

BIGLARI HOLDINGS INC.
CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Biglari Holdings Inc. (the “Company”) has adopted the following guidelines to promote the effective governance of the Company. The Board will also review and amend these guidelines as it deems necessary or appropriate.

On behalf of the Company’s shareholders, the Board is responsible for overseeing the management of the business and affairs of the Company. The Board acts as the ultimate decision-making body of the Company, except on those matters reserved to or shared with the shareholders of the Company under the laws of Indiana.

1. Director Qualifications

In choosing directors, the Company seeks individuals with integrity, who possess business expertise and enterprise qualities that support an entrepreneurial culture. The Company is required to elect a majority of directors who are independent. All references to “independent directors” in these guidelines are to directors who are independent according to the criteria for independence established by Section 303A of the New York Stock Exchange Listed Company Manual. The Board does not have limits on the number of terms a director may serve. The Board does not have any retirement or tenure policies that would limit the ability of a director to be nominated for reelection.

2. Board Size and Committees

Under the By-Laws of the Company, the Board has the authority to change its size, and the Board will periodically review its size as appropriate. The Board has two committees: the Audit Committee and the Compensation Committee, (the “Committees”). The Committees consist solely of independent directors. The Board may, from time to time, establish and maintain additional or different committees, as it deems necessary or appropriate.

3. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders, and to conduct themselves in accordance with their duties of care and loyalty. Directors are expected to attend Board meetings and meetings of the committees on which they serve and to spend the time needed to carry out their responsibilities as directors, including meeting as frequently as necessary to properly discharge those responsibilities. Directors are also expected to review in advance all materials for the meetings of the Board and the committee(s) on which they serve.

4. Director Access to Management and Advisors

Each director has full and free access to the officers and employees of the Company and its subsidiaries. The Board and each of its committees has the authority to hire independent legal, financial or other advisors as it may deem to be necessary without consulting or obtaining the advance approval of any officer of the Company.

5. Board Meetings

The Chairman of the Board is responsible for establishing the agenda for each Board meeting. Each director is free to suggest items for inclusion on the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting.

6. Executive Session

The non-management (independent) directors meet in regularly scheduled sessions (i.e., without directors who are members of management). The presiding director at each executive session is chosen by the directors present at that meeting.

7. Director Compensation

Only directors who are neither an employee of the Company or a subsidiary nor a spouse of an employee receive compensation for serving on the Board. Changes in the form and amount of director compensation are determined by the full Board. The Board critically reviews any amounts that a director might receive directly or indirectly from the Company, as well as any charitable contributions the Company may make to organizations with which a director is affiliated, in determining whether a director is independent. The Company will not be required to purchase directors' and officers' liability insurance for its directors or officers.

8. Orientation and Continuing Education

All new directors receive an orientation from the Chief Executive Officer and are expected to maintain the necessary level of expertise to perform his or her responsibilities as a director. The directors are encouraged to participate in continuing director education.

9. Management Succession

The Board determines policies and principles for Chief Executive Officer selection, as well as policies regarding succession in the event of an emergency or retirement of the Chief Executive Officer.

10. Annual Performance Evaluation

Each of the Audit Committee and the Compensation Committee conducts an annual evaluation of its performance relative to the requirements of its charter and reports its conclusions to the Board. The report to the Board may take the form of an oral report by the chairperson of the committee or any other member of the committee designated by the committee to make this report. The Board annually conducts a self-evaluation of its performance based in part on the reports of the Committee.

11. Public Disclosure of Corporate Governance Policies

The Company posts on its website copies of the current version of these guidelines, the Company's Code of Conduct and the charters of the Audit Committee and the Compensation Committee of the Board, and discloses in its annual report that such information is available on its website or in print to any shareholder that requests it.
