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July 30, 2018

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VIA E-MAIL

Michael Kelly
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Re: **Papa John's**

Dear Mr. Kelly,

This letter responds to your letter dated July 27.

It is unclear why your letter claims that there is “no basis” to assert that the Special Committee (and therefore the Company) have acted prematurely, when there is obviously a basis and I have already provided it to you in my prior letter - *i.e.*, the Special Committee is purported to have been created, completed an investigation, properly informed itself, and acted all in less than 3 hours. As indicated to you, that is not credible.

In any event, if the Special Committee did in fact meet, do an investigation, and pass a resolution purporting to terminate the agreements at issue, please provide me with the minutes of that meeting reflecting these “facts” so the issue can be resolved.

Moreover, your letter is materially incorrect as to what Mr. Schnatter has acknowledged. The truth here, and Mr. Schnatter's consistent point, has been that he **quoted** the word and did not **use** the word. There is a world of difference between using the word as a slur - demeaning someone by calling them that word - and quoting that word. Mr. Schnatter was emphasizing to everyone on that conference call that it was utterly wrong and inappropriate for anyone to use that word as a slur and he would not tolerate having that word associated with the Company's advertising in any way.

If the Special Committee is unaware of this - and your letter is now further evidence of this - it further confirms that the Special Committee failed to properly inform itself prior to acting, as Delaware law requires of each member of the Special Committee.

As to the termination of the agreements, nothing in your letter cures that neither termination is effective. In particular, the fact that “present circumstances” have led the Special Committee to purportedly determine that now “was an appropriate time to terminate the sublease” is irrelevant. The Sublease Agreement has specific terms that control, and all parties are bound by those terms. That the Special Committee considers those terms inconvenient does not render them ineffective.

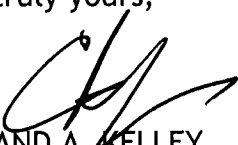
You remain on notice that both terminations are ineffective, and that no notice period has commenced as to either agreement.

As to the reaction of numerous employees who Mr. Schnatter encountered during his recent visit to Company headquarters, we have no doubt as to the sincerity of anyone’s reaction. And we certainly hope you do “not doubt the sincerity of employees” who Mr. Schnatter encountered or that their “feelings and beliefs are not any less authentic” than those you describe. In other words, the Company and the Board should acknowledge that many - customers, employees, franchisees, stockholders and others - strongly disagree with the missteps made by management and the Board, and the great harm they are doing to the Company.

Finally, we appreciate that the Special Committee and the Board took appropriate steps as we requested to amend the Special Committee’s Resolution to fix several issues we identified. Our interest remains in a properly functioning and properly authorized Special Committee. Please do bear in mind, however, that the Board and the Company have *no* power to act as to the matters delegated to the Special Committee, unless and until the Special Committee authorizes that action.

As to the remaining items in your letter, you have our position.

Very truly yours,


GARLAND A. KELLEY
of GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP

cc: Caroline M. Oyler, Esq.
Senior Vice President, Chief Legal Officer
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