the Committee determines necessary or appropriate, the Committee shall have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, independent legal counsel or other compensation adviser; provided, however, that in connection with the engagement of such an adviser (other than in-house counsel), the Committee may select, or receive advice from, such an adviser only after taking into consideration the following factors:

- i. the provision of other services to the Company by the adviser's employer;
- ii. the amount of fees received from the Company by the adviser's employer, as a percentage of total revenue of the adviser's employer;
- iii. the policies and procedures of the adviser's employer that are designed to prevent conflicts of interest;
- iv. any business or personal relationship of the adviser with a member of the Committee;
- v. any stock of the Company owned by the adviser; and
- vi. any business or personal relationship of the adviser or the adviser's employer with an executive officer of the Company.



The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.

13. The Committee shall make regular reports to the Board regarding its actions and make recommendations to the Board as appropriate.

14. The Committee may form and delegate authority to subcommittees or members as it deems appropriate.

15. The Committee shall review and reassess the adequacy of its charter at least annually and, as it deems appropriate, recommend amendments to the Board.

16. The Committee shall perform such other activities, consistent with this charter, the Company's Certificate of Incorporation and Bylaws and governing law as the Committee deems necessary or appropriate or as may be required under the provisions of any compensation or benefit plan maintained by the Company.

17. The Committee shall coordinate with other committees of the Board if requested by the Board or if the Committee's activities overlap with the authorities of another committee.

18. The Committee shall perform such other functions as may be delegated to it by the Board from time to time.

**As adopted by the Board of Directors, November 1, 2022.**

## The Chefs' Warehouse, Inc.

<b>Entity Name</b>	<b>State of Organization</b>
Dairyland USA Corporation	New York
Dairyland HP LLC (1)	Delaware
Bel Canto Foods, LLC (1)	New York
Chefs' Warehouse Transportation, LLC (2)	Delaware
Chefs' Warehouse Parent, LLC	Delaware
The Chefs' Warehouse Mid-Atlantic, LLC (3)	Delaware
The Chefs' Warehouse West Coast, LLC (3)	Delaware
The Chefs' Warehouse of Florida, LLC (3)	Delaware
The Chefs' Warehouse Midwest, LLC (3)	Delaware
Michael's Finer Meats Holdings, LLC (3)	Delaware
Michael's Finer Meats, LLC (4)	Delaware
The Chefs' Warehouse Pastry Division, Inc. (3)	Delaware
The Chefs' Warehouse Pastry Division Canada ULC (5)	British Columbia, Canada
QZ Acquisition (USA), Inc. (3)	Delaware
Qzina Specialty Foods North America (USA), Inc. (6)	Delaware
Qzina Specialty Foods, Inc. (7)	Florida
Qzina Specialty Foods, Inc. (7)	Washington
Qzina Specialty Foods (Ambassador), Inc. (7)	California
CW LV Real Estate LLC (8)	Delaware
Allen Brothers 1893, LLC (9)	Delaware
Del Monte Capitol Meat Company Holdings, LLC (3)	Delaware
Del Monte Capitol Meat Company, LLC (10)	Delaware
The Great Steakhouse Steaks, LLC (11)	Delaware
Fells Point Holdings, LLC (3)	Delaware
Fells Point, LLC (12)	Delaware
Cambridge Protein Holdings, LLC (3)	Delaware
Cambridge, LLC (13)	Delaware
Dairyland Produce Holdings, LLC (3)	Delaware
Dairyland Produce, LLC (14)	Delaware
Chefs' Warehouse Middle East Holdings, LLC (3)	Delaware
Chefs' Warehouse Middle East, LLC (15)	Delaware
CME Investments Limited (16)	Cayman Islands
Chef Middle East LLC (17)	United Arab Emirates
Chef Innovations Food Processing LLC (17)	United Arab Emirates
Chef Middle East W.L.L (17)	Qatar
Chef Middle East LLC (18)	Oman

### Subsidiaries of the Registrant

1. Dairyland HP LLC and Bel Canto Foods, LLC are wholly-owned by Dairyland USA Corporation, which is wholly-owned by The Chefs' Warehouse, Inc.
2. Chefs' Warehouse Transportation, LLC is wholly-owned by The Chefs' Warehouse, Inc.
3. The Chefs' Warehouse Mid-Atlantic, LLC, The Chefs' Warehouse West Coast, LLC, The Chefs' Warehouse of Florida, LLC, The Chefs' Warehouse Midwest, LLC, Michael's Finer Meats Holdings, LLC, The Chefs' Warehouse Pastry Division, Inc., QZ Acquisition (USA), Inc., Del Monte Capitol Meat Company Holdings, LLC, Fells Point Holdings, LLC, Cambridge Protein Holdings, LLC, Dairyland Produce Holdings, LLC and Chefs' Warehouse Middle East Holdings, LLC are wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
4. Michael's Finer Meats, LLC is wholly-owned by Michael's Finer Meats Holdings, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
5. The Chefs' Warehouse Pastry Division Canada ULC is wholly-owned by The Chefs' Warehouse Pastry Division, Inc., which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
6. Qzina Specialty Foods North America (USA), Inc. is wholly-owned by QZ Acquisition (USA), Inc., which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
7. Qzina Specialty Foods, Inc., a Florida corporation, Qzina Specialty Foods, Inc., a Washington corporation, and Qzina Specialty Foods (Ambassador), Inc. are wholly-owned by Qzina Specialty Foods North America (USA), Inc., which is wholly-owned by QZ Acquisition (USA), Inc., which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
8. CW LV Real Estate LLC is wholly-owned by The Chefs' Warehouse West Coast, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
9. Allen Brothers 1893, LLC is wholly-owned by The Chefs' Warehouse Midwest, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
10. Del Monte Capitol Meat Company, LLC is wholly-owned by Del Monte Meat Company Holdings, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
11. The Great Steakhouse Steaks, LLC is wholly-owned by Allen Brothers 1893, LLC, which is wholly-owned by The Chefs' Warehouse Midwest, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
12. Fells Point, LLC is wholly-owned by Fells Point Holdings, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
13. Cambridge, LLC is wholly-owned by Cambridge Protein Holdings, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
14. Dairyland Produce, LLC is wholly-owned by Dairyland Produce Holdings, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
15. Chefs' Warehouse Middle East, LLC is wholly-owned by Chefs' Warehouse Middle East Holdings, LLC, which is wholly-owned by Chefs' Warehouse Parent, LLC, which is wholly-owned by The Chefs' Warehouse, Inc.
16. CME Investments Limited is wholly owned by Chefs' Warehouse Middle East, LLC, which is wholly owned by Chefs' Warehouse Middle East Holdings, LLC, which is wholly owned by Chefs' Warehouse Parent, LLC, which is wholly owned by The Chefs' Warehouse, Inc.
17. Chef Middle East LLC, Chef Innovations Food Processing LLC and Chef Middle East LLC are wholly owned by CME Investments Limited, which is wholly owned by Chefs' Warehouse Middle East, LLC, which is wholly owned by Chefs' Warehouse Middle East Holdings, LLC, which is wholly owned by Chefs' Warehouse Parent, LLC, which is wholly owned by The Chefs' Warehouse, Inc.
18. Chef Middle East W.L.L. is minority owned (49%) by CME Investments Limited, which is wholly owned by Chefs' Warehouse Middle East, LLC, which is wholly owned by Chefs' Warehouse Middle East Holdings, LLC, which is wholly owned by Chefs' Warehouse Parent, LLC, which is wholly owned by The Chefs' Warehouse, Inc. in connection with a nominee arrangement with Links Management Services Limited (51%).

Consent of Independent Registered Public Accounting Firm

The Chefs' Warehouse, Inc.  
Ridgefield, CT

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-175974, 333-231587 and 333-265238) and the Registration Statement on Form S-3ASR (No. 333-237646) of The Chefs' Warehouse, Inc. of our reports dated February 28, 2023, relating to the consolidated financial statements and the effectiveness of The Chefs' Warehouse, Inc.'s internal control over financial reporting, which appear in this Annual Report on Form 10-K of The Chefs' Warehouse, Inc. for the fiscal year ended December 30, 2022.

/s/ BDO USA, LLP

Stamford, CT  
February 28, 2023

**CERTIFICATIONS**

I, Christopher Pappas, certify that:

1. I have reviewed this annual report on Form 10-K of The Chefs' Warehouse, Inc.;
2. Based on my knowledge, this annual 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: February 28, 2023

/s/ Christopher Pappas  
\_\_\_\_\_  
By: Christopher Pappas  
Chairman, President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS**

I, James Leddy, certify that:

1. I have reviewed this annual report on Form 10-K of The Chefs' Warehouse, Inc.;
2. Based on my knowledge, this annual 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: February 28, 2023

/s/ James Leddy  
\_\_\_\_\_  
By: James Leddy  
Chief Financial Officer  
(Principal Financial Officer)

**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 annual report of The Chefs' Warehouse, Inc. (the "Company") on Form 10-K for the year ended December 30, 2022 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: February 28, 2023

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.

**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 annual report of The Chefs' Warehouse, Inc. (the "Company") on Form 10-K for the year ended December 30, 2022 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: February 28, 2023

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.