

BIGLARI HOLDINGS INC. CODE OF CONDUCT

I. Scope

Biglari Holdings Inc. Code of Conduct (the “Code”) applies to all directors, officers and employees of Biglari Holdings Inc., as well as to directors, officers and employees of each subsidiary of Biglari Holdings Inc. (“Covered Person”). Biglari Holdings Inc. and its subsidiaries are referred to collectively herein as the “Company.”

II. Purpose

The Company strives to uphold the highest levels of ethics and personal integrity. Accordingly, this Code: (1) outlines the Company’s adherence to sound business ethics and compliance with applicable law; (2) delineates basic ethical and legal standards to be observed by Covered Persons; (3) provides reporting procedures for known or suspected ethical or legal violations; and (4) helps prevent and detect wrongdoing.

Covered Persons are expected to seek advice from Company supervisors, managers, legal counsel, or other appropriate personnel to ensure that actions taken on behalf of the Company comport with the Company’s high ethical and legal standards.

III. Ethical Standards

A. Compliance with Applicable Law

Compliance with the law is essential to the Company’s ethical obligations. Covered Persons must obey the laws of the United States and of the states, counties and cities, as well as other countries, in which the Company conducts business. While a Covered Person may not know the details of every rule and regulation to which the Company’s activities are subject, all such persons should know enough about the applicable law to know when to seek the help of a supervisor or the Company’s legal counsel.

B. Fair Dealing

Covered Persons shall act honestly and ethically at all times. They shall act in good faith, with due care, and shall engage only in fair and open competition. All competitors, suppliers, customers, colleagues, and coworkers shall be treated ethically. Stealing proprietary information, possessing unauthorized trade secrets, or soliciting disclosure of such information from past or present employees of other companies is strictly forbidden. Covered Persons shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

Corporate entertainment and gifts are for the purpose of furthering goodwill and sound working relationships, not to gain an unfair advantage with customers and suppliers. No gift or entertainment of any value should ever be offered or accepted by a Covered Person or any family member of a Covered Person unless it (1) is legal under any applicable law or regulation; and (2) either is in compliance with any applicable policy approved by the Board of Directors or has been approved by the Chief Executive Officer of the Company. Notwithstanding the foregoing, the offer or acceptance of cash gifts by any Covered Person is prohibited. Covered Persons should seek guidance from their supervisors or other appropriate personnel regarding any gifts or proposed gifts which they think may be inappropriate.

C. Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission, the Internal Revenue Service, state and federal securities and tax agencies, other state and federal regulators, and governmental agencies in other countries, as well as in other public communications made by the Company, Covered Persons involved in the preparation of such reports and documents (including those persons or entities who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. In furtherance of this policy, the executive officers of the Company will design, implement and amend as necessary, disclosure controls and procedures and internal controls for financial reporting (collectively, "Controls and Procedures"). All Covered Persons will fully comply with the Controls and Procedures to promote full, fair, accurate, timely, and understandable disclosures by the Company. Where applicable, Covered Persons shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. No Covered Person shall intentionally conceal or falsify information or misrepresent or omit material facts necessary to avoid misleading the Company's independent public auditors or investors.

D. Corporate Opportunities

No Covered Person may: (a) take for himself or herself personally or for an entity in which he or she has any interest, opportunities that are discovered through the use of Company property, information, position or employment without the consent of the Board of Directors of the Company; (b) use Company property, information or position for personal gain or for the benefit of an entity in which he or she has any interest without the consent of the Board of Directors of the Company; or (c) compete with the Company directly or indirectly either personally or through the use of any entity in which he or she has any interest while employed with the Company and for any legally enforceable period agreed to in writing by the Covered Person and the Company. Covered Persons owe a duty to the Company to advance the Company's legitimate business interests when the opportunity presents itself.

E. Confidential and Proprietary Information

Covered Persons must not disclose any Company confidential or proprietary information or trade secrets to persons outside of the Company, except as specifically authorized by management, pursuant to written authorization from the Chief Executive Officer or required by laws and regulations. Confidential and proprietary information includes, but is not limited to, all non-public business, financial, personnel or technological information, plans, data, pricing and sales information, food and beverage processes, recipes and the like, intellectual property, trade secrets, patents and trademarks, copyrights, business, marketing and service plans, engineering ideas, designs, databases, records, salary information and any unpublished financial data and reports and other information, processes or systems related to any portion of the Company's business that might be of use to competitors or harmful to the Company, its suppliers or business partners if shared with others. The obligation to preserve confidential information continues even after employment ends.

In addition to discipline up to and including discharge, violations of this policy could result in criminal and/or civil legal penalties.

F. Insider Trading

Covered Persons who have access to non-public Company information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Company's business. The term "trade" includes all purchases and sales of securities. All non-public information about the Company is considered confidential and proprietary information, as set forth above in Section III.E. To use confidential and proprietary information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical, but is also a violation of federal securities laws and can result in civil and criminal penalties against the Covered Persons involved and against the Company.

G. Protection and Use of Company Assets

The Company's assets should be protected and efficiently used by all Covered Persons. Corporate waste and theft have a direct impact on the Company's bottom line. A Covered Person shall immediately report any incident of fraud or theft. In addition, Company assets should not be used for non-Company business, though incidental personal use may be permitted.

H. Conflicts of Interest

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. A conflict can arise when a Covered Party takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when a Covered Party, or members of his or her family, receive improper personal benefits as a result of his or her position at the Company. Loans to, or guarantees of obligations of, Covered Parties and their family members may create conflicts of interest. It is almost always a conflict of interest for a Covered Party to work simultaneously for a competitor, customer or supplier.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or manager or, if circumstances warrant, the Chief Executive Officer of the Company. Any Covered Party who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section IV of this Code.

All directors and executive officers of the Company (and officers of Biglari Holdings' subsidiaries) shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Company's Audit Committee. No action may be taken with respect to such transaction or party unless and until such action has been approved by the Audit Committee.

I. Significant Accounting Deficiencies

The Chief Executive Officer and Principal Accounting Officer of the Company shall promptly bring to the attention of the Company's Audit Committee any information he or she may have relating to: (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data accurately; or (b) any misrepresentation or deception, whether or not material, intentional, or negligent, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal control over financial reporting.

IV. Violations of Ethical Standards

A. Reporting Inappropriate Behavior

The Company's directors, Chief Executive Officer and Principal Accounting Officer shall promptly report any known or suspected violations of this Code to the Chairman of the Company's Audit Committee. All other Covered Persons should inform supervisors, managers or other appropriate personnel of known or suspected illegal or unethical conduct. Covered Persons may also report questionable conduct in the same manner as they may report complaints regarding accounting, internal accounting controls or auditing matters by calling the Whistleblower Hotline at (855) 799-8298 or by mail to the Company's Audit Committee Chairman at the Company's headquarters. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Company's Audit Committee will strictly enforce this prohibition. Any alleged retaliation should be reported in the same manner as noted above by calling the Whistleblower Hotline at (855) 799-8298 or by mail to the Company's Audit Committee Chairman at the Company's headquarters.

B. Accountability for Violations

If the Company's Audit Committee or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending Covered Person may be disciplined for non-compliance with penalties up to and including suspension, reprimand, removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Audit Committee, demotion or re-assignment of the individual involved and suspension with or without pay or benefits to the extent permitted by applicable wage payment and collection law. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending Covered Person and the Company. All Covered Persons are expected to cooperate in internal investigations of misconduct.

V. Waivers

Only the Company's Board of Directors or its Audit Committee may waive the provisions of this Code for the benefit of any executive officer or director, and any such waiver will be promptly disclosed as required by law or stock exchange regulation.

VI. Compliance Procedures

Keep the following points in mind as you encounter and analyze situations which may constitute a violation of this Code:

- ***Gather all the facts.*** In order to reach the right solutions, we must be as fully informed as possible.
- ***Ask yourself whether what you have been asked to do seems or feels unethical or illegal.*** Common sense is the best tool you have for spotting unethical conduct. If something seems unethical or illegal, it probably is.
- ***The problem may be bigger than you can handle.*** If you are in a situation where responsibilities are shared among a group, it may be worthwhile to bring in other members to discuss and analyze potential ethical problems.

- ***Seek help from Company resources.*** In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, address your concerns in writing to the Audit Committee Chairman at the Company's headquarters, or call the Whistleblower Hotline.

- ***You may report ethical violations in confidence and without fear of retaliation.*** If your situation allows your identity be kept secret, your anonymity will be protected. The Code does not permit retaliation of any kind against Covered Persons for good faith reports of ethical violations.

- ***Ask first, act later.*** If you are unsure of what to do in any situation, seek guidance before you act.