

# Glaser Weil

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July 23, 2018

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## VIA E-MAIL

Ms. Caroline Miller Oyler  
Senior Vice President, Chief Legal Officer  
Papa John's International, Inc.  
2002 Papa John's Boulevard  
Louisville, KY 40299  
Caroline\_oyler@papajohns.com

Re: **Security at Mr. Schnatter's residence**

Dear Ms. Oyler:

This letter responds to your email dated July 23.

Your email states that the "company will no longer reimburse a portion of the costs for security at John's personal residence" (see attached). We are disappointed to learn that the Company is taking this position.

First, Mr. Schnatter has been fully cooperative in all regards with the Company in connection with the false allegations that have been asserted by The Laundry Service. By contrast, the Company has done nothing to counter the public relations narrative that entity has launched, and is allowing a false story of racism to persist. That is putting Mr. Schnatter's personal safety at risk - and at that very moment the Company is deciding to cease payment for his personal security. These corporate decisions are both unjustified and indefensible.

Second, on what legal basis has the Company taken this action? As you know, on July 15, 2018, the Board adopted a resolution forming the Special Committee (the "Resolution"), and delegated to the Special Committee "the **exclusive** power and authority" to act with regard to the "Schnatter Group Arrangements," which includes "all existing transactions, proposals, agreements, understandings, arrangements and relationships [] whether now existing or yet to be entered into" between the Company and Mr. Schnatter.

In other words, the Company no longer has the power to do anything that has been delegated to the Special Committee. Only the Special Committee has the power and authority - indeed the "exclusive" power and authority - to do so.

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Accordingly, unless and until the Special Committee completes an appropriate review and makes a prior favorable recommendation to this effect, the Company has no authority to stop or modify in any way any “transactions, proposals, agreements, understandings, arrangements and relationships [] whether now existing or yet to be entered into” between the Company and Mr. Schnatter - including as to his personal security and safety, and that of his family.

Unless you can provide us with evidence that the Special Committee has completed its review and made a recommendation, we presume the reimbursements referred to in your email will continue. Please confirm.

Very truly yours,



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

cc: Douglass B. Maynard, Esq. (dmaynard@akingump.com)  
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**From:** Caroline Oyler <[Caroline\\_Oyler@papajohns.com](mailto:Caroline_Oyler@papajohns.com)>  
**Sent:** Monday, July 23, 2018 10:02 AM  
**To:** Aaron Thompson <[aaron@evgrealestate.com](mailto:aaron@evgrealestate.com)>  
**Cc:** Joe Smith <[Joe\\_Smith@papajohns.com](mailto:Joe_Smith@papajohns.com)>  
**Subject:** Security at John's personal residence

Hi Aaron. To confirm Tim and Buddy's conversation today, the company will no longer reimburse a portion of the costs for security at John's personal residence. We will pay the invoices through w/e 7/15/18. Please let me know if you have any questions.

Thanks.

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