



Potbelly Corporation

Ethics Code of Conduct

September 2019

Potbelly Ethics Code of Conduct

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POTBELLY ETHICS CODE OF CONDUCT

WHY WE HAVE AN ETHICS CODE OF CONDUCT

This *Ethics Code of Conduct* (the “Code”) applies to all directors, officers and employees of Potbelly Corporation and its affiliates (collectively, “Potbelly” or the “Company”). We have this Code because Potbelly’s reputation for integrity flows from our commitment to our values. Potbelly depends on its directors, officers and employees to follow the law and to make the right decisions. Potbelly operates in a dynamic world, and what’s “right” may not always be obvious. This Code provides practical overviews of some of the legal and ethical code that we all must follow on a day-to-day basis.

DEFINITIONS & APPLICATION

This Code applies to all of Potbelly’s operations. Unless the context otherwise requires, the term “employees” includes Potbelly employees, directors and officers. The term “Legal department” means any attorney employed by Potbelly.

IMPLEMENTATION

Potbelly takes seriously reports of possible violations of this Code, the law or the Company’s other policies. As appropriate, we will investigate and take action, including taking steps to prevent a recurrence of any problems. We will need your cooperation in any investigation.

This Code requires all employees to follow the law and to act honestly and ethically in conducting our business. We are, of course, each responsible for our own conduct. No one has the authority to approve illegal acts, and an illegal act cannot be justified because a superior “ordered it”. Potbelly does not permit an employee to direct or encourage another employee to violate the law or to otherwise act improperly.

Failure to comply with the law and this Code can have severe consequences for Potbelly and the employees involved. Any employee who fails to meet the obligations set forth in this Code or the law will be subject to discipline, up to and including dismissal. Discipline also may be imposed if a employee fails to report violations of the Code or the law; if an employee retaliates against another employee for reporting a violation or cooperating in an investigation; if a employee lies or deliberately withholds relevant information in making a report or in an investigation; if a employee directs others to violate this Code or the law; or if the circumstances indicate a supervisor has failed to adequately or properly perform their supervisory duty. Where laws have been violated, Potbelly will cooperate fully with the appropriate authorities.

All employees are required to acknowledge, upon hire and annually, that they have read, understand and are in compliance with this *Ethics Code of Conduct*. Abiding by this Code is a condition of continued employment with Potbelly.

ASKING FOR GUIDANCE & VOICING CONCERNS

We recognize that no single document, including this Code, can give employees an answer for every situation or dilemma that you may face. However, this Code does point you to additional resources that may be useful. If your own judgment and this Code do not provide the answer, please use the other resources available to you, including:

- your supervisor;
- Potbelly materials such as those provided to you upon hire; and
- the appropriate department such as Human Resources or the Legal department.

To ask questions or report concerns anonymously, you may:

- (i) go online to <https://www.openboard.info/PBLY/index.cfm>
- (ii) send an email to PBLY@openboard.info; or
- (iii) call 866-888-4113 and leave an anonymous message.

Your concern will be taken seriously, and all information will be treated in a confidential manner. If you are uncertain about something you intend to do while conducting Potbelly business, you should seek advice before acting. We are also counting on you to let us know if you see or learn something that suggests this Code or any laws have been violated. Potbelly does not tolerate retaliation against any employee who raises concerns or questions regarding a potential violation of any laws or Potbelly policies that he or she reasonably believes to have occurred.

COMPLIANCE WITH LAWS & REGULATIONS

Potbelly is committed to full compliance with the laws, rules and regulations of the countries, cities and states in which we operate. You must comply with all applicable laws, rules and regulations in performing your duties. Where you think a conflict exists between this Code and an applicable law, rule or regulation, or if you have a question concerning the legality of your or other employee's conduct, you should consult with your manager or another party described in the section of this Code called "Asking for Guidance and Voicing Concerns."

Directors and officers of Potbelly have fiduciary duties and other legal obligations. To the extent that this Code conflicts with those fiduciary duties and other legal obligations, directors and officers must act in accordance with those duties and obligations, unless this Code imposes a higher standard of conduct, in which case directors and officers should follow this Code.

TRADING IN POTBELLY STOCK

Trading in Potbelly securities based on inside information is both unethical and illegal. Generally, persons who have material non-public information about Potbelly are not permitted to buy, sell or otherwise trade in Potbelly securities. This restriction extends to tipping others about or sharing with others such non-public information, since individuals receiving such information might use it to trade in Potbelly securities.

Potbelly has adopted an Insider Trading Policy, governing trading in Potbelly securities, to which you are referred.

HOW WE TREAT ONE ANOTHER

At Potbelly, our people define our Company and our culture. We treat each other with respect and dignity. This means, for example, that employment decisions are made without regard to race, color, religion, national origin, citizenship, age, gender, sexual orientation, gender identity, veteran status, disability status or any other prohibited criteria.

Treating each other with respect and dignity also means that all employees are entitled to work in an environment that is free of harassment. Sexual harassment, or any other type of harassment, will not be tolerated at Potbelly. Harassment can take many forms. Examples include, but are not limited to:

- Unwelcome remarks, gestures or physical contact;
- The display or circulation of sexually explicit or derogatory pictures or other materials;
- Sexual or derogatory jokes or comments (explicit or by innuendo); and
- Verbal abuse, threats, taunting or leering.

Anti-Harassment & Non-Discrimination Policy

It is Potbelly's policy and practice to provide and promote equal employment opportunities for all applicants and employees. Potbelly is firmly committed to maintaining a workplace based on our collective values, which stress the quality of our products and services, the importance of teamwork, and the need for all employees to treat each other professionally and with dignity, fairness, and respect. Therefore, it is the responsibility of all employees to ensure that the concepts of equal employment opportunity, non-harassment, and non-discrimination are understood, abided by, and carried out by everyone.

Prohibition of Discrimination & Harassment

It is the policy of Potbelly to hire, train, promote, compensate, and administer all employment practices without regard to sex, ethnic background, sexual orientation, gender identity, race, color, age, national origin, veteran status, religion, marital status, or disability or on account of membership in any protected category under

any applicable law. Harassment of employees or applicants because they are members or affiliated with members of any of the foregoing protected groups is also prohibited, unlawful, may subject the Company to liability, and will not be tolerated.

Potbelly believes that every employee has the right to work in an environment totally free of harassment and discriminatory conduct, joking, or epithets. Such behavior does not advance the purposes of Potbelly; it is also morally wrong, and may subject Potbelly to legal exposure in certain circumstances. Potbelly policy sets a standard of conduct that is higher than what applicable laws may require, as it forbids discriminatory or harassing conduct of the kind described in this Code even if the conduct does not rise to the level of a violation of applicable law. Consequently, any employee who engages in these types of prohibited conduct will be subject to disciplinary action, up to and including termination.

Conduct Constituting Prohibited Sexual or Discriminatory Harassment

Sexual harassment (due to one's gender) is one form of harassment forbidden by this Code. Potbelly also prohibits inappropriate and unprofessional as well as sex-related conduct regardless of whether it amounts to unlawful sexual harassment, as such conduct is deemed to be inconsistent with Potbelly policy of promoting tolerance, respect, and dignity in the workplace. For purposes of this Code, conduct is considered "harassment" when it is based on a legally prohibited category and the conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment; or has the purpose or effect of unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities.

For example, and without compiling an exhaustive list, the following are illustrative of conduct that Potbelly condemns and prohibits under this Code regardless of whether the conduct is based on gender or results in an adverse employment action and regardless of whether the conduct is severe or pervasive enough to create an unlawful hostile environment:

- a) It is prohibited for any employee to condition a benefit, such as a certain salary, job, shift, schedule, or promotion on the granting of sexual favors or the establishment or continuance of a personal relationship, or to imply to another employee that an award of such a benefit is conditioned upon the granting of sexual favors or the establishment or continuance of a personal relationship.
- b) It is also prohibited for any employee to state or imply that another employee's performance is attributable in whole or in part to the employee's sex or membership in any protected-group category under applicable law.
- c) It is also prohibited for any employee to state or imply that a fellow employee's promotion in the corporate hierarchy has resulted from the granting of sexual favor or a personal relationship.
- d) It is also prohibited for any person to engage in any type of conduct which has the effect of unreasonably interfering with another employee's work or creates an intimidating, hostile, or offensive work environment.
- e) It is prohibited for any employee to bring any item to the work premises that is offensive sexually or discriminatory even if intended as a joke.
- f) It is prohibited for any employee to post any material that is discriminatory, offensive, or sexual, even if intended as a joke, on Company property, bulletin boards, documents, or email or voice mail systems.
- g) It is prohibited for any employee to deface Company property or the personal property of anyone else, especially if offensive sexually or discriminatorily, even if intended as a joke.
- h) It is prohibited for any employee to utter or utilize any offensive sexual or discriminatory jokes or epithets at work, or when referring to or about any other person, be they an employee or a non-employee.

- i) It is prohibited for any employee to harass anyone else due to their sex, sexual orientation, gender identity, race, color, ethnic background, age, national origin, veteran status, religion, marital status, disability, or other protected-group status.
- j) It is prohibited for any employee to bring to or display in the workplace any materials having an offensive content (such as pornography or due to a demeaning reference to a protected-group status) or to circulate or disseminate any such materials through Potbelly's internal mail, voice mail, or email systems.

As an employee of Potbelly, you should be aware that the issue of whether behavior constitutes inappropriate, unprofessional harassment or discriminatory conduct might depend on how that behavior is viewed by the employee who is subjected to the behavior. Any employee who initiates or persists in such prohibited behavior assumes the risk of violating this Code in the event that the person who is the object of the behavior views it as offensive; accordingly, such an employee may be subject to discipline even if his or her conduct might not have been intended as offensive.

Conduct Constituting Prohibited Sexual or Discriminatory Conduct

For example, and without compiling an exhaustive list, the following are illustrative of conduct that Potbelly condemns and prohibits under this Code:

- a) It is prohibited for any employee to bring any item to the work premises that is offensive sexually or discriminatory even if intended as a joke.
- b) It is prohibited for any employee to post any material, download material, or access websites on Company equipment or in the workplace that is discriminatory, offensive, or sexual, even if intended as a joke, on Company property, bulletin boards, documents, or email or voice mail systems.
- c) It is prohibited for any employee to deface Company property or the personal property of anyone else, especially if offensive sexually or discriminatorily, even if intended as a joke.
- d) It is prohibited for any employee to utter or utilize any offensive sexual or discriminatory jokes or epithets at work, or when referring to or about any other person, be they an employee or a non-employee.
- e) It is prohibited for any employee to harass anyone else due to their sex, sexual orientation, gender identity, race, color, ethnic background, age, national origin, veteran status, religion, marital status, disability, or other protected-group status.
- f) It is prohibited for any employee to bring to or display in the workplace any materials having an offensive content (such as pornography or due to a demeaning reference to a protected-group status) or to circulate or disseminate any such materials through Potbelly's internal mail, voice mail, or email systems.

Our Internal Complaint Procedure

If you have a complaint of discrimination or harassment (including sexual harassment) and/or if you are aware of a possible violation of the policies referenced in this Policy, you are encouraged to immediately report the problem to your immediate supervisor or General Manager, District Manager or Department head, your Market Manager, your Field or Support Center Human Resources Manager for investigation.

Our experience is that direct communication about an issue is generally the most effective way to resolve the matter. If for any reason, you would feel more comfortable submitting your complaint in writing, you are free to do so and your written complaint can be directed to the Field Human Resources or Support Center Human Resources for investigation pursuant to this policy to help you with the reporting process.

All complaints will be investigated and/or handled promptly to help ensure the rights of all parties are protected in appropriate instances. The privacy of the person who reported the concern and the person who is accused of the Policy violation will be respected to the extent appropriate and consistent with a thorough investigation. Based on the outcome of the investigation, we will take whatever action may be appropriate to remedy

the Policy violation(s), including disciplinary action or even termination for a first offense (if warranted) against any offender who is employed by Potbelly. Note: if a non-employee is found to have violated this Policy or engaged in other misconduct, our remedies may be somewhat limited but it may result in termination of our business relationship with the non-employee/offender(s) involved for even a first offense.

Application of this Code to Dealings with Non-Company Employees

This Code also applies to the dealings of any employee with non-employees such as customers, vendors, and members of the public. Furthermore, this Code also applies to individuals who do business with Potbelly, who are present on Potbelly's premises, or who interact with any employee of Potbelly while the employee is on duty. You can find additional information about how we treat our customers and non-company employees in the Employee Handbook provided to you upon hire.

We Do Not Tolerate Retaliation

Retaliation against any person who has complained about discrimination or harassment, filed a charge, reported discrimination or harassment of another person, and/or otherwise participated in an investigation of a possible Policy violation will not be tolerated. Such activity is unlawful and will result in severe discipline, up to and including discharge if warranted by the facts involved. Any manager or supervisor who engages in harassment or retaliation and/or who knowingly allows such behavior to continue will be penalized for engaging in such misconduct, which may include discharge for a first offense if justified by the facts involved.

This assurance against retaliation extends to complaints and investigations reported by or participated in by Potbelly employees, non-employees and/or all others who do business with Potbelly on our premises.

EMPLOYEE PRIVACY & PERSONAL ACTIVITIES

Treating each other with respect and dignity includes respecting one another's privacy. Of course, you may keep your personal activities outside of the workplace confidential. However, you should always keep in mind that you are a representative of Potbelly. Further, if you use the equipment or resources of Potbelly for any communication from or to anyone, you have consented to the right of Potbelly to intercept such communication and to monitor your use of Potbelly's equipment and resources. Do not use the equipment or resources of Potbelly if you intend a communication to be private. For example, any use of Potbelly's equipment or its network to send or receive email communication or for connecting with the Internet is never to be considered a private communication. Employees should reference our *Technology Use and Information Security Policy* for additional detail.

SEARCHES & INVESTIGATIONS

Potbelly's policies and work rules include prohibitions on various types of misconduct, such as theft, possession of weapons, violation of our drug and alcohol policy, and health and safety violations. These policies and rules exist for the protection of our employees, our customers, the Company, and others with whom we do business and have contact, including members of the public. We are also subject to health and safety requirements imposed by various laws. In order to make sure that our policies and rules are being followed, it is necessary that we investigate possible violations of our policies and inspect Potbelly premises and items on Potbelly premises.

Accordingly, Potbelly reserves the right, when it determines it is appropriate, to conduct searches of persons (including employees) and their personal vehicles and belongings on Potbelly property, including desks, lockers, cars, packages, toolkits, bags, and briefcases, as well as voice mail, computers and computer software, email, files, storage, and other media. Employees are reminded that desks, lockers, telephones, voice mail, tools, personal computers and computer media, and other items supplied by Potbelly are and remain Potbelly property. Failure or refusal to consent to a search when requested by Potbelly, or failure to cooperate fully in any investigation, may result in discipline, up to and including immediate termination.

SAFETY & SECURITY

Potbelly is committed to providing all employees with a clean, safe, and healthy work environment. To achieve this goal, we must recognize our shared responsibilities to follow all safety rules and practices, to

cooperate with officials who enforce those rules and practices, to take necessary steps to protect ourselves and other employees, to attend required safety training, and to report immediately all accidents, injuries, and unsafe practices or conditions. You can find additional information about maintaining a safe, healthy working environment in the Employee Handbook and in the Safety and Security training.

VIOLENCE PREVENTION

Potbelly strives to prevent workplace violence. If you have any questions or concerns about workplace security or violence prevention issues, please talk with your manager or the Human Resources department. You can find additional information about maintaining a violence-free working environment in the Employee Handbook.

SUBSTANCE ABUSE & WEAPONS

In order to promote the safety of our employees, customers, and suppliers, Potbelly has a strict policy regarding substance abuse and weapons. Employees are not permitted to use or possess alcoholic beverages on Company property, except at Potbelly-sponsored social events where Potbelly permits alcohol. An exception applies if your job involves the sale of alcohol, but in that case you may not consume the alcohol and must participate in any special training required for that business. You also may not use or possess illegal drugs or controlled substances on Potbelly property or while you are engaged in any job-related activity. Employees may not report to work with alcohol, illegal drugs or controlled substances in their system. Employees may not have or possess any weapon while in a Potbelly store or on other Potbelly property, to the extent allowed by law.

WAGE & HOUR RULES

Potbelly has a compensation and benefits package for its employees. As an employee, your job is classified according to the nature of your employment. Potbelly is committed to following all applicable minimum wage, overtime wage, child labor, and other wage and hour laws and regulations. To assure that all work performed for Potbelly is compensated correctly, it is essential that all work time is reported and recorded accurately. Every employee is responsible for this important recordkeeping task, both for yourself and for any employees whom you supervise. If you have questions about your classification or any other wage and hour issues, please consult your manager or the information provided to you upon hire. Any problems with recordkeeping or any inaccuracies in compensation should be reported promptly to your manager or district manager. Contact the Human Resources department about any wage and hour question.

DIVERSITY

Potbelly actively creates and promotes an environment that is inclusive of all people and their unique abilities, strengths, and differences. We respect and embrace diversity in each other, our customers, our suppliers, and all others with whom we interact as an essential component in the way we do business.

CONFLICTS OF INTEREST

We all must avoid conflicts of interest. A conflict of interest exists when a personal interest or activity interferes or appears to interfere with the duties that you perform at or owe to Potbelly. A conflict of interest may unconsciously influence even the most honest person, and the mere appearance of a conflict may cause an employee's acts to be questioned. We all must avoid situations that affect or appear to affect our ability to act in the best interests of Potbelly.

You should carefully review your own situation for any conflicts of interest. You must disclose any conflicts or potential conflicts to your manager. In consultation with Human Resources and the Legal department, your manager will determine whether a conflict or potential conflict exists and whether any corrective action should be taken. Potbelly's corporate officers have a special responsibility to avoid conflicts of interest because of their high visibility in the business community and in the community generally. Officers and all other employees should disclose actual, potential, or apparent conflicts to their Human Resources manager. All employees, including officers, with actual, potential, or apparent conflicts should remove themselves from the decision-making process with respect to any matter involving the conflict.

Some situations in which conflicts of interest may arise, and therefore should be avoided, are:

- being employed by or operating a firm (including consulting) which does or desires to do business with Potbelly;
- having any direct or indirect financial involvement, or ownership of any interest, in any organization (except for an ownership interest of less than 5% in a publicly held company) by you or anyone in your immediate family with whom Potbelly does business, including but not limited to vendors, suppliers, customers, or agents, except with Potbelly's specific prior knowledge and written consent;
- being employed by or operating, or having ownership of any interest in (except for an ownership interest of less than 5% in a publicly held company), any organization that competes with any operation of Potbelly. Engaging in the sale of merchandise or services pertaining to the sandwich industry or businesses will be considered a conflict of interest and is not allowed;
- engaging a family member or someone with whom you have a familial-like or dating relation to perform services for Potbelly;
- entering Potbelly into contracts with relatives or household members or representing Potbelly in any transaction in which you or a related individual has a substantial personal interest (greater than 1%);
- acting on behalf of anyone besides Potbelly in any transaction with Potbelly (for example, helping someone sell products and/or services to Potbelly); and
- competing with Potbelly for real property rights or interests or engaging personally in real estate or other transactions in which Potbelly has an interest, without express written approval from the board of directors of Potbelly.

If you have any questions about whether your ownership of an interest in an organization or any other action presents a risk of a possible conflict of interest, you should contact your manager or the General Counsel of Potbelly before entering into such a relationship or taking such action.

GIFTS & ENTERTAINMENT

Potbelly is committed to always being honest and accountable with respect to how Potbelly employees deal with business gifts and favors, both those received by Potbelly employees and those that Potbelly employees might have reason to give to other individuals.

Employees should always act in ways that are consistent with the Code and applicable laws and that maximize Potbelly's best interests rather than the interests of the employee or those of some other party. In addition, employees should neither use their position at Potbelly to take unfair advantage of anyone seeking to do business with the Potbelly nor let vendors, suppliers, or contractors use business gifts or favors to unfairly influence Potbelly business decisions.

There are times when it may be respectful or appropriate to offer or receive business gifts or favors, including entertainment. But it is never appropriate to offer gifts or favors to, or receive them from, any governmental official. For additional information, see the section of this Code called "Foreign Corrupt Practices Act." In addition, because business gifts and favors are intended to influence relationships, Potbelly employees must remember to represent the highest standards of integrity and fairness in every decision affecting Potbelly. Obviously, giving or receiving bribes or other forms of payment designed to improperly influence decisions is never acceptable.

As gestures of mutual appreciation and gratitude, Potbelly permits employees to offer or receive business gifts or other favors, including entertainment, within specific guidelines. But such gifts should never include cash and should never cause an employee representing Potbelly to make a decision that the employee would not have made otherwise.

Acceptable business gifts, favors, or entertainment are those that:

- are infrequent and not excessive in value, which is defined as no more than U.S. \$100 (or the local currency equivalent);
- comply with applicable U.S. and foreign laws;
- would not embarrass Potbelly, the person receiving the gift, or the person giving the gift; and

- are not given to, or received from, any governmental official.

Potbelly requires employees to disclose, in writing, any business gift, favor, or entertainment, other than business meals, given or received that has a value of more than U.S. \$100 on a gift reporting form available on the *Ethics, Compliance and Policy* page on the employee portal. This form must be completed and approved each time you give or receive a gift that exceeds U.S. \$100. For the form to be considered disclosed, you must submit the approved form to the Office of Ethics Compliance and Policy. Attending or participating in a Potbelly-sponsored event is not considered a business gift or favor in the sense addressed here.

The following are examples of unacceptable gifts:

- A manager goes on an all-expenses-paid ski trip provided by a vendor without obtaining approval.
- A GM plays golf every Saturday as the guest of a vendor at the vendor's country club and does not disclose it.
- The city council is voting to decide on a catering contract, and Potbelly is being considered. The GM offers a council member free sandwiches in exchange for a favorable vote.
- A vendor who is bidding on a Potbelly contract offers the Potbelly manager money in exchange for providing him with information not available to other bidders.

FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (the "FCPA") and the laws of many other countries broadly prohibit bribery, including offering money or "anything of value" to any foreign government official for the purpose of influencing such official. The consequences of violating the FCPA are extremely severe, including possible civil and criminal penalties for both the Company and individuals. In the United States, nothing of value (for example, gifts, meals, or entertainment) may be provided to any government personnel without the prior written approval of Potbelly.

Potbelly has adopted a Foreign Corrupt Practices Act Policy to which you are referred.

SALES PRACTICES & ADVERTISING

In all sales and advertising, Potbelly competes on the merits of our products and services. Our communications with our customers or potential customers must be truthful and accurate. When we say something about our products and services, we must be able to substantiate it. We sell the quality of what we do; we do not disparage or take shots at our competitors. If you are involved in advertising, be sure that the Legal department reviews any advertising material before it is used.

ANTITRUST & FAIR COMPETITION

We have full confidence in our ability to succeed and prosper in a free marketplace. Our competitive advantage is the superiority of our products, associates, and service. We do not tolerate illegal restraints of trade or unfair competition. Do not enter into any discussions or arrangements with competitors that affect pricing, marketing, or our employment practices. Agreements or understandings with competitors, whether written or not, on such matters as prices, terms or conditions of sale, limits on production, division of territories or customers, and boycotting of third parties not only are bad business practices but are often criminal violations. As a result, they cannot be defended or justified no matter how well-intended.

DISCLOSURE IN GOVERNMENTAL FILINGS AND OTHER PUBLIC COMMUNICATIONS

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws, rules, and regulations in the reports and documents that it files with or submits to various state or federal agencies, including the Securities and Exchange Commission, and in other public communications made by the Company. All employees are expected to use their best efforts to perform their duties in a manner intended to implement this policy. Questions concerning the applicability of any legal or regulatory provision should be directed to the Legal department.

We all represent Potbelly. In order for all information disclosed outside of the Company (for example, to media, investors or general public) to be accurate, complete and consistent, if someone asks you for information

refer them to the Support Center. Inquiries about former or current employees, such as reference requests or employment verification, should be referred to the Human Resources department. Do not attempt to answer these questions yourself. Be sure to advise your manager of the request. If a member of the media, or someone else, appears unexpectedly at a Potbelly store or other facility and asks to shoot video or take photographs or makes other inquiries, immediately notify your manager. Do not discuss Potbelly's business with the individual. The supervisor should contact the SVP of Marketing at the Support Center to ensure that the correct procedure is followed.

ENVIRONMENTAL COMMITMENT

At Potbelly, we are committed to environmental leadership in all aspects of our business. All employees should seek ways to proactively address the environmental impacts of our operations. At a minimum, we all must ensure that Potbelly's business practices and activities comply with the letter and spirit of the law and all Company policies.

INTERACTION WITH THE GOVERNMENT & SERVICE OF LEGAL DOCUMENTS

Potbelly strives for excellent relations with local, state, federal and international governments. Potbelly is committed to being a "good corporate citizen" and is proud of its record of service to the community. Potbelly values the communities where we do business. From time to time, employees may interact with local government officials. For example, a Potbelly store may require a local permit or approval, or local health officials may inspect a store. Potbelly is committed to complying with local laws, regulations and codes and to working fairly and honestly with local officials and others in our communities. In doing so, your actions must meet high ethical and legal standards. It is against our policy (and may violate the law) to offer or make a payment or gift of any kind in order to facilitate a local process or to influence a local government official.

A representative of the government may seek to interview you regarding Potbelly's business activities or your work at the Company. In such event, you and Potbelly have the right to be represented by counsel. If you are contacted by a government agent or representative and asked to provide information, you should contact the Legal department.

Potbelly deals honestly and fairly with government representatives and agents and is committed to compliance with valid governmental requests and processes. Employees must be truthful and straightforward in their dealings with the government and may not direct or encourage another employee or anyone else to provide false or misleading information to any government agent or representative. Employees must not direct or encourage anyone to destroy records relevant to an investigation. If an inspector appears at your store or someone arrives to serve legal papers, immediately notify your manager, who will follow the appropriate procedures and contact the Legal department.

POLITICAL ACTIVITIES

Political activities must be conducted on your own time and using your own resources. Potbelly does not make direct contributions to any candidates for federal, state or local offices where applicable laws make such contributions illegal and contributions to political campaigns must not be made with or reimbursed by Potbelly's funds or resources. Potbelly's funds and resources include (but are not limited to) Potbelly's facilities, office supplies, letterhead, telephones and fax machines. This Code does not prohibit employees from making personal political contributions as they see fit in accordance with all applicable laws.

INTELLECTUAL PROPERTY & PROPRIETARY INFORMATION

Confidential Information

During the course of employment at Potbelly, all employees gain some knowledge and information which is nonpublic and proprietary. Employees are trusted with maintaining the confidentiality of this information. If this information were known outside the Company, it could harm Potbelly and its employees. Confidential information includes supplier information, our technologies, recipes, formulas, business and marketing plans, and existing and future product information. Potbelly information should be used only for Company purposes and should not be disclosed to anyone outside of Potbelly unless they have signed a non-disclosure agreement in advance which has been approved by the Legal department. Even within Potbelly, only those individuals who truly need to know to

conduct their business should have access to confidential information. All employees are expected to comply with this policy not only for the duration of their employment with Potbelly but also after the end of their employment with Potbelly. If you leave Potbelly, you must return all Company materials and property.

Some basic rules include the following:

- DON'T bring any papers or computer records from prior employers to Potbelly.
- DON'T accept or use anyone else's confidential information (or agree to maintain anyone's information in confidence) except under an agreement approved by the Legal department.
- DON'T solicit confidential information from another Company's present or former employees.
- DON'T engage in "espionage"; be above board in obtaining information about the marketplace.

Other Intellectual Property

As an employee, the things you create for Potbelly belong to the Company. This "work product" includes inventions, discoveries, ideas, improvements, software programs, artwork, and works of authorship. This work product is Potbelly's property (and does not belong to you) if it is created or developed, in whole or in part, on Company time as part of your duties or through the use of Potbelly resources or information. This means you have rights to any invention for which no equipment, supplies, facility, trade secret, or confidential information of Potbelly was used and which was developed entirely on your own time, unless the invention relates to the business of Potbelly or to Potbelly's actual or demonstrably anticipated research or development or the invention results from any work that you performed for Potbelly during the term of your employment relationship with Potbelly. Employees must promptly disclose to Potbelly, in writing, any such work product and cooperate with the Company's efforts to obtain protection for Potbelly. To ensure that Potbelly receives the benefit of work done by outside consultants, it is essential that an appropriate agreement or release be in place before any work begins.

Remember, too, that our brands, including the Potbelly name, are extremely valuable to our success. Brands are fragile and must be used carefully and protected from others' misuse. Consult Potbelly's Legal department if you have questions about guidelines for proper trademark usage.

When Potbelly uses the work product of others, including art and music, we must also be sure to follow the rules. For example, you should only use software for which you have a valid license and should only use that software in accordance with the terms of the license for that software. Written materials and music may be subject to copyright protection and should only be copied when permitted. Use caution, as not all copyrighted materials bear a notice.

Company Records

Potbelly retains its records only for as long as the records are being actively used, unless the law or business needs require longer retention. This policy applies to records maintained in all forms at Potbelly, including records kept in written and electronic form.

We do not knowingly destroy or discard evidence. Records relevant to a legal action cannot be destroyed or discarded without the approval of the Legal department. If Potbelly receives a subpoena, a request for records, or other legal papers, or if we have reason to believe that such a request or demand is likely, the Company policy is to retain all records which are relevant to the matter. If you receive such a request or other legal papers, notify the Legal department immediately.

FINANCIAL ACCOUNTING, INTERNAL CONTROLS & AUDITING MATTERS

Potbelly's books and records must accurately, completely and properly reflect all assets, liabilities, revenues and expenses. Employees may not establish undisclosed or unrecorded funds on behalf of the Company for any purpose. Potbelly does not permit any attempts to create false or misleading records, and employees may not record or establish any false or misleading entries in Potbelly's books and records for any reason.

Potbelly's business transactions must be properly authorized and completely and accurately recorded on Potbelly's books in accordance with Potbelly's established financial, accounting and management policies. No payment or transfer of Company funds or assets may be made or approved with the intention or understanding that any part of such payment or transfer is to be used other than as specified in the supporting documents.

Complaints and concerns regarding questionable accounting, internal accounting controls or auditing matters should be routed to the General Counsel of Potbelly or using the procedures described in the “Reporting Procedures and Investigation of Improper Conduct” below. Please review Potbelly’s Whistleblower Policy available on the employee portal for additional information.

REPORTING PROCEDURES AND INVESTIGATION OF IMPROPER CONDUCT

If any employee witnesses any conduct that he or she believes is inconsistent with this Code, Potbelly expects the employee to notify immediately one or more of the people designated below. Potbelly has convenient and reliable mechanisms in place for reporting alleged violations of the policy. Complaints will be accepted in writing or orally. Complaints can be directed to multiple people within Potbelly, including:

- any Assistant Manager, General Manager or District Manager;
- any member of the Human Resources staff; or
- any senior member of management.

Additionally, to make an anonymous complaint, you may:

- (i) go online to <https://www.openboard.info/PBLY/index.cfm>
- (ii) send an email to PBLY@openboard.info; or
- (iii) call 866-888-4113 and leave an anonymous message.

All complaints shall be treated with the utmost seriousness and discretion. Upon receipt of the complaint or in circumstances where Potbelly becomes aware of alleged offending conduct, a prompt, thorough, and impartial investigation will be made concerning any alleged violation of this Code. If the investigation leads to a determination that an individual engaged in conduct in violation of this Code, appropriate corrective action will be taken promptly, including the possible termination of the offending party. Potbelly may impose discipline for inappropriate conduct that comes to Potbelly’s attention, without regard to whether the conduct constitutes a violation of law.

Potbelly will not tolerate adverse treatment of any employee because he or she reports a suspected violation of this Code that he or she reasonably believes to be accurate or any employee who provides information related to such complaints. As this Code strictly prohibits retaliation in any form against anyone who complains of alleged violations of this Code, the prohibition against retaliation also applies to any employee involved in or cooperating with any investigation of alleged offending conduct under this Code. That means a supervisor is prohibited from making any personnel decision or taking any other adverse action against any employee because the employee complained or cooperated in good faith with an investigation of alleged conduct prohibited by this Code. Any acts of retaliation will be considered a violation of this Code, and corrective action will be taken promptly, including the possible termination of any individual who engages in retaliation of any form.

The Chief Compliance Officer will be responsible for enforcement of this Code. Potbelly’s Legal department and the Chief Compliance Officer are responsible for interpreting and applying these policies to specific situations in which questions may arise and the Legal department will report to and advise the board of directors of Potbelly in connection with this Code.

PUBLICATION OF THIS CODE

The current version of this Code is maintained on the *Ethics, Compliance and Policy* page on the employee portal as well as on the Company website. Because the Code is revised periodically please check the portal or website for the most recent version of the Code.

WAIVERS AND EXCEPTIONS

Waivers of this Code for executive officers or directors may only be approved by the board of directors of Potbelly. In the event that any waiver is granted to an executive officer or director, the waiver must be promptly disclosed as required by law or federal regulations. Waivers of this Code for other personnel may only be approved by the Chief Compliance Officer and Chief Executive Officer. The Legal department will be responsible for maintaining a complete record of all requests for waivers and the outcome of such requests.

Any employee who believes that an exception to the Code is appropriate should contact their manager first. If the manager agrees that an exception is appropriate, Potbelly's Legal department must be consulted.

NON-EXCLUSIVITY

The policies stated herein are not all the applicable Potbelly policies nor are they a comprehensive or complete explanation of all laws which are applicable to Potbelly and its employees. All Potbelly employees have a continuing obligation to familiarize themselves with applicable laws relating to their job responsibilities and all Potbelly policies.

ACCOUNTABILITY, ONGOING COMMUNICATION & REVIEW

It is your personal responsibility to ensure that you know and understand what this *Ethics Code of Conduct* requires. You also may receive more detailed training in subjects related to your job. We expect employees to attend all required training and, where appropriate, to assist and cooperate in our monitoring and reviews. If you are a manager, you should ensure that your employees attend the proper training and, when appropriate, assist in reviews.

A commitment to integrity, acting honestly and ethically, and complying with the letter and spirit of the law are critical to our continued success. We are counting on each of you to do your part. Remember, please, do the right thing.

* * * *

SIGNATURE PAGE

By signing this *Ethics Code of Conduct* I acknowledge I have read, understand and will comply with the *Ethics Code of Conduct*. I understand my accountability for adhering to this Code and my responsibility to report violations as set forth therein.

Employee Signature

Date

Print Name

New employees receive this Code at the time of hire and every Potbelly employee signs this Code annually.