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DELTA REPORT

10-K

DENN - DENNYS CORP

10-K - DECEMBER 25, 2024 COMPARED TO 10-K - DECEMBER 27, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1437
CHANGES	344
DELETIONS	458
ADDITIONS	635

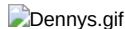
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 27, 2023** **December 25, 2024**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-18051



DENNY'S CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-3487402
(I.R.S. Employer Identification No.)

203 East Main Street
Spartanburg, South Carolina
(Address of principal executive offices)

29319-9966
(Zip Code)

Registrant's telephone number, including area code **(864) 597-8000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
\$.01 Par Value, Common Stock	DENN	The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was **\$568,815,497** **\$290,174,732** as of **June 28, 2023** **June 26, 2024**, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sales price of the registrant's common stock on that date of **\$12.22** **\$6.90** per share and, for purposes of this computation only, the assumption that all of the registrant's directors, executive officers and beneficial owners of 10% or more of the registrant's common stock are affiliates.

As of **February 22, 2024** **February 20, 2025**, **52,253,719** **51,611,066** shares of the registrant's common stock, \$.01 par value per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement for the **2024** **2025** Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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FORWARD-LOOKING STATEMENTS

The forward-looking statements included in the "Business," "Risk Factors," "Legal Proceedings," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures About Market Risk" sections and elsewhere herein, which reflect our best judgment based on factors currently known, involve risks and uncertainties. Words such as "expect," "anticipate," "believe," "intend," "plan," "hope," and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements speak only as to the date thereof. Except as may be required by law, we expressly disclaim any obligation to update these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors including, but not limited to, the factors discussed in such sections and, in particular, those set forth in the cautionary statements contained in "Risk Factors." The forward-looking information we have provided in this Form 10-K pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 should be evaluated in the context of these factors.

PART I

Item 1. Business

Description of Business

Denny's Corporation, or the "Company", a Delaware corporation, is one of America's largest franchised full-service restaurant chains. The Company owns and operates the Denny's brand ("Denny's") and the Keke's Breakfast Cafe brand ("Keke's"). As of [December 27, 2023](#) [December 25, 2024](#), the Company consisted of [1,631](#) [1,568](#) restaurants, [1,558](#) [1,493](#) of which were franchised/licensed restaurants and [73](#) [75](#) of which were company operated.

The Denny's Brand

Denny's is known as "America's Diner", or in the case of our international locations, "the local diner." Open 24/7 in most locations, we provide our guests quality food that emphasizes everyday value and new and innovative products through our compelling limited time only offerings, delivered in a warm, friendly "come as you are" atmosphere. Denny's has been serving guests for [nearly over](#) 70 years and is best known for its all day breakfast fare. The Grand Slam, one of our most popular menu items, was first introduced in 1977. Denny's offers a wide selection of lunch and dinner items including entrees, burgers, sandwiches and salads, along with an assortment of appetizers and desserts. We have four dayparts, breakfast, lunch, dinner and late night, accounting for [27%](#) [28%](#), [36%](#), [21%](#) [20%](#) and 16%, respectively, of average daily sales. Weekends have traditionally been the most popular time for guests to visit our restaurants. In [2023](#), [2024](#), 38% of an average week of sales occurred from Friday late night through Sunday lunch. Additionally, off-premises sales, including sales for delivery and through our [two](#) [three](#) virtual brands, represented approximately 20% of total sales in [2023](#), [2024](#).

As of [December 27, 2023](#) [December 25, 2024](#), the Denny's brand consisted of [1,573](#) [1,499](#) franchised, licensed and company restaurants around the world, including [1,407](#) [1,334](#) restaurants in the United States and [166](#) [165](#) international restaurant locations. As of [December 27, 2023](#) [December 25, 2024](#), [1,508](#) [1,438](#) of Denny's restaurants were franchised or licensed, representing 96% of the total Denny's restaurants, and [65](#) [61](#) were company restaurants.

The Keke's Brand

We acquired Keke's on July 20, 2022. Keke's is a daytime eatery dedicated to providing a consistently outstanding breakfast experience through fresh food that is made to order, excellent service from a welcoming staff, and a clean and comfortable environment. Open daily from 7:00 a.m. to 2:30 p.m., Keke's produces meals that are handmade using the best ingredients available, including fresh fruits and vegetables, and the highest quality bread and dairy products. In addition to Mornings from Scratch breakfast items, Keke's also serves burgers, paninis, salads, and sandwiches. Approximately 48% of Keke's total weekly sales occur on the weekends, and off-premises sales, including sales for delivery, represented approximately [14%](#) [16%](#) of total sales in [2023](#), [2024](#).

As of [December 27, 2023](#) [December 25, 2024](#), the Keke's brand consisted of [58](#) [69](#) franchised and company restaurants in [Florida](#), [the United States](#), of which [50](#), [55](#), representing [86%](#) [80%](#) of total Keke's restaurants, were franchised and [eight](#) [14](#) were company restaurants.

Segment Information

We manage our business by brand and as a result have identified two operating segments, Denny's and Keke's. In addition, we have identified Denny's as a reportable segment. Keke's is presented as a component of Other in our segment disclosures. Additional information about our segments can be found in Note [21](#), [20](#), "Segment Information" to our [Consolidated Financial Statements](#) [consolidated financial statements](#) in Part II, Item 8 of this report.

References to the "Company," "we," "us," and "our" in this Form 10-K are references to Denny's Corporation and its subsidiaries. Reference to "Denny's" or "Keke's" are references to the specific brand. Financial information about our operations, including our revenues and net income for the fiscal years ended [December 27, 2023](#) [December 25, 2024](#), [December 28, 2022](#) [December 27, 2023](#), and [December 29, 2021](#) [December 28, 2022](#), and our total assets as of [December 27, 2023](#) [December 25, 2024](#) and [December 28, 2022](#) [December 27, 2023](#), is included in our [Consolidated Financial Statements](#) [consolidated financial statements](#).

Franchising and Development

Franchising

Our criteria to become a Denny's franchisee include minimum liquidity and net worth requirements and appropriate operational experience. We believe that Denny's is an attractive financial proposition for current and potential franchisees and that our fee structure is competitive with other full-service brands. Our current traditional twenty-year Denny's franchise agreements have an initial fee of up to \$30,000 and a royalty payment of up to 4.50% of gross sales. Additionally, our franchisees are currently contributing up to 3.25% of gross sales for marketing and may make additional advertising contributions as part of a local marketing co-operative. Approximately [81%](#) [90%](#) of our Denny's domestic franchised restaurants were operating under this traditional agreement as of [December 27, 2023](#) [December 25, 2024](#). License agreements for nontraditional domestic locations, such as university campuses, may contain higher royalty and lower advertising contribution rates than the traditional franchise agreements. Our [Denny's](#) domestic contractual royalty rate averaged approximately 4.36% during [2023](#), [2024](#).

We work closely with our franchisees to plan and execute many aspects of the business. The Denny's Franchisee Association ("DFA") was created to promote communication among our franchisees and between the Company and our franchise community. Members of the DFA's board and Company management primarily work together through Brand Advisory Councils relating to Development, Marketing, Operations and Technology matters, as well as through a Supply Chain Oversight Committee for procurement and distribution matters.

Domestic Development

To accelerate the growth of the Denny's brand in specific under-penetrated markets, we offer certain incentive programs. These programs provide incentives for franchisees to develop locations in areas where Denny's has opportunities to grow market share. The benefits to franchisees can include reduced franchise fees, upfront cash payments, lower royalties and advertising contributions for a limited time period and credits toward certain development services, such as training fees.

In addition to these incentive programs, we increased our domestic development commitments through our refranchising and development strategy implemented during 2018 and 2019. These commitments were attached to the sale of 113 company restaurants during 2018 and 2019. At **December 27, 2023** **December 25, 2024**, we had approximately **78** **64** domestic development commitments.

International Development

In addition to the development agreements signed for domestic restaurants, as of **December 27, 2023** **December 25, 2024**, we had potential to develop approximately **128** **116** international franchised Denny's restaurants with our current development partners in various locations including Canada, Central America, Indonesia, Mexico, the Middle East, the Philippines and the United Kingdom. The majority of these restaurants are expected to open over the next ten years. During **2023**, **2024**, we opened **11** **three** international franchised locations, including **five in the Philippines**, **four in Canada**, one each in **El Salvador** **Canada**, **Honduras**, and **Puerto Rico**, **the Philippines**.

While we anticipate the majority of the Denny's restaurants related to various domestic and international development agreements will be opened generally as scheduled, from time to time some of our franchisees' ability to grow and meet their development commitments may be hampered by the economy, the lending environment or other circumstances.

Franchise Focused Business Model

We expect the majority of our future restaurant openings and growth of the Denny's brand to come primarily from the development of franchised restaurants. The table below sets forth information regarding the distribution of single-store and multi-store franchisees as of **December 27, 2023** **December 25, 2024**:

Number of Denny's Restaurants Owned	Number of Denny's Restaurants Owned	Franchisees	Percentage of Franchisees	Restaurants	Percentage of Restaurants	Number of Denny's Restaurants Owned	Franchisees	Percentage of Franchisees	Restaurants
One	One	79	38.0	38.0 %	79	5.2	78	38.4	38.4 %
Two to five	Two to five	68	32.7	32.7 %	215	14.3	65	32.0	32.0 %
Six to ten	Six to ten	29	14.0	14.0 %	227	15.0	28	13.8	13.8 %
Eleven to twenty	Eleven to twenty	16	7.7	7.7 %	224	14.9	17	8.4	8.4 %
Twenty-one to thirty-five	Twenty-one to thirty-five	8	3.8	3.8 %	230	15.3	6	3.0	3.0 %
Thirty-six and over	Thirty-six and over	8	3.8	3.8 %	533	35.3	9	4.4	4.4 %
Total	Total	208	100.0	100.0 %	1,508	100.0	203	100.0	100.0 %

Keke's Development

In 2024, Keke's cafe openings were a combination of company operated cafes and franchised cafes. We anticipate we will continue opening company operated cafes to accelerate the expansion of the brand into new markets with the intent of refranchising company operated cafes to franchisees over time. We anticipate the first few Keke's restaurant openings outside of Florida will likely be company operated restaurants to prove the appeal growth of the brand in new markets. Similar to Denny's, we expect the majority of our future Keke's restaurant openings and growth of the brand to come primarily from the development of franchised restaurants, cafes. As of **December 27, 2023** **December 25, 2024**, we had **14** **23** development agreements for **94** **141** Keke's franchised restaurants, cafes.

Site Selection

The success of any restaurant is significantly influenced by its location. Our development teams work closely with franchisees and real estate brokers to identify sites that meet specific standards. Sites are evaluated based on a variety of factors, including but not limited to:

- demographics;
- traffic patterns;
- visibility;

- building constraints;
- competition;
- environmental restrictions; and
- proximity to high-traffic consumer activities.

Product Development and Marketing

The Denny's name has been associated with high-quality, reasonably priced entrees, appetizers, desserts, and beverages which have appealed to guests across all generations for nearly over 70 years. As a leading full-service family dining brand, we've developed a craveable, indulgent menu that forges brand loyalty, attracts new guests generations of fans to Denny's and establishes the framework for our primary marketing strategies.

Menu Offerings

As "America's Diner," Denny's has created a menu featuring a large selection of craveable items served in a friendly and welcoming atmosphere for all guests. We offer a variety of options for breakfast, lunch, dinner and late-night including classic entrees, salads, handhelds, appetizers, desserts and beverages. Most Denny's restaurants also offer kid's menus and senior specials. Continuous product innovation is essential to meeting the needs of our consumers, including new offerings within our core breakfast platform, adding value across signature bundles, such as Super Slam, and delivering crave-worthy core menu and limited-time-only recipes. Our Denny's menu can be conveniently enjoyed by guests either in our restaurants, via takeout, curb-side or delivery through our Denny's on Demand platform and third-party delivery providers.

Denny's on Demand is our online ordering platform enabling enables our guests to order whatever they want, whenever they want. The new Guests can also order from Dennys.com or the Denny's mobile app, available for IOS and Android, which provides a personalized online ordering experience. Guests can also order from Dennys.com. Both the mobile app and website make it easy for guests to order their favorite Denny's items for takeout or delivery. Denny's Rewards members can access their digital wallets to receive rewards and promotions, both in-restaurant, online and via the Denny's mobile app.

Product Development

Denny's, a consumer-driven brand focused on craveable food and hospitality, provides a variety of menu choices for any time of day in a warm and comfortable atmosphere. Our Product Development team innovates menu items that delight our guests. This team leverages insight from the most up-to-date trend data, primary and secondary qualitative and quantitative research, franchise expertise, vendor innovation and operator experiences. These insights come together to form the strategic foundation for menu architecture, pricing, promotion and advertising.

Before introducing a new menu item to market, we rigorously test it against consumer expectations, the idea with consumers. We ensure that our culinary standards, food science and technology efficiencies, nutritional analysis, financials and operational execution all meet the business requirements. This testing process ensures that new menu items are not only appealing, competitive, profitable and marketable, but can be prepared and delivered with excellence in our restaurants.

We continually evolve our menu with new innovations and improvements to meet the ever-changing consumer needs.

Product Sources and Availability

Most food products, paper and packaging supplies, and equipment used in all company and franchised restaurant operations are distributed to individual restaurants by third-party distribution companies. Our centralized purchasing programs are designed to ensure uniform product quality as well as to minimize food, beverage and supply costs. The size of our brands provide significant purchasing power, which often enables us to obtain products at favorable prices from nationally recognized suppliers.

In the United States, the majority of Denny's products are purchased and distributed through McLane Company, Inc. under a long-term distribution contract. Outside the United States, we and our International Denny's franchisees primarily use decentralized sourcing and distribution systems involving many different global, regional and local suppliers and distributors. Our international franchisees generally select and manage their own third-party suppliers and distributors, subject to our internal standards. All suppliers and distributors are expected to provide products and/or services that comply with all applicable laws, rules and regulations in the state and/or country in which they operate as well as comply with our internal standards.

We believe that satisfactory alternative sources of supplies are generally available for all of the items regularly used by our restaurants. We have not experienced any material shortages of food, equipment, or other products which are necessary to our restaurant operations.

Marketing and Advertising

We deploy national, local and co-operative marketing strategies to promote and amplify Denny's brand strengths as "America's Diner." Through integrated marketing strategies, we promote our various premium breakfast, lunch, and dinner entrees alongside our value platform and late-night menu offerings and premium limited-time-only offerings as well as the convenience of online ordering and payment for takeout or delivery, limited time offer promotions. We also support messaging our off-premises business.

Through our marketing team, The Denny's Marketing Team anticipates consumer and market trends and to fully leverages leverage consumer insights to determine strategies for brand communication and demand generation. We participate in comprehensive, integrated marketing activities, including print, broadcast, radio, digital and social advertising; multicultural marketing; public relations and brand reputation; customer relationship management; field marketing; and national and local promotions.

Restaurant Operations

Management & Operations

We believe that the consistent and reliable execution of basic restaurant operations in each of our restaurants, whether it is company or franchised, is critical to our success. We expect both our company and franchised restaurants to maintain the same high brand standards. Our standards are, and have been, critical to Denny's success. They include best in class quality and preparation of food, meeting and exceeding our guests' expectations for service, cleanliness and value and providing a friendly experience at each restaurant.

Brand Protection, Quality & Regulatory Compliance

Maintaining brand standards is of the utmost importance for each of our brands. We pride ourselves in serving our guests food that is safe, wholesome and meets our quality standards. Our systems are based on Hazard Analysis and Critical Control Points ("HACCP") principles. To ensure this basic expectation of our guests, we have systems in place that require solely the use of approved vendors and distributors which can meet and follow our product specifications and food handling procedures. Vendors, distributors and restaurant employees follow regulatory requirements (federal, state and local), industry "best practices" and Brand Standards.

Human Capital

Human capital management considerations are at the core of Our Guiding Principles, the drivers of which include leveraging our culture of belonging and the capability of our people to fuel brand performance and franchise success, as well as recruiting and equipping high quality restaurant operators to deliver great customer experiences. As of December 27, 2023 December 25, 2024, we had approximately 3,500 3,800 employees of whom approximately 3,100 3,400 were employees of our company-owned restaurants and approximately 400 were corporate employees at our restaurant support centers or in the field. Our commitments and progress towards executing this strategy in support of employee experience and performance are reflected below.

Be Well

We focus on the whole person.

We offer comprehensive benefits that support our team members and their families' overall well-being. We also contribute to programs that provide our team members with financial security, now and in the future. We offer a robust set of benefits and rewards that focus on recognition, career building, health and wellness, and other perks that are designed to make our employees' experience productive and fun. We assess our culture and listen to our workforce through periodic employee engagement surveys. Numerous policy changes have been made or been influenced by the feedback we receive from our employees.

We are proud to offer Modern Health Mental Wellness benefits to all full-time employees and family members and a full featured Employee Assistance Program to all other employees. This confidential program is available 24/7 for personal or professional consultations. In addition, we provide our employees with access to a safe harbored 401(k) savings plan, tuition reimbursement, life insurance options, and a competitive vacation policy. Our compensation and performance evaluation systems are carefully designed to maintain pay equity by focusing pay decisions on experience and performance to ensure the Company retains a highly productive workforce to operate our business while providing a high level of service to our guests.

Learning and Development

We invest in team members' success through education and training. Our Breakthrough Leadership Training and Development program provides our team members with exclusive access to numerous creative and interactive employee engagement curricula, leadership workshops, simulations, mobile learning and educational training videos. This unique program helps develop a wide range of skills, including leadership, people management, guest service, inventory management, food preparation and food safety—safety – skills that help workers successfully operate in the restaurant industry.

Diversity, Equity & Inclusion Our Corporate Commitment

We have developed industry-leading initiatives that spotlight differences in all areas in order to build a culture that values, understands, and embraces team members from all walks of life while ensuring alignment with our corporate strategy and core values. It is our mission to use Denny's culture – wildly diverse, demonstrably inclusive, and unquestionably fair and equal in opportunity for all – to grow shareholder value. As America's Diner, we aim to be a place that employs all, buys from all, promotes all, serves all, and supports all as a natural extension of who we are.

Inclusion & Community Engagement

Our investment in people includes creating a culture of belonging that attracts, retains and fosters the growth of the best people and creates high performance in our restaurants. We value and are proud of our community engagement including our investment in causes that are important to our people employees, franchisees and communities, such as as:

- our education initiatives through our Denny's Hungry for Education™ Education® Scholarship program,
 - helping fight childhood hunger and supporting through No Kid Hungry,
 - our commitment to developing more diverse and disadvantaged businesses, franchisees,
 - increasing our spend with diverse businesses, and
- Additional components of: serving hope to those in need through our strategic areas of focus include: Denny's Mobile Relief Diner

Business Resource Leadership Groups and Inclusion Council

We have established seven Our Business Resource Groups and Inclusion Council, made up of members from all levels of the organization, collaborate on initiatives designed to renew our workplace and create business resource leadership groups for results that will strengthen the reputation of our employees to brands and increase guest satisfaction and

market share. They serve as ambassadors, bridge builders, data collectors, educators, accountability partners and champions of inclusion and community engagement within our brands. Additionally, they help foster a more inclusive work environment, improve communication and provide encouragement and an enhanced sense of belonging through informal mentoring, participation in professional and community events, and access to personal and professional development and growth opportunities. Additionally, they help foster a more inclusive work environment, improve communication and trust among employees and enhance understanding of all employees about the value of diversity. The eight business resource groups include the African American Leadership Group, Asian American, Native Hawaiian, Pacific Islander Leadership Group, Emerging Leaders Group, Hispanic Leadership Group, LGBTQ+ Leadership Group, Veterans Leadership Group, Wellbeing Group, and Women's Leadership Group.

Diversity Council

Our Diversity, Equity and Inclusion ("DEI") Council collaborates on initiatives designed to renew our workplace and create business results that will increase and strengthen the reputations of our brands, guest satisfaction and market share. The council consists of 23 cross-functional members representing various positions throughout our organization, who serve as ambassadors, bridge builders, data collectors, educators, accountability partners and champions of DEI within our brands.

Diversity by the Numbers

Diverse team members make up approximately:

- 75% of our total workforce and 80% of restaurant management
- 63% of our domestic restaurants are owned by diverse franchisees
- 21% of our domestic restaurants are owned by women who are actively engaged in the business
- Our Board of Directors consists of eight directors – 63% are from a diverse background and 63% are women
- 6% of our domestic restaurants are owned by individuals who identify as members of the LGBTQ+ community

We believe in accountability that starts with our leadership and extends to all of our team members. We have a world class DEI philosophy embraced by Diverse team members make up approximately:

- 75% of our total workforce and we commit to support other companies in doing 77% of restaurant management
- 64% of our domestic restaurants are owned by diverse franchisees
- 9% of our domestic restaurants are owned by women
- Our Board of Directors consists of nine directors – 56% are from a diverse background and 56% are women
- 5% of our domestic restaurants are owned by individuals who identify as members of the same LGBTQ+ community

Information Technology

The mission of our Information Technology department is to align our technology strategy in support of our business strategies. We focus on leveraging technology to drive efficiencies, simplify and standardize operations, and streamline the guest experience. We also deliver solutions that support financial and regulatory needs in addition to necessary business improvements.

We rely on information technology systems in all aspects of our operations. At the restaurant level, systems include point-of-sale platforms along with systems and tools for kitchen operations, labor scheduling, inventory management, cash management and credit card transaction processing. Our technology platform includes industry-standard market solutions as well as proprietary software and integration, yielding tools and information managers need to run efficient and effective restaurants. We invest in new technologies and R&D efforts to improve operations and enhance the guest experience through innovative solutions like online ordering and payment for pick-up and delivery.

At the corporate level, we have a robust Enterprise Resource Planning ("ERP") platform that supports finance, accounting, human resources and payroll functions. Our ERP is a cloud-based market solution, enabling us to take advantage of continual software improvements aligned with industry best practices. We also have and are continuing to develop systems that consolidate and report on data from our franchised and company restaurants, including transaction-level detail. These systems are collectively supported by an enterprise network that facilitates seamless connectivity for applications and data throughout our business infrastructure.

Our information technology systems have been designed to protect against unauthorized access and data loss. We are continuously focused on enhancing our cybersecurity capabilities. We are required to maintain the highest level of Payment Card Industry ("PCI") Data Security Standard ("DSS") compliance. We are also required to protect critical and sensitive data for our employees, customers, and the Company. These standards are set by a consortium of major credit card companies and require certain levels of system security and procedures to protect our customers' credit card and other personal information. We have deployed payment technologies that are Europay, Mastercard, Visa ("EMV") certified, and we employ point-to-point encryption to ensure no credit card data is stored within our restaurants. Further, we monitor franchisees' compliance with PCI standards.

We have augmented our technology infrastructure, primarily within digital and in-restaurant systems, to support the changing dynamics of our industry and guest expectations. These enhancements were introduced through our standard change control mechanisms and followed prescribed standards for testing and introduction into our environment. There were no material changes introduced into the core of our technology operating systems, and all PCI—DSS compliance standards were followed.

In addition, to technology changes in direct response to changing business and guest expectations, we have benefited from our prior focus and investments in various technology platforms over the past few years. These investments include our ERP platform and enterprise communication and collaboration tools, which prepared us to make a quick transition from a centralized to a remote workforce during the COVID-19 pandemic with no significant additional risk or negative impact to business processing and continuity. These same investments that allowed us to transition to a remote workforce continue to support a hybrid work environment under which many of our employees split time between working centrally invest in technologies that protect consumer data and remotely.

In 2022, upon are compliant with the acquisition of Keke's, we integrated Keke's systems California Consumer Privacy Act, California Privacy Rights Act, and similar data into the enterprise systems currently employed. All Keke's business leaders and employees outside the physical restaurant were provided with workstations that meet our existing standards for security and performance. Work is underway with Keke's leadership to prioritize additional technology investments within the restaurants to support the needs of the brand, while also continuing the focus on security, scalability, and standardization, privacy regulations.

See "Risk Factors" for further information regarding Information Technology and "Cybersecurity" for further information regarding our approach to cybersecurity.

Seasonality

Restaurant sales are generally higher in the second and third calendar quarters (April through September) than in the fourth and first calendar quarters (October through March). Additionally, severe weather, storms and similar conditions may impact sales volumes seasonally in some operating regions.

Trademarks and Service Marks

Through our wholly-owned subsidiaries, we have certain trademarks and service marks registered with the United States Patent and Trademark Office and in international jurisdictions, including, but not limited to, "Denny's®," and "Keke's Breakfast Cafe®." We consider our trademarks and service marks important to the identification of our company and franchised restaurants and believe they are of material importance to the conduct of our business. In addition, Additionally, we have registered various domain names on the internet that incorporate incorporating certain trademarks and service marks, which we consider integral to our brand identity. We are committed to protecting the value and integrity of our intellectual property. When unauthorized use or infringement of our trademarks, and service marks. We believe these domain name registrations are an integral part of our identity. From time to time, marks, or related assets is suspected, we may resort to will take appropriate action, including legal measures, when necessary, to defend and protect the use of enforce our intellectual property rights. Generally, with appropriate renewal and use, the registration of our service marks and trademarks will continue indefinitely.

Competition

The restaurant industry is highly competitive. Restaurants compete on the basis of name recognition and advertising; the price, quality, variety and perceived value of their food offerings; the quality and speed of their guest service; the location and attractiveness of their facilities; and the convenience of to-go ordering and delivery options.

Our direct competition in the full-service category includes a collection of national and regional chains, as well as thousands of independent operators. We also compete with quick service restaurants as they attempt to upgrade their menus with premium sandwiches, entrée salads, new breakfast offerings and extended hours as well as grocery store chains as they enhance their ready-to-eat offerings to consumers.

We believe we have a number of competitive strengths, including strong brand recognition, well-located restaurants and market penetration. We benefit from economies of scale in a variety of areas, including advertising, purchasing and distribution. Additionally, we believe that we have competitive strengths in the value, variety and quality of our food products, and in the quality and training of our employees. See "Risk Factors" for additional factors relating to our competition in the restaurant industry.

Economic, Market and Other Conditions

The restaurant industry is affected by many factors, including changes in national, regional and local economic conditions affecting consumer spending; the political environment (including acts of war and terrorism); changes in customer travel patterns including changes in the price of gasoline; changes in socio-demographic characteristics of areas where restaurants are located; changes in consumer tastes and preferences; food safety and health concerns; outbreaks of flu or other viruses (such as COVID-19) COVID-19 and avian flu) or other diseases; increases in the number of restaurants; and unfavorable trends affecting restaurant operations,

such as rising wage rates, health care costs, utility expenses and unfavorable weather. See "Risk Factors" for additional information.

Government Regulations

We and our franchisees are subject to federal, state, local and international laws and regulations governing various aspects of the restaurant business, such as compliance with various minimum wage, overtime, health care, sanitation, food safety, citizenship, and fair labor standards, as well as laws and regulations relating to safety, fire, zoning, building, consumer protection, tariffs and taxation. We are subject to a variety of federal, state, and international laws governing franchise sales and the franchise relationship, as well as judicial and administrative interpretations of such laws.

Following the World Health Organization's declaration of the COVID-19 pandemic on March 11, 2020, federal, state and local governments responded by implementing restrictions on travel, "stay at home" directives, "social distancing" guidance, limitations of dine-in food service, and mandated dining room closures which collectively had a significant adverse impact on the Company's business performance, results of operations and cash flows for the year ended December 29, 2021.

The operation of our franchise system is also subject to regulations enacted by a number of states and rules promulgated by the Federal Trade Commission. Such regulations impose registration and disclosure requirements on franchisors in the offer and sale of franchises and may also apply substantive standards to the relationship between franchisor and franchisee, including limitations on the ability of franchisors to terminate or alter franchise agreements. Due to our international franchising, we are subject to governmental regulations throughout the world impacting the way we do business with our international franchisees. These include antitrust and tax requirements, anti-boycott regulations, import/export/customs and other international trade regulations, the USA Patriot Act and the Foreign Corrupt Practices Act.

We believe we are in material compliance with applicable laws and regulations, but we cannot predict the effect on operations of the enactment of additional regulations in the future.

We have implemented applicable aspects of The Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act. However, the law or other related requirements may change.

See "Risk Factors" for a discussion of risks related to governmental regulation of our business.

Information about our Executive Officers

The following table sets forth information with respect to each executive officer as of the filing date of this report:

Name	Age	Positions
Christopher D. Bode	62	President and Chief Operating Officer, Denny's, Inc.
Stephen C. Dunn	59 60	Executive Vice President and Chief Global Development Officer
Jay C. Gilmore	54 55	Senior Vice President, Chief Accounting Officer and Corporate Controller
Minh Le	51	Senior Vice President and Chief Technology Officer
Gail Sharps Myers	54 55	Executive Vice President, Chief Legal & Administrative Officer and Corporate Secretary
Pankaj K. Patra Monigo G. Saygbay-Hallie	47 51	Executive Vice President and Chief Digital and Technology People Officer
David P. Schmidt	54	President, Keke's, Inc.
Kelli F. Valade	54 55	Chief Executive Officer
Robert P. Verostek	52 53	Executive Vice President and Chief Financial Officer

Mr. Bode has been President and Chief Operating Officer of Denny's, Inc. since September 2024. He previously served as President of Hardees USA from November 2023 to September 2024, as Chief Operating Officer of Hardees USA from September 2022 to November 2023, as Executive Vice President, Chief Operating Officer of Denny's Corporation from February 2021 to August 2022 and as Senior Vice President and Chief Operating Officer of Denny's Corporation from October 2014 to February 2021.

Mr. Dunn has been Executive Vice President and Chief Global Development Officer since April 2021. He previously served as Senior Vice President and Chief Global Development Officer from July 2015 to April 2021, as Senior Vice President, Global Development from April 2011 to July 2015 and as Vice President, Company and Franchise Development from September 2005 to April 2011.

Mr. Gilmore has been Senior Vice President, Chief Accounting Officer and Corporate Controller since February 2021. He previously served as Vice President, Chief Accounting Officer and Corporate Controller from May 2007 to February 2021.

Mr. Le has been Senior Vice President and Chief Technology Officer since September 2024. He previously served as Chief Information Officer of Checkers & Rally's Drive-In Restaurants from July 2019 to September 2024 and as Senior Vice President, IT of Corner Bakery Cafe from December 2015 to July 2019.

Ms. Sharps Myers has been Executive Vice President, Chief Legal & Administrative Officer and Corporate Secretary since February 2024. She previously served as Executive Vice President, Chief Legal Officer and Corporate Secretary from August 2023 to February 2024, as Executive Vice President, Chief Legal Officer, Chief People Officer and Corporate Secretary from February 2021 to August 2023 and as Senior Vice President, General Counsel and Corporate Secretary from June 2020 to February 2021. Prior to joining the Company, she served as Executive Vice President, General Counsel, Chief Compliance Officer and Secretary of American Tire Distributors, Inc. from May 2018 to May 2020, as Senior Vice President, General Counsel and Secretary at Snyder's-Lance, Inc. from January 2015 to March 2018 and as Senior Vice President, Deputy General Counsel, Chief Compliance Counsel and Assistant Secretary from 2014 to 2015 at US Foods, Inc. (capping off a 10-year career there).

Mr. Patra Ms. Saygbay-Hallie has been Executive Vice President and Chief Digital and Technology People Officer since October 2023. Prior to joining the Company, he August 2024. She previously served as Senior Vice President, Chief People Officer of Checkers & Rally's Drive-In Restaurants from January 2022 to August 2024 and as Vice President, Human Resources of XPO Logistics, Inc. from July 2019 to October 2021.

Mr. Schmidt has been President of Keke's, Inc. since September 2022. He previously served as Executive Vice President and Chief Information Financial Officer of Red Lobster from March 2022 to September 2022, as Vice President and Chief Financial Officer of Casual Dining at Brinker International, Bloomin' Brands, Inc. (where he worked for about 15 years), from March 2019 to March 2022 and as President, Bonefish Grill from April 2016 to March 2019.

Ms. Valade has been Chief Executive Officer since September 2022. She joined the Company first serving as Chief Executive Officer and President from June 2022 to September 2022 and became a member of our Board of Directors in July 2022. Prior to joining the Company, she served as Chief Executive Officer of Red Lobster from August 2021 to April 2022, as Chief Executive Officer and President of Black Box Intelligence (the leading data and insights provider of workforce, guest, consumer and financial performance benchmarks for the hospitality industry) from January 2019 to July 2021 and as Chili's Brand President from June 2016 to October 2018.

Mr. Verostek has been Executive Vice President and Chief Financial Officer since February 2021. He previously served as Senior Vice President and Chief Financial Officer from February 2020 to February 2021, as Senior Vice President, Finance from October 2016 to February 2020 and as Vice President, Financial Planning & Analysis and Investor Relations from January 2012 to October 2016.

Available Information

We make available free of charge through our website at investor.dennys.com (in the SEC Filings section) copies of materials that we file with, or furnish to, the Securities and Exchange Commission ("SEC"), including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. The SEC also maintains an internet website at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. In addition, we have made available on our website (in the Corporate Governance - Code of Conduct section) our code of ethics entitled "Denny's Code of Conduct" which is applicable to the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Corporate Controller, all other executive officers, key financial and accounting personnel and each salaried employee of the Company.

We will post on our website any amendments to, or waivers from, a provision of the Denny's Code of Conduct that applies to the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Corporate Controller or persons performing similar functions, and that relates to (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other public communications made by us; (iii) compliance with applicable governmental laws, rules and regulations; (iv) the prompt internal reporting of violations of Denny's Code of Conduct to an appropriate person or persons identified in the code; or (v) accountability to adherence to the code.

Item 1A. Risk Factors

Various risks and uncertainties could affect our business. Any of the risk factors described below or elsewhere in this report or our other filings with the SEC could have a material and adverse impact on our business, financial condition and results of operations. In any such event, the trading price of our common stock could decline. It is not possible to predict or identify all risk factors. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

Risks Related to Macroeconomic Conditions

A decline in general economic conditions could adversely affect our financial results.

Consumer spending habits, including discretionary spending on dining at restaurants such as ours, are affected by many factors including:

- prevailing economic conditions, including interest rates;
- energy costs, especially gasoline prices;
- levels of employment;
- salaries and wage rates, including tax rates;
- other taxes;
- increased uncertainty related to tariffs;
- impacts on food prices, especially in regards to egg prices, resulting from the most recent outbreak of avian flu; and
- consumer confidence.

Weakness or uncertainty regarding the economy, both domestic and international, as a result of reactions to consumer credit availability, increasing energy prices, inflation, increasing interest rates, unemployment, pandemics such as the COVID-19 pandemic and other outbreaks of illness, such as a higher than average rate of influenza, adverse weather conditions, natural disasters, war, terrorist activity or other unforeseen events could adversely affect consumer spending habits, which may result in lower operating revenue.

Risks Related to Restaurant Operations and the Restaurant Industry

The restaurant business is highly competitive, and if we are unable to compete effectively, our business will be adversely affected.

Each of our company and franchised restaurants competes with a wide variety of restaurants ranging from national and regional restaurant chains to locally owned restaurants. The following are important aspects of competition:

- restaurant location;
- advantageous commercial real estate suitable for restaurants;
- number and location of competing restaurants;
- attractiveness and repair and maintenance of facilities;
- ability to develop and support evolving technology to deliver a consistent and compelling guest experience;
- food quality, new product development and value;
- dietary trends, including nutritional content;
- training, courtesy and hospitality standards;
- ability to attract and retain high quality staff;
- quality and speed of service; and
- the effectiveness of marketing and advertising programs, including the effective use of social media platforms and digital marketing initiatives.

If we are unable to compete effectively, we could experience lower demand for our products, downward pressure on prices, reduced margins, a loss of market share, reduced franchisee profitability and an inability to attract qualified franchisees in the future. future, all of which could lead to an increase in restaurant closures or an inability of current and future franchisees to open new restaurants.

Our returns and profitability may be negatively impacted by a number of factors, including those described below.

Food service businesses and the performance of company and franchised restaurants may be materially and adversely affected by factors such as:

- consumer preferences, including nutritional and dietary concerns;
- consumer spending habits;
- global, national, regional and local economic conditions;
- demographic trends;
- traffic patterns;
- the type, number and location of competing restaurants; and
- the ability to renew leased properties on commercially acceptable terms, if at all.

Dependence on frequent deliveries of fresh produce and other food products subjects food service businesses to the risk that shortages or interruptions in supply caused by adverse weather, food safety warnings, animal disease outbreak or other conditions beyond our control could adversely affect the availability, quality and cost of ingredients. Our inability to effectively manage supply chain risk could increase our costs and limit the availability of products critical to restaurant operations.

In addition, the food service industry in general, and our results of operations and financial condition in particular, may be adversely affected by unfavorable trends or developments, such as:

- volatility in certain commodity markets;
- increased food costs;
- health concerns arising from food safety issues and other food-related pandemics, outbreaks of flu or viruses, such as COVID-19, avian flu (such as the outbreak ongoing in early 2025) or other diseases;
- increased energy costs;
- labor and employee benefits costs (including increases in minimum hourly wage, employment tax rates, health care costs and workers' compensation costs);
- regional weather conditions;
- the availability of experienced management and hourly employees; and
- other general inflation impacts.

Operating results that are lower than our current estimates may cause us to incur impairment charges on certain long-lived assets and potentially close certain restaurants.

The financial performance of our franchisees can negatively impact our business.

As we are heavily franchised, our financial results are contingent upon the operational and financial success of our franchisees. We receive royalties, advertising contributions and, in some cases, lease payments from our franchisees. While our franchise agreements are designed to require our franchisees to maintain brand consistency, the significant percentage of franchise-operated restaurants may expose us to risks not otherwise encountered if we maintained ownership and control of the restaurants. If our franchisees do not successfully operate their restaurants in a manner consistent with our standards, or if customers have negative experiences due to issues with food quality or operational execution at our franchised locations, our brands could be harmed, which in turn could negatively impact our business. Additional risks include:

- franchisee defaults on their obligations to us arising from financial or other difficulties encountered by them, such as the inability to pay financial obligations including royalties, rent on leases on which we retain contingent liability, and certain loans;
- limitations on enforcement of franchisee obligations due to bankruptcy or insolvency proceedings;
- the inability to participate in business strategy changes due to financial constraints;
- failure to operate restaurants in accordance with required standards, including food quality and safety; and
- impacts of the financial performance of other businesses operated by franchisees on the overall financial performance and condition of the franchisee.

If a significant number of franchisees become financially distressed, it could harm our operating results. For 2023, 2024, our ten largest franchisees accounted for approximately 38% of our total franchise and license revenue. The balance of our franchise revenue was derived from the remaining 224 218 Denny's and Keke's franchisees.

The locations of company and franchised restaurants may cease to be attractive as demographic patterns change.

The success of our company and franchised restaurants is significantly influenced by location. Current locations may not continue to be attractive as demographic patterns change. It is possible that economic or other conditions where restaurants are located could decline in the future, potentially resulting in reduced sales at those locations.

Food safety and quality concerns may negatively impact our business and profitability.

Incidents or reports of foodborne or waterborne illness, or other food safety issues, food contamination or tampering, employee hygiene and cleanliness failures, improper employee conduct, or presence of communicable disease at our restaurants or suppliers could lead to product liability or other claims. Such incidents or reports could negatively affect our brands and reputation, and a decrease in customer traffic resulting from these reports could negatively impact our revenues and profits. Similar incidents or reports occurring at other restaurant brands unrelated to us could likewise create negative publicity, which could negatively impact consumer behavior towards us. In addition, if a regional or global health pandemic occurs, depending upon its location, duration and severity, our business could be severely affected.

We rely on our domestic and international vendors, as do our franchisees, to provide quality ingredients and to comply with applicable laws and industry standards. A failure of one of our domestic or international vendors to meet our quality standards, or meet domestic or international food industry standards, could result in a disruption in our supply chain and

negatively impact our brand and our business and profitability. Our inability to manage an event such as a product recall or product related litigation could also cause our results to suffer.

Unfavorable publicity, or a failure to respond effectively to adverse publicity, could harm the reputations of our brands.

Multi-unit food service businesses such as ours can be materially and adversely affected by widespread negative publicity of any type, including food safety, outbreak of flu or viruses (such as COVID-19) or other health concerns, criminal activity, guest discrimination, harassment, employee relations or other operating issues. The increasing use of social media platforms has increased the speed and scope of unfavorable publicity and could hinder our ability to quickly and effectively respond to such reports. Regardless of whether the allegations or complaints are accurate or valid, negative publicity relating to a particular restaurant or a limited number of restaurants could adversely affect public perception of any of our brands.

A decline in general economic conditions could adversely affect our financial results.

Consumer spending habits, including discretionary spending on dining at restaurants such as ours, are affected by many factors including:

- prevailing economic conditions, including interest rates;
- energy costs, especially gasoline prices;
- inflationary pressures, including grocery prices;
- levels of employment;
- salaries and wage rates, including tax rates; and
- consumer confidence.

Weakness or uncertainty regarding the economy, both domestic and international, as a result of reactions to consumer credit availability, increasing energy prices, inflation, increasing interest rates, unemployment, war, terrorist activity or other unforeseen events could adversely affect consumer spending habits, which may result in lower operating revenue.

If we fail to recruit, develop and retain talented employees, our business could suffer.

Our future success significantly depends on the continued services and performance of our key management personnel. Our future performance will depend on our ability to attract, motivate and retain these and other key officers and key team members, particularly regional and area managers and restaurant general managers. Competition for these employees is intense.

If we fail to attract or retain key officers and team members, our succession planning and operations could be materially and adversely affected. We continue to recruit, retain and motivate management and other employees sufficiently to maintain our current business and support our projected growth. We have experienced and may continue to experience challenges in recruiting and retaining team members in various locations.

Risks Related to Development Strategies

Our growth strategy depends on our ability and that of our franchisees to open new restaurants.

The development of new restaurants may be adversely affected by risks such as:

- inability to identify suitable franchisees;
- costs and availability of capital for the Company and/or franchisees;
- competition for restaurant sites;
- negotiation of favorable purchase or lease terms for restaurant sites;
- inability to obtain all required governmental approvals and permits;
- delays in completion of construction;
- cost of materials;
- challenge of identifying, recruiting and training qualified restaurant managers;
- restaurants not achieving the expected revenue or cash flow once opened;
- expansion of the Keke's brand outside of the state of Florida due to lower customer awareness in a highly competitive category;
- challenges specific to the growth of international operations that are different from domestic development; and
- general economic conditions.

Delays or failures in opening new restaurants could adversely affect our planned growth and operating results.

The expansion of the Denny's brand into international markets may present increased risks due to lower customer awareness of our brand, our unfamiliarity with those markets and other factors.

The international markets in which our franchisees currently operate, and any additional markets our franchisees may enter outside of the United States, have many differences compared to our domestic markets. There may be lower consumer familiarity with the Denny's brand in these markets, as well as different competitive conditions, consumer tastes and economic, political and health conditions. Additionally, there are risks associated with sourcing quality ingredients and other commodities in a cost-effective and timely manner.

As a result, franchised international restaurants may take longer to reach expected sales and profit levels, or may never do so, thereby affecting the brand's overall growth and profitability. Building brand awareness may take longer than expected, which could negatively impact our profitability in those markets.

We are subject to governmental regulations in our international markets impacting the way we do business with our international franchisees. These include antitrust and tax requirements, anti-boycott regulations, import/export/customs and other international trade regulations, the USA Patriot Act and the Foreign Corrupt Practices Act. Failure to comply with any such legal requirements could subject us to monetary liabilities and other sanctions, which could adversely impact our results of operations and financial condition.

Legal and Regulatory Risks

Litigation may adversely affect our business, financial condition and results of operations.

We are subject to the risk of, or are involved in from time to time, complaints or litigation brought by former, current or prospective employees, customers, franchisees, vendors, landlords, regulatory agencies, shareholders or others. We assess contingencies to determine the degree of probability and range of possible loss for potential accrual in our financial statements. An estimated loss contingency is accrued if it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Because lawsuits are inherently unpredictable and unfavorable resolutions could occur, assessing contingencies is highly subjective and requires judgments about future events. We regularly review contingencies to determine the adequacy of the accruals and related disclosures. However, the amount of ultimate loss may differ from these estimates. A judgment that is not covered by insurance or that is significantly in excess of our insurance coverage for any claims could materially adversely affect our financial condition or results of operations. In addition, regardless of whether any claims against us are valid or whether we are found to be liable, claims may be expensive to defend, and may divert management's attention away from operations and hurt our performance. Further, adverse publicity resulting from claims may harm our business or that of our franchisees.

Our amended and restated by-laws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our amended and restated by-laws provide that consistent with the applicable provisions of the Delaware General Corporation Law (the "DGCL"), unless our Board of Directors, acting on behalf of the Company, consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any and all internal corporate claims, including but not limited to:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of fiduciary duty owed by any stockholder, director, officer, other employee or stockholder of the Company to us or our stockholders;
- any action arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us that is governed by the internal affairs doctrine.

These provisions would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any claim for which the federal district courts of the United States of America have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act of 1933, as amended (the "Securities Act") creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims.

Our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our amended and restated by-laws described in the preceding sentences.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than that designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated by-laws. This may require significant additional costs associated with resolving such action in other jurisdictions, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

This choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. If any other court of competent jurisdiction were to find the exclusive-forum provision in our amended and restated by-laws to be inapplicable or unenforceable, we may incur additional costs associated with resolving the dispute in other jurisdictions.

Numerous government regulations impact our business, and our failure to comply with them could adversely affect our business.

We are subject to federal, state, local and international laws and regulations governing, among other things:

- preparation, labeling, advertising and sale of food;
- sanitation;
- health and fire safety;
- land use, sign restrictions and environmental matters, including those associated with efforts to address climate change;
- employee health care requirements;
- management and protection of the personnel data of our guests, employees and franchisees;
- payment card regulation and related industry rules;
- the sale of alcoholic beverages;
- hiring and employment practices, including minimum wage and tip credit laws and fair labor standards; and
- Americans with Disabilities Act.

A substantial number of our employees are paid the minimum wage. Accordingly, increases in the minimum wage or decreases in the allowable tip credit (which reduces wages deemed to be paid to tipped employees in certain states) increase our labor costs. We have attempted to offset increases in the minimum wage through pricing and various cost control efforts; however, there can be no assurance that we will be successful in these efforts in the future.

The operation of our franchisee system is also subject to regulations enacted by a number of states and rules promulgated by the Federal Trade Commission. Due to our international franchising, we are subject to governmental regulations throughout the world impacting the way we do business with our international franchisees. These include antitrust and tax requirements, anti-boycott regulations, import/export/customs and other international trade regulations, the USA Patriot Act and the Foreign Corrupt Practices Act. Additionally, given our significant concentration of restaurants in California, changes in regulations in that state could have a disproportionate impact on our operations. If we or our franchisees fail to comply with these laws and regulations, we or our franchisees could be subjected to restaurant closure, fines, penalties and litigation, which may be costly and could adversely affect our results of operations and financial condition. In addition, the future enactment of additional legislation regulating the franchise relationship could adversely affect our operations.

We have implemented applicable aspects of The Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act. However, the law or other related requirements may change.

We are also subject to federal, state, local and international laws regulating the offer and sale of franchises. Such laws impose registration and disclosure requirements on franchisors in the offer and sale of franchises, and may contain provisions that supersede the terms of franchise agreements, including limitations on the ability of franchisors to terminate franchises and alter franchise arrangements.

Existing and changing legal and regulatory requirements, as well as an increasing focus on environmental, social and governance issues, could adversely affect our brand, business, results of operations and financial condition.

There has been increasing public focus by investors, environmental activists, the media and governmental and nongovernmental organizations on social and environmental sustainability matters, including packaging and waste, animal health and welfare, human rights, climate change, greenhouse gases and land, energy and water use. As a result, not only have we experienced increased pressure from our shareholders but they now have a heightened level of expectation for us to provide expanded disclosure and make commitments, establish goals or set targets with respect to various environmental and social issues and to take the actions necessary to meet those commitments, goals and targets. If we are not effective in addressing social and environmental sustainability matters, consumer trust in our brand may suffer. In addition, the actions needed to achieve our commitments, goals and targets could result in market, operational, execution and other costs, which could have a material adverse effect on our results of operations and financial condition. Our results of operations and financial condition could be adversely impacted if we are unable to effectively manage the risks or costs to us, our franchisees and our supply chain associated with social and environmental sustainability matters.

Being liable as a joint employer could adversely affect our business

Joint employer status is a developing area of franchise and labor and employment law that could be subject to changes in legislation, administrative agency interpretation or jurisprudential developments that may increase franchisor liability in the future. In October Following the federal court's invalidation of the National Labor Relations Board's 2023 rule, the legal standards around joint employment continue to evolve as the likelihood of the National Labor Relations Board issued addressing joint employer liability in a new rulemaking or through adjudication remains. As the joint employer standard reverts to the 2020 rule, that would allow and with the looming possibility of the establishment of a party asserting a joint-employment relationship to establish joint-employer status by using evidence of indirect and reserved forms of control bearing on an employee's essential terms and conditions of employment. Under this broader new standard through rulemaking or case adjudication, we face challenges in accurately assessing potential impacts, which goes into effect on February 26, 2024, we could potentially be liable include liability for unfair labor practices and other violations by franchisees or we could be required to conduct collective bargaining negotiations regarding employees of franchisees, who are independent employers. In such event, our operating costs may increase as a result of required modifications to business practices, increased litigation, governmental investigations or proceedings, administrative enforcement actions, fines and civil liability. Employee claims that are brought against us as a result of joint employer standards and status may also, in addition to legal and financial liability, create negative publicity that could adversely affect our brands and divert financial and management resources. A significant increase in the number of these claims, or an increase in the number of successful claims, could adversely impact the reputation of our brands, which may cause significant harm.

If our internal controls are ineffective, we may not be able to accurately report our financial results or prevent fraud.

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with accounting principles generally accepted in the United States. We maintain a documented system of internal controls which is reviewed and tested by the Company's full time Internal Audit department. The Internal Audit department reports directly to the Audit and Finance Committee of the Board of Directors. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. A significant financial reporting failure or material weakness in internal control over financial reporting could cause a loss of investor confidence and decline in the market price of our common stock.

Changes to existing accounting rules or the questioning of current accounting practices may adversely affect our reported financial results.

A change in accounting standards can have a significant effect on our reported financial results. New pronouncements and varying interpretations of pronouncements have occurred and may occur in the future. Additionally, generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these principles or their interpretations or changes in underlying assumptions, estimates and judgments by us could significantly change our reported or expected financial performance.

Information Technology Risks

Failure of computer systems, information technology, or the ability to provide a continuously secure network, or cyber attacks against our computer systems, could result in material harm to our reputation and business.

We and our franchisees rely heavily on computer systems and information technology to conduct business and operate efficiently. We have instituted monitoring controls intended to protect our computer systems, our point-of-sale systems and our information technology platforms and networks against external threats. Those controls include an annual proactive risk assessment, advanced comprehensive analysis of data threats, identification of business email compromise and proper security awareness education. The Audit & Finance Committee of our Board of Directors has oversight responsibility related to our cybersecurity risk management programs and periodically reviews reports on cybersecurity metrics, data privacy and other information technology risks.

We receive and maintain certain personal information about our guests, employees and franchisees. Our use of this information is subject to international, federal and state regulations, as well as conditions included in certain third-party contracts. If our cybersecurity is compromised and this information is obtained by unauthorized persons or used inappropriately, it could adversely affect our reputation, operations, results of operations and financial condition, and could result in litigation against us or the imposition of penalties. As privacy and information security laws and regulations change or cyber risks evolve, we may incur additional costs to ensure we remain compliant.

A material system failure or interruption, a breach in the security of our information technology systems caused by a cyber attack, or other failure to maintain a secure cyber network could result in reduced efficiency in our operations, loss or misappropriation of data, business interruptions, or could impact delivery of food to restaurants or financial functions such as vendor payment or employee payroll. We have disaster recovery and business continuity plans that are designed to anticipate and mitigate such failures, but it is possible that significant capital investment could be required to rectify these problems, or more likely that cash flows could be impacted, in the shorter term.

We rely on third parties for certain business processes and services. Failure or inability of such third-party vendors to perform subjects us to risks, including business disruption and increased costs.

We depend on suppliers and other third parties for the operation of certain aspects of our business. Some third-party business processes we utilize include information technology, payment processing, gift card authorization and processing, employee benefits, third-party delivery and other business services. We conduct third-party due diligence and seek to obtain contractual assurance that our vendors will maintain adequate controls, such as adequate security against data breaches. However, the failure of our suppliers to maintain adequate controls or comply with our expectations and standards could have a material adverse effect on our business, financial condition and operating results.

Risks Related to Indebtedness

Our indebtedness could have an adverse effect on our financial condition and operations.

As of **December 27, 2023** **December 25, 2024**, we had total indebtedness of **\$266.0 million** **\$271.9 million**, including finance leases. Although we believe that our existing cash balances, funds from operations and amounts available under our credit facility will be adequate to cover our cash flow and liquidity needs, we could seek additional sources of funds, including incurring additional debt or through the sale of real estate, to maintain sufficient cash flow to fund our ongoing operating needs, pay interest and scheduled debt amortization and fund anticipated capital expenditures. We have no material debt maturities scheduled until August 2026. The credit agreement governing most of our indebtedness contains various covenants that could have an adverse effect on our business by limiting our ability to take advantage of financing, merger, acquisition or other corporate opportunities and to fund our operations. Restrictions under our credit agreement could also restrict our ability to repurchase shares in the future. If we incur additional debt in the future, covenant limitations on our activities and risks associated with such increased debt levels generally could increase. If we are unable to satisfy or refinance our current debt as it comes due, we may default on our debt obligations and lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. For additional information concerning our indebtedness see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

Risks Related to our Common Stock

Many factors, including those over which we have no control, affect the trading price of our common stock.

Factors such as reports on the economy or the price of commodities, as well as negative or positive announcements by competitors, regardless of whether the report directly relates to our business, could have an impact on the trading price of our common stock. In addition to investor expectations about our prospects, trading activity in our common stock can reflect the portfolio strategies and investment allocation changes of institutional holders, as well as non-operating initiatives such as our share repurchase programs. Evolving business strategies or any failure to meet market expectations whether for **same-store** **same-restaurant** sales, restaurant unit growth, earnings per share, or other metrics could cause our share price to decline.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Denny's recognizes that cybersecurity is a critical aspect of our business operations and that the protection of sensitive data and information systems is of paramount importance.

We have implemented cybersecurity measures and processes to address and mitigate material risks from cybersecurity threats. On an annual basis, we perform a cybersecurity risk assessment to identify and evaluate risks and potential vulnerabilities that could impact our business. Cybersecurity is also assessed as part of our **enterprise risk management compliance** program. In addition, we have preventative and detective monitoring controls that include robust access controls, privileged access management,

vulnerability scanning, penetration testing of our online systems and internal networks, annual employee-wide awareness education, data encryption and incident response plans. These controls help to ensure our cybersecurity program reduces the cyber risk for our environment.

We utilize third-party providers and acknowledge that these providers and partners may pose cybersecurity risks. We have implemented due diligence and oversight processes to ensure our third-party providers adhere to our cybersecurity standards when handling our data and accessing our systems. This includes a risk assessment before acceptance as a provider and continued monitoring through our third-party risk management program.

Denny's faces various risks associated with cybersecurity threats that could materially affect our business. In the event of a material cybersecurity incident, we are committed to promptly informing our shareholders, customers, and regulatory authorities, as required by applicable law and regulations.

We have not identified any risks from cybersecurity threats (including as a result of any previous cybersecurity incidents) that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition.

Governance

Our Senior Vice President and Chief Digital & Technology Officer and Senior Director, IT Security & Compliance lead leads our cybersecurity efforts with bi-annual periodic updates that include certain metrics, data privacy, and other information technology risks, provided to the Audit and Finance Committee of our Board of Directors. Cybersecurity is a top priority for our Audit and Finance Committee.

In addition, the Company has a Compliance Committee comprised of members of management from our IT Security & Compliance, Legal and Internal Audit teams who work cross-functionally to assess and manage enterprise-wide risks, including cybersecurity. Our Senior Director, IT Security & Compliance Vice President and Chief Technology Officer leads a team of qualified individuals with decades of combined experience in cybersecurity risk management and compliance.

Our cybersecurity program and leadership strive to appropriately protect our brands, employees and guests.

Item 2. Properties

Most Denny's restaurants are free-standing facilities with property sizes averaging approximately one acre. The restaurant buildings average between 3,800 - 5,000 square feet, allowing them to accommodate an average of 110 - 170 guests. Most Keke's restaurants are attached to shopping centers. The restaurant buildings average between 4,000 - 5,000 square feet, allowing them to accommodate an average of 135 - 170 guests.

The number and location of our restaurants as of December 27, 2023 December 25, 2024 are presented below:

United States - Denny's	United States - Denny's	Company	Franchised / Licensed	Total	United States - Denny's	Company	Franchised / Licensed	Total
Alabama								
Alaska								
Arizona								
Arkansas								
California								
Colorado								
Connecticut								
Delaware								
District of Columbia								
Florida								
Georgia								
Hawaii								
Idaho								
Illinois								
Indiana								
Iowa								
Kansas								
Kentucky								
Louisiana								
Maine								
Maryland								
Massachusetts								
Michigan								
Minnesota								
Mississippi								
Missouri								

Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming
Total Domestic - Denny's

International - Denny's	International - Denny's	Company	Franchised / Licensed	Total	International - Denny's	Company	Franchised / Licensed	Total
Canada								
Canada								
Canada								
Costa Rica								
Curacao N.V.								
El Salvador								
El Salvador								
El Salvador								
Guam								
Guatemala								
Honduras								
Indonesia								
Mexico								
New Zealand								
Philippines								
Puerto Rico								
United Arab Emirates								
United Kingdom								
Total International - Denny's								
Total Domestic - Denny's								
Total - Denny's								
United States - Keke's								
United States - Keke's								

United States - Keke's	Company	Franchised / Licensed	Total	Company	Franchised / Licensed	Total
California						
Colorado						
Florida						
Tennessee						
Texas						
Nevada						
Total Domestic - Keke's						
Total						
Total						
Total						

Of our total 1,631 1,568 restaurants, our interest in restaurant properties consists of the following:

	Company Restaurants	Franchised Restaurants	Total	Company Restaurants	Franchised Restaurants	Total
Owned properties						
Leased properties						

We have generally been able to renew our restaurant leases as they expire at then-current market rates. The remaining terms of leases range from less than one to approximately 39 38 years, including optional renewal periods.

Our corporate offices include an owned building in Spartanburg, South Carolina and leased buildings in Irving, Texas and in Orlando, Florida. The Spartanburg office is an 18-story, 187,000 square foot office building where we occupy 16 17 floors with a portion of the building leased to others.

See Note 10 to our Consolidated Financial Statements consolidated financial statements for information concerning encumbrances on substantially all of our properties.

Item 3. Legal Proceedings

There are various claims and pending legal actions against or indirectly involving us, incidental to and arising out of the ordinary course of the business. In the opinion of management, based upon information currently available, the ultimate liability with respect to these proceedings and claims will not materially affect the Company's consolidated results of operations or financial position.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed under the symbol "DENN" and trades on the Nasdaq Capital Market ("Nasdaq"). As of February 22, 2024 February 20, 2025, there were 52,253,719 51,611,066 shares of our common stock outstanding and approximately 36,000 record and beneficial holders of our common stock.

Dividends and Share Repurchases

Our credit facility allows for the payment of cash dividends and/or the repurchase of our common stock, subject to certain limitations and continued maintenance of all relevant covenants before and after any such payment of any dividend or stock purchase. An annual aggregate amount is available for such dividends or share repurchases as follows:

- an amount not to exceed \$50.0 million if the Consolidated Leverage Ratio (as defined in the credit agreement, as amended) is 3.5x or greater and an unlimited amount if the Consolidated Leverage Ratio is below 3.5x, provided that, in each case, at least \$20.0 million of availability is maintained under the revolving credit facility after such payment; and
- an additional aggregate amount equal to \$0.05 times the number of outstanding shares of our common stock, as of August 16, 2021, plus each additional share of our common stock that is issued after such date.

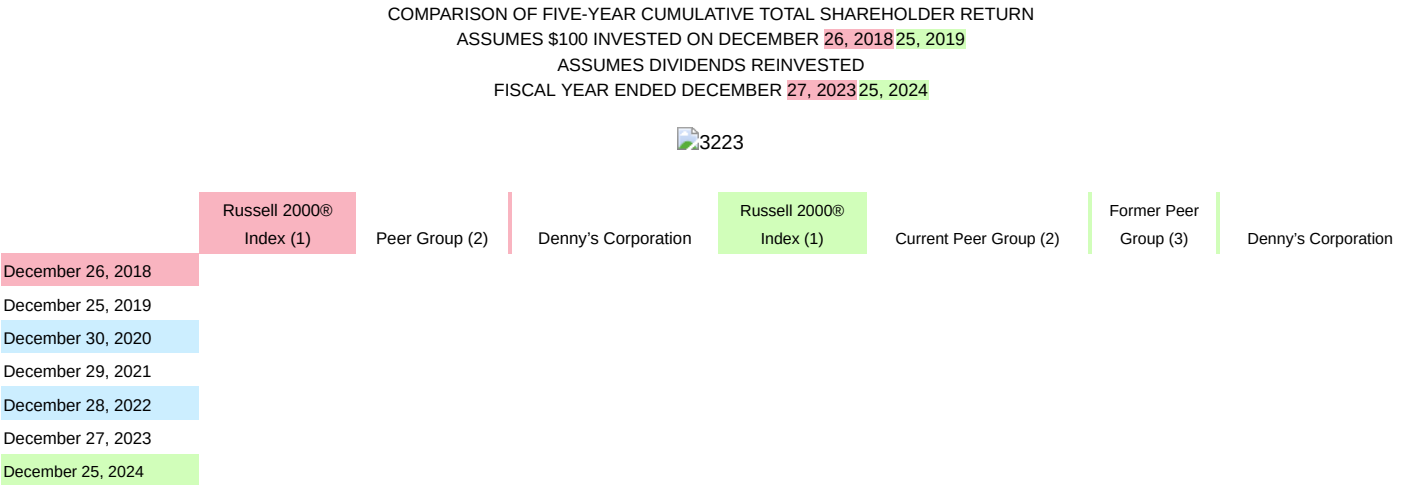
Though we have not historically paid cash dividends and currently do not expect to do so in the foreseeable future, we have in recent years undertaken share repurchases. The table below provides information concerning repurchases of shares of our common stock during the quarter ended December 27, 2023.

Period	Total Number of Shares Purchased	Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs ⁽²⁾
			⁽²⁾	
(In thousands, except per share amounts)				
September 28, 2023 – October 25, 2023	900	\$ 8.52	900	\$ 108,917
October 26, 2023 – November 22, 2023	600	8.94	600	\$ 103,542
November 23, 2023 – December 27, 2023	292	10.09	292	\$ 100,428
Total	1,792	\$ 8.91	1,792	

- (1) Average price paid per share excludes commissions.
- (2) On December 2, 2019, we announced that our Board of Directors approved a new share repurchase program, authorizing us to repurchase up to an additional \$250 million of our common stock (in addition to prior authorizations). Such repurchases may take place from time to time on the open market (including pre-arranged stock trading plans in accordance with the guidelines specified in Rule 10b5-1 under the Exchange Act) or in privately negotiated transactions, subject to market and business conditions. During the quarter ended December 27, 2023, However, we purchased 1.8 million did not repurchase any shares of our common stock for an aggregate consideration of \$16.2 million pursuant to this share repurchase program.during the quarter ended December 25, 2024.

Performance Graph

The following graph compares the cumulative total shareholder return on our common stock for the five fiscal years ended December 27, 2023 December 25, 2024 (December 26, 2018 25, 2019 to December 27, 2023 December 25, 2024) against the cumulative total return of the Russell 2000® Index and a peer group, selected by us, of companies that we believe compose a representative sampling of public companies in our industry comparable to us in size and composition.composition.We revised this peer group in 2024 to more closely reflect a representative sampling of comparative companies in our industry. As required by SEC regulations, the following graph also shows the cumulative return of the former peer group. The graph and table assume that \$100 was invested on December 26, 2018 December 25, 2019 (the last day of fiscal year 2018) 2019) in each of the Company's common stock, the Russell 2000® Index and the current and former peer groups and that all dividends were reinvested.



- (1) The Russell 2000 Index is a broad equity market index of 2,000 companies that measures the performance of the small-cap segment of the U.S. equity universe. As of December 27, 2023 December 25, 2024, the weighted average market capitalization of companies within the index was approximately \$2.7 billion \$3.6 billion with the median market capitalization being approximately \$0.8 billion \$1.0 billion.
- (2) The current peer group consists of 13 public companies that operate in the restaurant industry. BJ's Restaurants, Inc. (BJRI), Bloomin' Brands, Inc. (BLMN), Brinker International, Inc. (EAT), Cracker Barrel Old Country Store, Inc. (CBRL), Dine Brands Global, Inc. (DIN), El Pollo Loco Holdings, Inc. (LOCO),Jack in the Box Inc. (JACK), Noodles & Company (NDLS), PotBelly Corporation (PBPB), Shake Shack, Inc. (SHAK), Texas Roadhouse, Inc. (TXRH), The Cheesecake Factory Incorporated (CAKE), and Wingstop Inc. (WING). Former peer group members Fiesta Group Restaurant, Inc. and Ruth's Hospitality Group, Inc. were no longer public companies in 2024.
- (3) The former peer group consists of 14 public companies that operate in the restaurant industry. The peer group includes the following companies: BJ's Restaurants, Inc. (BJRI), Bloomin' Brands, Inc. (BLMN), Brinker International, Inc. (EAT), Cracker Barrel Old Country Store, Inc. (CBRL), Dine Brands Global, Inc. (DIN), El Pollo Loco Holdings, Inc. (LOCO), Fiesta Restaurant Group, Inc. (FRGI), Jack in the Box Inc. (JACK), Noodles & Company (NDLS), Ruth's Hospitality Group, Inc. (RUTH), Shake

Shack, Inc. (SHAK), Texas Roadhouse, Inc. (TXRH), The Cheesecake Factory Incorporated (CAKE), and Wingstop Inc. (WING). Del Taco Restaurants, Inc. (TACO), which had previously appeared in our peer group, was acquired and is no longer an independent public company.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Consolidated Financial Statements consolidated financial statements and the notes thereto.

Overview

We manage our business by brand and as a result have identified two operating segments, Denny's and Keke's. In addition, we have identified Denny's as a reportable segment. The Denny's reportable segment includes the results of all company and franchised and licensed Denny's restaurants.

Denny's restaurants are operated in 50 states, the District of Columbia, two U.S. territories and 12 foreign countries with principal concentrations in California (23% (24% of total restaurants), Texas (13%) and Florida (8%). At December 27, 2023 December 25, 2024, the Denny's brand consisted of 1,573 1,499 franchised, licensed and company restaurants. Of this amount, 1,508 1,438 of Denny's restaurants were franchised or licensed, representing 96% of the total restaurants, and 65 61 were company restaurants.

We acquired Keke's on July 20, 2022. Total revenues at Keke's for the year ended December 27, 2023 December 25, 2024 represented less than 5% 10% of total consolidated revenues, therefore, the Keke's operating segment is included in Other for segment reporting purposes. Our Keke's operating segment includes the results of all company and franchised Keke's restaurants. As of December 27, 2023 December 25, 2024, the Keke's brand consisted of 58 69 franchised and company restaurants in Florida, six states with principal concentration in Florida (88% of total restaurants). Of this amount, 50 55 Keke's restaurants were franchised, representing 86% 80% of total Keke's restaurants, and eight 14 were company restaurants.

The primary sources of revenues for all operating segments are the sale of food and beverages at our company restaurants and the collection of royalties, advertising revenue, initial and other fees, including occupancy revenue, from restaurants operated by our franchisees. Sales and customer traffic at both company and franchised restaurants are affected by the success of our marketing campaigns, new product introductions, product quality enhancements, customer service, availability of off-premises dining options, and menu pricing, as well as external factors including competition, economic conditions affecting consumer spending and changes in guests' tastes and preferences. Sales at company restaurants and royalty, advertising and fee income from franchised restaurants are also impacted by the opening of new restaurants, the closing of existing restaurants, the sale of company restaurants to franchisees and the acquisition of restaurants from franchisees.

Costs of company restaurant sales are exposed to volatility in two main areas: payroll and benefit costs and product costs. This volatility has been especially impactful during and in the periods following the COVID-19 pandemic. The volatility of payroll and benefit costs results primarily from changes in wage rates and increases in labor related expenses, such as medical benefit costs and workers' compensation costs. Additionally, changes in guest counts and investments in store-level labor impact payroll and benefit costs as a percentage of sales. Many of the products sold in our restaurants are affected by commodity pricing and are, therefore, subject to price volatility. This volatility is caused by factors that are fundamentally outside of our control and are often unpredictable. In general, we purchase food products based on market prices or we set firm prices in purchase agreements with our vendors. In an inflationary commodity environment, our ability to lock in prices on certain key commodities is imperative to controlling food costs. In addition, our continued success with menu management helps us offer menu items that provide a compelling value to our customers while maintaining attractive product costs and profitability. Packaging costs (included as a component of product costs) and delivery fees (included as a component of other operating expenses) also fluctuate with changes in delivery and off-premises sales.

Our fiscal year ends on the last Wednesday in December. As a result, a fifty-third week is added to a fiscal year every five or six years. Fiscal 2024, 2023 2022 and 2021 2022 each included 52 weeks of operations. Our next 53-week year will be fiscal 2025.

Factors Impacting Comparability

For 2024, 2023 2022 and 2021 2022, the following items impacted the comparability of our results:

- Company restaurant sales increased from \$175.0 million in 2021 to \$199.8 million in 2022 and to \$215.5 million in 2023, primarily from our progressive recovery from the COVID-19 pandemic that began in 2020 and due to the acquisition of Keke's in 2022, 2022, and decreased to \$211.8 million in 2024, primarily due to a decrease in same-restaurant sales in 2024.
- Royalty income, which is included as a component of franchise and license revenue, increased from \$103.4 million in 2021 to \$113.9 million in 2022 and to \$120.1 million in 2023, also related primarily due to our recovery from the COVID-19 pandemic and the acquisition of Keke's in 2022, 2022, and decreased to \$118.7 million in 2024, primarily due to a decrease in Denny's equivalent units and same-restaurant sales in 2024.
- Initial and other fees, increased which is included as a component of franchise and license revenue, decreased from \$8.0 million in 2021 to \$28.3 million in 2022 and decreased to \$13.9 million in 2023, 2023 and \$8.7 million in 2024. This decrease was the result of completion in 2023 of the kitchen modernization program in 2023 that began in early 2022. We billed our franchisees and recognized revenue when the related equipment was installed with a like amount recorded as a component of other direct costs.
- Occupancy revenues, included as a component of franchise and license revenue, result from leasing or subleasing restaurants to franchisees. When restaurants are sold and leased or subleased to franchisees, the occupancy costs related to these restaurants move from costs of company restaurant sales to costs of franchise and license revenue to match the related occupancy revenue. Additionally, as leases or subleases with franchisees expire, franchise occupancy revenue and costs could decrease if franchisees enter into direct leases with landlords. Occupancy revenue has decreased from \$41.8 million \$38.6 million in 2021 2022 to \$35.9 million in 2023 and \$33.2 million in 2024

primarily as a result of lease expirations. At the end of 2023, 2024, we had 195 191 franchised restaurants that were leased or subleased from Denny's, compared to 246 214 at the end of 2021, 2022.

- We closed 89, 57 and 66 restaurants in 2024, 2023 and 2022, respectively. As a result of our recently announced plan to strategically accelerate the closure of lower volume restaurants, we expect to close between 70 and 90 restaurants in 2025.

Information discussed in this Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations relates to the Denny's brand unless otherwise noted.

Statements of Income

	Fiscal Year Ended								Fiscal Year Ended							
	December 27, 2023				December 28, 2022				December 29, 2021				December 25, 2024			December 24, 2023
	(Dollars in thousands)								(Dollars in thousands)							
Revenue:	Revenue:								Revenue:							
Company restaurant sales	Company restaurant sales	\$215,532	46.5	46.5 %	\$199,753	43.8	43.8 %	\$175,017	44.0	44.0 %	Company restaurant sales	\$211,781	46.5			
Franchise and license revenue	Franchise and license revenue	248,390	53.5	53.5 %	256,676	56.2	56.2 %	223,157	56.0	56.0 %	Franchise and license revenue	240,553	53.5			
Total operating revenue	Total operating revenue	463,922	100.0	100.0 %	456,429	100.0	100.0 %	398,174	100.0	100.0 %	Total operating revenue	452,334	100.0			
Costs of company restaurant sales, excluding depreciation and amortization (a):																
Costs of company restaurant sales, excluding depreciation and amortization (a) (b):																
Product costs	Product costs	55,789	25.9	25.9 %	53,617	26.8	26.8 %	42,982	24.6	24.6 %	53,931	25.5				
Payroll and benefits	Payroll and benefits	80,666	37.4	37.4 %	76,412	38.3	38.3 %	65,337	37.3	37.3 %	Payroll and benefits	80,605	38.3			
Occupancy	Occupancy	17,080	7.9	7.9 %	15,154	7.6	7.6 %	11,662	6.7	6.7 %	Occupancy	18,129	8.0			
Other operating expenses	Other operating expenses	34,064	15.8	15.8 %	34,275	17.2	17.2 %	26,951	15.4	15.4 %	Other operating expenses	37,079	17.2			
Total costs of company restaurant sales, excluding depreciation and amortization	Total costs of company restaurant sales, excluding depreciation and amortization	187,599	87.0	87.0 %	179,458	89.8	89.8 %	146,932	84.0	84.0 %	Total costs of company restaurant sales, excluding depreciation and amortization	189,744	89.8			

Costs of franchise and license revenue (a)	Costs of franchise and license revenue (a)	122,452	49.3	49.3 %	135,327	52.7	52.7 %	109,140	48.9	48.9 %	Costs of franchise and license revenue (a)	120,226	50
General and administrative expenses	General and administrative expenses	77,770	16.8	16.8 %	67,173	14.7	14.7 %	68,686	17.3	17.3 %	General and administrative expenses	80,197	17
Depreciation and amortization	Depreciation and amortization	14,385	3.1	3.1 %	14,862	3.3	3.3 %	15,446	3.9	3.9 %	Depreciation and amortization	14,857	3
Goodwill impairment charges	Goodwill impairment charges	6,363	1.4	1.4 %	—	—	— %	—	—	— %	Goodwill impairment charges	20	0
Operating (gains), losses and other charges, net	Operating (gains), losses and other charges, net	2,530	0.5	0.5 %	(1,005)	(0.2)	(0.2) %	(46,105)	(11.6)	(11.6) %	Operating (gains), losses and other charges, net	1,974	0
Total operating costs and expenses, net	Total operating costs and expenses, net	411,099	88.6	88.6 %	395,815	86.7	86.7 %	294,099	73.9	73.9 %	Total operating costs and expenses, net	407,018	90
Operating income	Operating income	52,823	11.4	11.4 %	60,614	13.3	13.3 %	104,075	26.1	26.1 %	Operating income	45,316	10
Interest expense, net	Interest expense, net	17,597	3.8	3.8 %	13,769	3.0	3.0 %	15,148	3.8	3.8 %	Interest expense, net	17,974	4
Other nonoperating income, net	Other nonoperating income, net	8,288	1.8	%	(52,585)	(11.5)	%	(15,176)	(3.8)	%			
Other nonoperating expense, net	Other nonoperating expense, net	(1,907)	(0.4)	%	8,288	1.8	%	(52,585)	(11.5)	%			
Net income before income taxes	Net income before income taxes	26,938	5.8	5.8 %	99,430	21.8	21.8 %	104,103	26.1	26.1 %	Net income before income taxes	29,249	6
Provision for income taxes	Provision for income taxes	6,993	1.5	1.5 %	24,718	5.4	5.4 %	26,030	6.5	6.5 %	Provision for income taxes	7,678	1
Net income	Net income	\$ 19,945	4.3	4.3 %	\$ 74,712	16.4	16.4 %	\$ 78,073	19.6	19.6 %	Net income	\$ 21,571	4

(a) Costs of company restaurant sales percentages are as a percentage of company restaurant sales. Costs of franchise and license revenue percentages are as a percentage of franchise and license revenue. All other percentages are as a percentage of total operating revenue.

(b) Certain reclassifications have been made in the 2023 presentation to conform to the 2024 presentation. These reclassifications did not affect total revenues or net income.

Statistical Data

		Fiscal Year Ended								
		December 27, 2023		December 28, 2022		December 29, 2021				
		December 25, 2024		December 27, 2023		December 28, 2022				
(Dollars in thousands)										
Denny's										
Company average unit sales										
Company average unit sales										
Company average unit sales		\$3,073		\$2,985		\$2,709	\$3,086	\$3,073	\$2,985	
Franchise average unit sales	Franchise average unit sales	\$1,843		\$1,729		\$1,597	Franchise average unit sales	\$1,875	\$1,843	\$1,729
Company equivalent units (a)	Company equivalent units (a)	65			65	Company equivalent units (a)		62		65

Franchise equivalent units (a)	Franchise equivalent units (a)	1,522	1,561	1,581	Franchise equivalent units (a)	1,478	1,522	1,561
Company same-store sales increase vs. prior year (b) (c)		2.7%	10.4%	55.3%				
Domestic franchised same-store sales increase vs. prior year (b)(c)		3.6%	6.0%	40.1%				
Company same-restaurant sales increase vs. prior year (b)(c)		(1.5)%	2.7%	10.4%				
Domestic franchised same-restaurant sales increase vs. prior year (b)(c)		(0.1)%	3.6%	6.0%				

Keke's (d)

Keke's (d)

Keke's (d)

Company average unit sales										
Company average unit sales										
Company average unit sales		\$1,796	\$772		N/A	\$1,728	\$1,796		\$772	
Franchise average unit sales	Franchise average unit sales	\$1,828	\$802		N/A	Franchise average unit sales	\$1,829	\$1,828	\$802	
Company equivalent units (a)	Company equivalent units (a)	8	4		N/A	Company equivalent units (a)	11	8	4	
Franchise equivalent units (a)	Franchise equivalent units (a)	48	20		N/A	Franchise equivalent units (a)	50	48	20	
Company same-store sales decrease (b)		(1.1)%			N/A					
Franchise same-store sales decrease (b)		(4.4)%			N/A					
Company same-restaurant sales decrease (b)		(2.7)%			(1.1)%	N/A				
Franchise same-restaurant sales decrease (b)		(1.6)%			(4.4)%	N/A				

(a) Equivalent units are calculated as the weighted average number of units outstanding during a defined time period.

(b) Same-store Same-restaurant sales include sales from company restaurants or non-consolidated franchised and licensed restaurants that were open the same period in the prior year. While we do not record franchise and licensed sales as revenue in our consolidated financial statements, we believe domestic franchised same-store same-restaurant sales information is useful to investors in understanding our financial performance, as our sales-based royalties are calculated based on a percentage of franchise sales. Accordingly, domestic franchised same-store same-restaurant sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

(c) Prior year amounts have not been restated for 2023 2024 comparable restaurants.

(d) Effective July 20, 2022, the Company acquired Keke's, and as such, Keke's. As a result, data presented for the year ended December 28, 2022 only represent post-acquisition results.

Unit Activity

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
Denny's						
Company restaurants, beginning of period						
Company restaurants, beginning of period						
Company restaurants, beginning of period						
Units acquired from franchisees						
Units acquired from franchisees						
Units acquired from franchisees						
Units closed						
Units closed						
Units sold to franchisees						
Units closed						
End of period						
Franchised and licensed restaurants, beginning of period						
Franchised and licensed restaurants, beginning of period						
Franchised and licensed restaurants, beginning of period						
Units opened						

Units acquired by Company
Units acquired by Company
Units purchased from Company
Units acquired by Company
Units closed
End of period
Total restaurants, end of period

Fiscal Year Ended		Fiscal Year Ended			
December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022

Keke's					
Company restaurants, beginning of period					
Company restaurants, beginning of period					
Company restaurants, beginning of period					
Units opened					
Units acquired					
Units acquired					
Units acquired					
Units sold to franchisees					
End of period					
End of period					
End of period					
Franchised and licensed restaurants, beginning of period					
Franchised and licensed restaurants, beginning of period					
Franchised and licensed restaurants, beginning of period					
Units opened					
Units purchased from Company					
Units acquired					
Units acquired					
Units acquired					
End of period					
End of period					
Units closed					
End of period					
Total restaurants, end of period					

Company Restaurant Operations

Company restaurant sales for 2024 decreased \$3.8 million, or 1.7%, primarily driven by a 1.5% decrease in Denny's company same-restaurant sales and three less Denny's equivalent units. The decrease in company restaurant sales was partially offset by three additional Keke's equivalent units. Company restaurant sales for 2023 increased \$15.8 million, or 7.9%, primarily driven by a 2.7% increase in Denny's company same-store same-restaurant sales and the operation of Keke's for a full year in 2023. The increase in Denny's company same-store same-restaurant sales primarily resulted from price increases to partially offset inflationary pressures. Company restaurant sales from Keke's increased \$8.2 million in 2023. Company restaurant sales for 2022 increased \$24.7 million, or 14.1%, primarily driven by a 10.4% increase in Denny's company same-store sales resulting from price increases to partially offset inflationary costs. The increase in sales in 2022 includes \$6.2 million from Keke's.

Total costs of company restaurant sales as a percentage of company restaurant sales were 89.6% in 2024, 87.0% in 2023 and 89.8% in 2022 and 84.0% in 2021 consisting of the following:

Product costs as a percentage of company restaurant sales were 25.5% in 2024, 25.9% in 2023 and 26.8% in 2022 2022. For 2024 and 24.6% in 2021. For 2023, the decrease decreases as a percentage of sales was were primarily due to increased pricing to offset a portion of higher commodity costs. For 2022, the increase as a percentage of sales was primarily due to increased commodity costs.

Payroll and benefits as a percentage of company restaurant sales were 38.1% in 2024, 37.4% in 2023 and 38.3% in 2022 2022. The 2024 increase as a percentage of sales was primarily due to a 0.2 percentage point increase in group insurance costs, 0.2 percentage point increase in management labor, 0.1 percentage point increase in incentive compensation and 37.3% a 0.1 percentage point increase in 2021, payroll taxes and fringe benefits. The 2023 decrease as a percentage of sales was primarily due to a 0.4 percentage point decrease in team labor costs, 0.5 percentage point decrease in incentive compensation and a 0.2 percentage point decrease in payroll taxes and fringe benefits. Team labor costs decreased due to the leveraging effect of higher sales and efficiency gains. The 2023 decrease was partially offset by a 0.5 percentage point increase in workers'

compensation costs. The 2022 increase as a percentage of sales was primarily due to a 0.9 percentage point increase in team labor due to higher wage rates. In addition, a 0.4 percentage point increase in workers' compensation costs was partially offset by a 0.4 percentage point decrease in group insurance costs.

Occupancy costs as a percentage of company restaurant sales were 7.9% 8.6% in 2024, 7.8% in 2023 and 7.6% in 2022. The 2024 increase as a percentage of sales was primarily due to a 0.4 percentage point increase in rent and 6.7% property taxes related to new restaurants and a 0.4 percentage point increase in 2021. general liability insurance costs resulting from negative claims development in the current year. The 2023 increase as a percentage of sales was primarily due to new Keke's leases for restaurants that have yet to open. The 2022 an increase as a percentage of sales was primarily due to general liability insurance cost increases in the current year in addition to a prior year decrease, as well as higher rents. rent and property taxes.

Other operating expenses consisted of the following amounts and percentages of company restaurant sales:

		Fiscal Year Ended									Fiscal Year Ended															
		December 27, 2023				December 28, 2022					December 29, 2021			December 25, 2024					December 27, 2023					December 28, 2022		
		(Dollars in thousands)									(Dollars in thousands)															
Utilities	Utilities	\$ 7,848	3.6	3.6 %	\$ 7,273	3.6	3.6 %	\$ 5,814	3.3	3.3 %	Utilities	\$ 6,954	3.3	3.3 %	\$ 7,848	3.6	3.6 %	\$ 7,273								
Repairs and maintenance	Repairs and maintenance	3,661	1.7	1.7 %	3,874	1.9	1.9 %	2,743	1.6	1.6 %	Repairs and maintenance	4,023	1.9	1.9 %	3,661	1.7	1.7 %	3,874								
Marketing	Marketing	5,603	2.6	2.6 %	5,294	2.7	2.7 %	4,594	2.6	2.6 %	Marketing	7,850	3.7	3.7 %	5,603	2.6	2.6 %	5,294								
Legal settlements	Legal settlements	2,302	1.1	1.1 %	4,224	2.1	2.1 %	2,134	1.2	1.2 %	Legal settlements	1,700	0.8	0.8 %	2,302	1.1	1.1 %	4,224								
Pre-opening costs		1,548	0.7	%	288	0.1	%	—		—																
Other direct costs	Other direct costs	14,650	6.8	6.8 %	13,610	6.8	6.8 %	11,666	6.7	6.7 %	Other direct costs	15,004	7.1	7.1 %	14,633	6.8	6.8 %	13,610								
Other operating expenses	Other operating expenses	\$34,064	15.8	15.8 %	\$ 34,275	17.2	17.2 %	\$ 26,951	15.4	15.4 %	Other operating expenses	\$37,079	17.5	17.5 %	\$34,335	15.9	15.9 %	\$34,275								

For 2024, the increase in other operating expenses was primarily due to increased marketing and increased pre-opening costs. For 2023, the increase in other operating expenses was primarily due to increased marketing and other direct costs, partially offset by decreased legal settlement costs were lower as a percentage of sales primarily due related to unfavorable developments in certain claims during the prior year. For 2022, legal settlement costs were higher as a percentage of sales primarily due to unfavorable developments in certain claims.

Franchise Operations

Franchise and license revenue and costs of franchise and license revenue consisted of the following amounts and percentages of franchise and license revenue for the periods indicated:

	Fiscal Year Ended								Fiscal Year Ended															
	December 27, 2023				December 28, 2022				December 29, 2021				December 25, 2024				December 27, 2023				December 28, 2022			
	(Dollars in thousands)								(Dollars in thousands)															
Royalties	Royalties	\$120,131	48.4	48.4 %	\$113,891	44.4	44.4 %	\$ 103,425	46.3	46.3 %	Royalties	\$118,705	49.3	49.3 %			\$120,131	48.4	48.4 %					
Advertising revenue	Advertising revenue	78,494	31.6	31.6 %	75,926	29.6	29.6 %	69,957	31.3	31.3 %	Advertising revenue	79,973	33.2	33.2 %			78,494	31.6	31.6 %					
Initial and other fees	Initial and other fees	13,882	5.6	5.6 %	28,262	11.0	11.0 %	8,009	3.6	3.6 %	Initial and other fees	8,711	3.6	3.6 %			13,882	5.6	5.6 %					
Occupancy revenue	Occupancy revenue	35,883	14.4	14.4 %	38,597	15.0	15.0 %	41,766	18.7	18.7 %	Occupancy revenue	33,164	13.8	13.8 %			35,883	14.4	14.4 %					
Franchise and license revenue	Franchise and license revenue	\$248,390	100.0	100.0 %	\$256,676	100.0	100.0 %	\$ 223,157	100.0	100.0 %	Franchise and license revenue	\$240,553	100.0	100.0 %			\$248,390	100.0	100.0 %					
Advertising costs																								
Advertising costs																								
Advertising costs		\$ 78,494	31.6	31.6 %	\$ 75,926	29.6	29.6 %	\$ 69,957	31.3	31.3 %	\$ 79,973	33.2	33.2 %			\$ 78,494	31.6	31.6 %						
Occupancy costs																								
Occupancy costs		22,160	8.9	8.9 %	24,090	9.4	9.4 %	26,237	11.8	11.8 %	Occupancy costs	20,539	8.5	8.5 %			22,160	8.9	8.9 %					

Other	Other											Other							
direct costs	direct costs	21,798	8.8	8.8 %	35,311	13.8	13.8 %	12,946	5.8	5.8 %	direct costs	19,714	8.2	8.2 %			21,798	8.8	
Costs of franchise and license revenue	Costs of franchise and license revenue	\$122,452	49.3	49.3 %	\$135,327	52.7	52.7 %	\$109,140	48.9	48.9 %	Costs of franchise and license revenue	\$120,226	50.0	50.0 %			\$122,452	49.3	

Royalties decreased by \$1.4 million, or 1.2%, in 2024 primarily resulting from a decrease of 44 Denny's equivalent units, partially offset by an increase of two Keke's equivalent units. In 2023, royalties increased by \$6.2 million, or 5.5%, in 2023 primarily resulting from a 3.6% increase in Denny's domestic franchise same-store same-restaurant sales as compared to the prior year. Royalties from Keke's franchise restaurants increased \$3.0 million as a result of operating for a full year in 2023. The 2023 increase was partially offset by a decrease of 39 Denny's franchise equivalent units. In 2022, royalties increased by \$10.5 million, or 10.1% primarily resulting from a 6.0% increase in Denny's domestic franchise same-store sales as compared to the prior year. The increase in royalties included \$2.2 million from Keke's. The average domestic contractual royalty rate was 4.42% 4.40%, 4.42% and 4.39% for 2024, 2023 and 4.35% for 2023, 2022, and 2021, respectively.

Advertising revenue increased \$1.5 million, or 1.9%, in 2024 primarily resulting from a \$1.6 million increase in local advertising co-op contributions, partially offset by the impact from a 0.1% decrease in domestic franchise same-restaurant sales and a decrease of 44 Denny's equivalent units. Advertising revenue increased \$2.6 million, or 3.4%, in 2023 primarily resulting from the increase in Denny's domestic franchise same-store same-restaurant sales. The increase also includes \$0.6 million collected from Keke's franchised restaurants. The 2023 increase was partially offset by a decrease of 39 Denny's franchise equivalent units. Advertising revenue increased \$6.0 million

Initial and other fees decreased \$5.2 million, or 8.5% 37.2%, in 2022 2024 primarily resulting from a \$4.0 million decrease in revenue from the increase sale of equipment to franchisees, as our kitchen modernization program was completed in domestic franchise same-store sales.

2023. Initial and other fees decreased \$14.4 million, or 50.9%, in 2023 primarily resulting from a decrease in revenue from the sale of equipment to franchisees, as our kitchen modernization program was completed in 2023. Initial and other fees increased \$20.3 million, or 252.9%, in 2022 primarily resulting from the recognition of \$19.1 million of revenue from the sale and installation of kitchen equipment at franchise restaurants.

Occupancy revenue decreased \$2.7 million, or 7.6%, in 2024 and \$2.7 million, or 7.0%, in 2023 primarily due to lease terminations. Occupancy

Costs of franchise and license revenue decreased \$3.2 million \$2.2 million, or 7.6% 1.8%, in 2022 2024. Advertising costs increased \$1.5 million, or 1.9%, which corresponds to the related advertising revenue increases noted above. Occupancy costs decreased \$1.6 million, or 7.3%, in 2024, primarily related to lease terminations. Other direct costs decreased \$2.1 million, or 9.6%, primarily due to lease terminations. the completion of our kitchen modernization program at franchise restaurants as mentioned above. As a result, costs of franchise and license revenue as a percentage of franchise and license revenue increased to 50.0% for 2024 from 49.3% in 2023.

Costs of franchise and license revenue decreased \$12.9 million, or 9.5%, in 2023. Advertising costs increased \$2.6 million, or 3.4%, which corresponds to the related advertising revenue increases noted above. Occupancy costs decreased \$1.9 million, or 8.0%, in 2023, primarily related to lease terminations. Other direct costs decreased \$13.5 million, or 38.3%, primarily due to the completion of our kitchen modernization program at franchise restaurants as mentioned above. As a result, costs of franchise and license revenue as a percentage of franchise and license revenue decreased to 49.3% for 2023 from 52.7% in 2022.

Costs of franchise and license revenue increased \$26.2 million, or 24.0%, in 2022. Advertising costs increased \$6.0 million, or 8.5%, which corresponds to the related advertising revenue increases noted above. Occupancy costs decreased \$2.1 million, or 8.2%, in 2022, primarily related to lease terminations. Other direct costs increased \$22.4 million, or 172.8%, primarily due to \$19.1 million of expense as part of the installation of kitchen equipment at franchise restaurants as mentioned above. As a result, costs of franchise and license revenue as a percentage of franchise and license revenue increased to 52.7% for 2022 from 48.9% in 2021.

Other Operating Costs and Expenses

Other operating costs and expenses such as general and administrative expenses and depreciation and amortization expense relate to both company and franchise operations.

General and administrative expenses consisted of the following:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Corporate administrative expenses						
Share-based compensation						
Incentive compensation						
Deferred compensation valuation adjustments						
Total general and administrative expenses						

Total general and administrative expenses increased by \$2.4 million, or 3.1%, in 2024 and increased by \$10.6 million, or 15.8%, in 2023 and decreased by \$1.5 million, or 2.2%, in 2022, 2023.

Corporate administrative expenses increased by \$8.2 million \$2.0 million in 2023 2024 and increased by \$7.7 million \$8.2 million in 2022, 2023. The 2024 increase was primarily due to compensation increases and software subscription costs. The 2023 increase was primarily due to compensation increases and administrative costs related to Keke's.

Share-based compensation increased by \$1.8 million in 2024 and decreased by \$2.5 million in 2023. The 2022 2024 increase was primarily due to compensation increases in the current year our performance against plan metrics and prior year temporary cost reductions related to the COVID-19 pandemic, including net reductions in tax credits related to the CARES Act of approximately \$0.5 million.

Share-based compensation decreased by \$2.5 million in 2023 and by \$2.2 million in 2022. forfeitures. The 2023 decrease was primarily due to forfeitures and our performance against plan metrics. The 2022 decrease was primarily due to the 2020 long-term incentive plan having a two-year vesting period compared to a typical three-year vesting period. The 2020 long-term incentive plan became fully vested Incentive compensation decreased by \$1.2 million in May 2022. Incentive compensation 2024 and increased by \$0.8 million in 2023 and decreased by \$2.8 million in 2022. 2023. The changes in incentive compensation for both periods primarily resulted from our performance against plan metrics. Changes in deferred compensation valuation adjustments have offsetting gains or losses on the underlying nonqualified deferred plan investments included as a component of other nonoperating expense (income), net, for the corresponding periods.

Depreciation and amortization consisted of the following:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Depreciation of property and equipment						
Amortization of finance right-of-use assets						
Amortization of intangible and other assets						
Total depreciation and amortization expense						

The decreases increase in total depreciation and amortization expense during 2024 was primarily related to new Keke's units. The 2023 and 2022 were decrease was primarily due to certain assets becoming fully depreciated.

Goodwill impairment charges were \$6.4 million less than \$0.1 million in 2023. 2024 related to assets eventually sold by Denny's. We performed an annual impairment test of goodwill and other intangible assets with indefinite lives as of December 27, 2023 and determined that a portion of the goodwill related to Keke's was impaired as impaired. As a result, we recorded \$6.4 million of lower than forecasted near-term sales and cash flows as well as higher discount rates post-acquisition that were used to determine the fair value of goodwill. Sales and cash flows goodwill impairment charges in 2023 were impacted by reduced tourism in Florida as well as a slower pace of restaurant development than originally anticipated. In addition, investments in general and administrative expenses to support the growth of the brand and an extended development cycle have also impacted near-term cash flow projections, 2023. See Note 6.

Operating (gains), losses and other charges, net consisted of the following:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Gains on sales of assets and other, net						
Restructuring charges and exit costs						
Restructuring charges and exit costs						
Restructuring charges and exit costs						
Impairment charges (1)						
Impairment charges (1)						
Impairment charges (1)						
Restructuring and exit costs						
Operating (gains), losses and other charges, net						

- (1) Impairment charges include impairments related to property, operating right-of-use assets, finance right-of-use assets, and reacquired franchise rights.
- (1) Impairment charges include impairments related to property, operating right-of-use assets, finance right-of-use assets, and reacquired franchise rights.
- (1) Impairment charges include impairments related to property, operating right-of-use assets, finance right-of-use assets, and reacquired franchise rights.
- (1) Impairment charges include impairments related to property, operating lease right-of-use assets, finance lease right-of-use assets, franchise agreements, and reacquired franchise rights.
- (1) Impairment charges include impairments related to property, operating lease right-of-use assets, finance lease right-of-use assets, franchise agreements, and reacquired franchise rights.
- (1) Impairment charges include impairments related to property, operating lease right-of-use assets, finance lease right-of-use assets, franchise agreements, and reacquired franchise rights.

Gains on sales of assets and other, net for 2024, 2023, 2022, and 2021 2022 were primarily related to the sales of real estate, estate and restaurants.

Impairment charges of \$0.8 million, \$2.2 million and \$1.0 million for 2024, 2023 and 2022, respectively, primarily related to assets held for sale and resulting from our assessments of underperforming and closed restaurants.

Restructuring charges and exit costs consisted of the following:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Exit costs						
Severance and other restructuring charges						
Total restructuring and exit costs						

Total restructuring and exit costs for 2024, 2023 and 2022 primarily consisted of severance costs. Total restructuring and exit costs for 2021 were primarily made up of relocation costs associated with moving certain employees to our support center in Irving, Texas.

Impairment charges of \$2.2 million, \$1.0 million and \$0.4 million for 2023, 2022 and 2021, respectively, primarily resulted from our assessment of underperforming restaurants.

Operating income was \$45.3 million in 2024, \$52.8 million in 2023 and \$60.6 million in 2022 and \$104.1 million in 2021, 2022.

Interest expense, net consisted of the following:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Interest on credit facilities						
Interest on interest rate swaps						
Interest on finance lease liabilities						
Letters of credit and other fees						
Interest income						
Total cash interest						
Amortization of deferred financing costs						
Amortization of interest rate swap losses						
Interest accretion on other liabilities						
Total interest expense, net						

Interest expense, net increased during 2024 and 2023 primarily due to increased average borrowings and higher average interest rates, partially offset by receipts from our interest rate swaps. Interest expense, net decreased during 2022 primarily due to decreased deferred financing cost amortization and decreased financing lease interest.

Other nonoperating expense (income), net was income of \$1.9 million, expense of \$8.3 million, and income of \$52.6 million for 2024, 2023 and 2022, respectively. Nonoperating income for 2024 includes \$1.7 million of \$15.2 million for 2023, 2022 and 2021, respectively, gains on deferred compensation investments. Nonoperating expense for 2023 includes \$10.6 million of losses related to valuation adjustments for dedesignated interest rate hedges, partially offset by gains of \$2.1 million on deferred compensation plan investments. Nonoperating income for 2022 includes \$55.0 million of gains related to dedesignated interest rate swap valuation adjustments, partially offset by losses of \$2.2 million on deferred compensation plan investments. Nonoperating income for 2021 includes \$12.8 million of gains related to dedesignated interest rate swap valuation adjustments and \$2.2 million in gains on deferred compensation investments. For additional details related to the interest rate swaps, see Note 10 to our Consolidated Financial Statements, consolidated financial statements.

The provision for income taxes was \$7.7 million for 2024, \$7.0 million for 2023 and \$24.7 million for 2022 and \$26.0 million for 2021, 2022. The effective tax rate was 26.3% for 2024, 26.0% for 2023 and 24.9% for 2022, 2022.

For 2024, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and 25.0% for 2021, foreign taxes, partially offset by the generation of employment and foreign tax credits. The 2024 rate was also impacted by \$1.8 million of disallowed compensation deductions.

For 2023, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes, partially offset by the generation of employment and foreign tax credits. The 2023 rate was also impacted by \$1.9 million of disallowed compensation deductions.

For 2022, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes, partially offset by the generation of employment and foreign tax credits.

For 2021, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes, partially offset by the generation of employment credits. The 2021 rate was also impacted by \$1.3 million of disallowed compensation deductions.

For additional details related to the provision for income taxes as well as changes in the effective tax rate, see Note 15 to our Consolidated Financial Statements, consolidated financial statements.

Net income was \$21.6 million for 2024, \$19.9 million for 2023 and \$74.7 million for 2022 and \$78.1 million for 2021, 2022.

Liquidity and Capital Resources

Summary of Cash Flows

Our primary sources of liquidity and capital resources are cash generated from operations and borrowings under our credit facility (as described below). Principal uses of cash are operating expenses, acquisitions and capital expenditures and the repurchase of shares of our common stock.

The following table presents a summary of our sources and uses of cash and cash equivalents for the periods indicated:

	Fiscal Year Ended		Fiscal Year Ended		December 27, 2023	December 28, 2022
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024		
	(In thousands)		(In thousands)			
Net cash provided by operating activities						
Net cash (used in) provided by investing activities						
Net cash used in investing activities						
Net cash (used in) provided by financing activities						
Increase (decrease) in cash and cash equivalents						

Net cash flows provided by operating activities were \$29.5 million for the year ended December 25, 2024 compared to net cash flows provided by operating activities of \$72.1 million for the year ended December 27, 2023. The decrease in cash flows provided by operating activities was primarily due to decreases in operating income, accounts payable, and other accrued liabilities. Net cash flows provided by operating activities were \$72.1 million for the year ended December 27, 2023 compared to net cash flows provided by operating activities of \$39.5 million for the year ended December 28, 2022. The increase in cash flows provided by operating activities was primarily due to the timing of inventory purchases, receivables collections, and accrual payments related to our franchise kitchen equipment project over the past two years. Net cash flows provided by operating activities were \$39.5 million for the year ended December 28, 2022 compared to net cash flows provided by operating activities of \$76.2 million for the year ended December 29, 2021. The decrease in cash flows provided by operating activities in during 2022 compared to 2021 was primarily due to increased operating costs at company restaurants and the timing of prior year accrual payments and receivable collections, 2023. We believe that our estimated cash flows from operations for 2024, 2025, combined with our capacity for additional borrowings under our credit facility, will enable us to meet our anticipated cash requirements and fund capital expenditures over the next twelve months.

Net cash flows used in investing activities were \$26.7 million for the year ended December 25, 2024. These cash flows included capital expenditures of \$28.6 million and investment purchases of \$1.5 million, partially offset by net proceeds from the sale of real estate and restaurants for \$1.4 million and net investment proceeds of \$1.8 million. Net cash flows used in investing activities were \$7.6 million for the year ended December 27, 2023. These cash flows included capital expenditures of \$10.0 million, investment purchases of \$1.3 million, and a real estate acquisition of \$1.2 million, partially offset by net proceeds from the sale of three parcels of real estate for \$3.2 million and net investment proceeds of \$1.9 million. Net cash flow flows used in investing activities were \$86.6 million for the year ended December 28, 2022. These cash flows included \$82.5 million for the acquisition of Keke's and capital expenditures of \$11.8 million, partially offset by proceeds from the sale of real estate and other assets of \$4.1 million and collections on the collection of a real estate acquisitions of \$3.6 million. Net cash flows provided by investing activities were \$29.0 million for the year ended December 29, 2021. These cash flows were primarily proceeds from the sale of real estate and other assets of \$50.1 million, partially offset by acquisition of restaurants and real estate of \$10.4 million, capital expenditures of \$7.4 million and deposits on real estate acquisitions deposit of \$3.6 million.

Our principal capital requirements have been largely associated with the following:

	Fiscal Year Ended		Fiscal Year Ended		December 27, 2023	December 28, 2022
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024		
	(In thousands)		(In thousands)			
Facilities						
New construction						
Remodeling						
Information technology						
Other						
Capital expenditures (excluding acquisitions)						

Cash flows used in financing activities were \$6.0 million for the year ended December 25, 2024, which included cash payments for stock repurchases of \$11.7 million and payments of tax withholding on share-based compensation of \$1.9 million, partially offset by net debt borrowings of \$4.4 million and net bank overdrafts of \$3.2 million. Cash flows used in financing activities were \$63.2 million for the year ended December 27, 2023, which included cash payments for stock repurchases of \$52.1 million, net debt payments of \$7.8 million and payments of tax withholding on share-based compensation of \$3.0 million. Cash flows provided by financing activities were \$20.0 million for the year ended December 28, 2022, which included net debt borrowings of \$89.5 million, partially offset by cash payments for stock repurchases of \$65.0 million and payments of tax withholding on share-based compensation of \$4.8 million. Cash flows used in financing activities were \$78.5 million for the year ended December 29, 2021, which included net debt repayments of \$42.1 million, cash payments for stock repurchases of \$30.0 million, net bank overdraft payments of \$3.1 million, and deferred financing costs of \$1.9 million.

Our working capital deficit was \$55.6 million at December 25, 2024 compared with \$59.3 million at December 27, 2023 compared with \$43.3 million at December 28, 2022, primarily due to a decrease in receivables accounts payable and inventories related to our franchise equipment projects other accrued liabilities, partially offset by a decrease in 2023, current assets. We are able to operate with a substantial working capital deficit because (1) restaurant operations and most food service operations are conducted primarily on a cash and cash equivalent basis with a low level of accounts receivable, (2) rapid turnover allows a limited investment in inventories and (3) accounts payable for food, beverages and supplies usually become due after the receipt of cash from the related sales.

Credit Facility

The Company and certain of its subsidiaries have a credit facility consisting of a five-year \$400 million senior secured revolver (with a \$25 million letter of credit sublimit). The credit facility includes an accordion feature that would allow us to increase the size of the revolver to \$450 million. Borrowings bear a tiered interest rate, which is based on the Company's consolidated leverage ratio. The maturity date for the credit facility is August 26, 2026.

The credit facility is available for working capital, capital expenditures and other general corporate purposes. The credit facility is guaranteed by the Company and its material subsidiaries and is secured by assets of the Company and its subsidiaries, including the stock of its subsidiaries (other than its insurance captive subsidiary). It includes negative covenants that are usual for facilities and transactions of this type. The credit facility also includes contains certain financial covenants, with respect to including a maximum consolidated leverage ratio of 4.0 times and a minimum consolidated fixed charge coverage ratio, ratio of 1.5 times. As of December 25, 2024, our consolidated leverage ratio was 3.85 times and our consolidated fixed charge coverage ratio was 2.18 times. We were in compliance with all financial covenants as of December 27, 2023, December 25, 2024, and we expect to remain in compliance throughout 2025.

As of December 27, 2023 December 25, 2024, we had outstanding revolver loans of \$255.5 million \$261.3 million and outstanding letters of credit under the credit facility of \$11.5 million \$16.1 million. These balances resulted in unused commitments of \$133.0 million \$122.6 million as of December 27, 2023 December 25, 2024 under the credit facility.

As of December 27, 2023 December 25, 2024, borrowings under the credit facility bore interest at a rate of Adjusted Daily Simple SOFR plus 2.00% 2.25%. Letters of credit under the credit facility bore interest at a rate of 2.13% 2.38%. The commitment fee, paid on the unused portion of the credit facility, was set to 0.30% 0.35%.

Prior to considering the impact of our interest rate swaps, described below, the weighted-average interest rate on outstanding revolver loans was 7.41% 6.98% and 6.37% 7.41% as of December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively. Taking into consideration our interest rate swaps that are designated as cash flow hedges, the weighted-average interest rate of outstanding revolver loans was 5.04% 5.01% and 5.31% 5.04% as of December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively.

Interest Rate Hedges

We have interest rate swaps to hedge a portion of the forecasted cash flows of our floating rate debt. See Part II Item 7A. Quantitative and Qualitative Disclosures About Market Risk for details on our interest rate swaps.

Technology Transformation and Kitchen Modernization Initiatives

The Company has committed to investing approximately \$4 million toward a new cloud-based restaurant technology platform in domestic franchise restaurants, which will lay the foundation for future technology initiatives to further enhance the guest experience. We currently expect the The rollout to occur is in 2024 progress and 2025.

During 2023, the Company completed the process of upgrading and improving kitchen equipment throughout the domestic system. This investment is expected to yield long-term benefits continue through menu enhancements across all dayparts, with new and improved food offerings. The new equipment is also expected to provide immediate benefits through increased kitchen efficiency and productivity while also reducing food waste. 2026.

Contractual Obligations

Our future contractual obligations and commitments at December 27, 2023 December 25, 2024 consisted of the following:

	Payments Due by Period			Payments Due by Period							
	Total	Less than 1 Year	1-2 Years	3-4 Years	5 Years and Thereafter	Total	Less than 1 Year	1-2 Years	3-4 Years	5 Years and Thereafter	
	(In thousands)			(In thousands)							
Long-term debt (a)											
Finance lease obligations (b)(c)											
Operating lease obligations (b)											
Interest obligations (c)											
Defined benefit plan obligations (d)											
Purchase obligations (e)											
Unrecognized tax benefits (f)											
Total											

- (a) Refer to Note 10 to our Consolidated Financial Statements consolidated financial statements for a further discussion of our long-term debt and timing of expected payments.
- (b) Refer to Note 9 to our Consolidated Financial Statements consolidated financial statements for a further discussion of our lease obligations and timing of expected payments.

- (c) Interest obligations represent payments related to our long-term debt outstanding at [December 27, 2023](#) [December 25, 2024](#). For long-term debt with variable rates, we have used the rate applicable at [December 27, 2023](#) [December 25, 2024](#) to project interest over the periods presented in the table above, taking into consideration the impact of the interest rate swaps that are designated as cash flow hedges for the applicable periods. The finance lease obligation amounts above are inclusive of interest.
- (d) Refer to Note 12 to our [Consolidated Financial Statements](#) [consolidated financial statements](#) for a further discussion of our defined benefit plan obligations and timing of expected payments.
- (e) Refer to Note [19 18](#) to our [Consolidated Financial Statements](#) [consolidated financial statements](#) for a further discussion of our purchase obligations and timing of expected payments.
- (f) Unrecognized tax benefits are related to uncertain tax positions. As we are not able to reasonably estimate the timing or amount of these payments, the related balances have not been reflected in this table.

Critical Accounting Policies and Estimates

Our reported results are impacted by the application of certain accounting policies that require us to make subjective or complex judgments. These judgments involve estimations of the effect of matters that are inherently uncertain and may significantly impact our quarterly or annual results of operations or financial condition. Changes in the estimates and judgments could significantly affect our results of operations and financial condition and cash flows in future years.

Our significant accounting policies are discussed in Note 2 to our [Consolidated Financial Statements](#) [consolidated financial statements](#). We consider financial reporting and disclosure practices and accounting policies quarterly to ensure that they provide accurate and transparent information relative to the current economic and business environment. We have not made any material changes to the accounting methodologies used to assess the areas discussed below, unless noted otherwise. Descriptions of what we consider to be our most significant critical accounting policies are as follows:

Self-insurance liabilities. We are self-insured for a portion of our losses related to certain medical plans, workers' compensation, general, product and automobile insurance liability. In estimating these liabilities, we utilize independent actuarial estimates of expected losses, which are based on statistical analysis of historical data, including certain actuarial assumptions regarding the frequency and severity of claims and claim development history and settlement practices.

We have not made any material changes in the methodology used to establish our insurance liabilities during the past three years and do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions used to calculate the insurance reserves. However, our estimates of expected losses are adjusted over time based on changes to the actual costs of the underlying claims, which could result in additional expense or reversal of expense previously recorded. Additionally, the change in the number of company restaurants impacts the balance of liabilities over time.

Total workers' compensation, general, product and automobile insurance liabilities were [\\$9.7 million](#) [\\$9.3 million](#) and [\\$9.7 million](#) at [December 27, 2023](#) [December 25, 2024](#) and [December 28, 2022](#) [December 27, 2023](#), respectively.

See Note 2 to our [Consolidated Financial Statements](#) [consolidated financial statements](#) for a further discussion of our policies regarding self-insurance liabilities.

Impairment of long-lived assets. We evaluate our long-lived assets for impairment at the restaurant level on a quarterly basis, when assets are identified as held for sale or whenever changes or events indicate that the carrying value may not be recoverable. For assets identified as held for sale, we use the market approach and consider proceeds from similar asset sales. We assess impairment of restaurant-level assets based on the operating cash flows of the restaurant, expected proceeds from the sale of assets and our plans for restaurant closings. For underperforming assets, we use the income approach to determine both the recoverability and estimated fair value of the assets. To estimate future cash flows, we make certain assumptions about expected future operating performance, such as revenue growth, operating margins, risk-adjusted discount rates, and future economic and market conditions. If the long-lived assets of a restaurant are not recoverable based upon estimated future, undiscounted cash flows, we write the assets down to their fair value.

We have not made any material changes in our methodology for assessing impairments during the past three years and we do not believe that there is a reasonable likelihood that there will be a material change in the estimates or assumptions used by us to assess impairment of long-lived assets. However, if actual results are not consistent with our estimates and assumptions used in estimating future cash flows and fair values of long-lived assets, we may be exposed to losses that could be material.

Impairment charges of [\\$0.8 million](#), [\\$2.2 million](#) [\\$1.0 million](#) and [\\$0.4](#) [\\$1.0 million](#) for the years ended [December 27, 2023](#) [December 25, 2024](#), [December 28, 2022](#) [December 27, 2023](#) and [December 29, 2021](#) [December 28, 2022](#), respectively, primarily [resulted related to assets held for sale and resulting from our assessment assessments](#) of underperforming [restaurants and closed restaurants](#).

See Note 2 and Note 14 to our [Consolidated Financial Statements](#) [consolidated financial statements](#) for further discussion of our policies regarding impairment of long-lived assets.

Impairment of Goodwill. We perform our annual goodwill impairment test as of the end of each fiscal year, or more frequently if events and circumstances indicate that the asset might be impaired, at the reporting unit level. The fair value of each reporting unit will generally be calculated using either the income approach or the market approach or a blend of both those approaches. An impairment loss is recognized to the extent that the carrying amount exceeds the fair value of the reporting unit.

The income approach involves the use of estimates and assumptions including forecasted future revenues and operating margins, including projected growth in restaurant unit counts and average unit volumes, royalty rate, and discount rates. Inputs used are generally obtained from historical data supplemented by current and anticipated market conditions and growth rates.

The market approach involves the selection and application of cash flows multiples of a group of similar companies to the projected cash flows of the reporting unit.

Considerable management judgment is necessary in determining the inputs to these approaches. Changes in our assumptions or estimates could materially affect the estimation of the fair value of a reporting unit and, therefore, could reduce the excess of fair value over the carrying value of a reporting unit entirely and could result in goodwill impairment. Events and conditions that could indicate impairment include a sustained drop in the market price of our common stock, increased competition or loss of market share, changes to restaurant development strategies, or changes in general economic conditions.

We performed an annual impairment test as of December 25, 2024 and determined that the fair value of the reporting units substantially exceeded their respective carrying values. No impairment charges related to goodwill or other intangible assets with indefinite lives were recorded. For the year ended December 27, 2023, we recorded goodwill impairment charges related to Keke's of \$6.4 million. No impairment charges related to goodwill were recorded for the years year ended December 28, 2022 and December 29, 2021. The The fair value of the reporting unit's goodwill is sensitive to differences between estimated and actual cash flows, including changes in the projected revenue, projected operating margins, discount rate and the selection of market multiples used to evaluate the fair value of the reporting unit. For In 2023, for example, if the discount rate increased by 0.5%, the impairment would have increased by approximately \$1.5 million. Although we believe our estimate of fair value is reasonable, the reporting unit's future financial performance is dependent on our ability to execute our business plan and to successfully implement certain strategic actions which we expect will improve our long-term operating margin and cash flows. We cannot guarantee that we will not record a material impairment charge in the future. At December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, the carrying value of Keke's goodwill totaled approximately \$28.4 million \$28.9 million and \$35.2 million \$28.4 million, respectively.

See Note 2, Note 6 and Note 8 to our Consolidated Financial Statements consolidated financial statements for further discussion of our policies regarding impairment of goodwill.

Recent Accounting Pronouncements

See the Accounting "Accounting Standards to be Adopted Adopted" section of Note 2 to our Consolidated Financial Statements consolidated financial statements for further details of recent accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We have exposure to interest rate risk related to certain instruments entered into for other than trading purposes. Specifically, as of December 27, 2023 December 25, 2024, borrowings under our credit facility bore interest at variable rates based on Adjusted Daily Simple SOFR plus 2.00% 2.25% per annum.

We have receive-variable, pay-fixed interest rate swaps to hedge the forecasted cash flows of our floating rate debt. A summary of our interest rate swaps as of December 27, 2023 December 25, 2024 is as follows:

Trade Date	Trade Date	Effective Date	Maturity Date	Notional Amount		Fair Value		Fixed Rate	Trade Date	Effective Date		Maturity Date		Notional Amount	
(In thousands)															
Swaps designated as cash flow hedges															
Swaps designated as cash flow hedges															
Swaps designated as cash flow hedges															
March 20, 2015															
March 20, 2015															
March 20, 2015	March 29, 2018	March 31, 2025		\$ 120,000	\$	\$ 3,162	2.34	2.34 %	March 29, 2018		March 31, 2025		\$ 120,000	\$	\$
October 1, 2015	October 29, 2018	March 31, 2026		\$ 50,000	\$	\$ 1,680	2.37	2.37 %	October 1, 2015		March 29, 2018			\$ 50,000	\$
February 15, 2018	February 15, 2018	March 31, 2020	December 31, 2033	\$ 37,000	(1) (1)	\$ 4,046	3.09	3.09 %	February 15, 2018	March 31, 2020		December 31, 2033		\$ 68,000	(1) (1)
Total															

(1) The notional amounts of the swaps entered into on February 15, 2018 will increase by \$120 million on March 31, 2025 when the swaps entered into on March 20, 2015 expire and will increase periodically until they reach the maximum notional amount of \$335 million on August 31, 2033.

On March 31, 2023, the Company entered into an amendment of its interest rate swaps. The amendment transitions our interest rate swap benchmark interest rates from LIBOR to Daily Simple SOFR, and as such the fixed rates in the table above have been adjusted to the appropriate fixed rates. The conversion to Daily Simple SOFR did not have a material impact on the Company's consolidated financial position or results of operation.

As of December 27, 2023 December 25, 2024, our swaps effectively increase our ratio of fixed rate debt from 4% of total debt to 82% 91% of total debt. Based on the levels of borrowings under the credit facility as of December 27, 2023 December 25, 2024, if interest rates changed by 100 basis points, our annual cash flow and income before taxes would change by \$0.3 million \$0.2 million. This computation is determined by considering the impact of hypothetical interest rates on the credit facility at December 27, 2023 December 25, 2024, taking into consideration the interest rate swaps that will be in effect during the next 12 months. However, the nature and amount of our borrowings may vary as a result of future business requirements, market conditions and other factors.

Depending on market considerations, fluctuations in the fair values of our interest rate swaps could be significant. With the exception of these changes in the fair value of our interest rate swaps and in the levels of borrowings under our credit facility, there have been no material changes in our quantitative and qualitative market risks since the prior reporting period. For additional information related to our interest rate swaps, including changes in the fair value, refer to Notes 8, 10 and 18 17 to our Consolidated Financial Statements. consolidated financial statements.

Commodity Price Risk

We purchase certain food products, such as beef, poultry, pork, eggs and coffee, and utilities such as gas and electricity, that are affected by commodity pricing and are, therefore, subject to price volatility caused by weather, production problems, delivery difficulties, impacts on animals, including avian flu, tariffs and uncertainty regarding future tariffs, and other factors that are outside our control and which are generally unpredictable.

Changes in commodity prices affect us and our competitors, generally and often simultaneously. In general, we purchase food products and utilities based upon market prices established with vendors. Although many of the items purchased are subject to changes in commodity prices, the majority of our purchasing arrangements are structured to contain features that minimize price volatility by establishing fixed pricing and/or price ceilings and floors. We use these types of purchase arrangements to control costs as an alternative to using financial instruments to hedge commodity prices. However, these arrangements can be impacted in extreme situations.

In many cases, we believe we will be able to address commodity cost increases which are significant and appear to be long-term in nature by adjusting our menu pricing or managing the menu. However, competitive circumstances could limit such actions and, in those circumstances, increases in commodity prices could lower our margins. Because of the often short-term nature of commodity pricing aberrations and our ability to change menu pricing or manage the menu in response to commodity price increases, we believe that, in most cases, the impact of commodity price risk is not significant. However, extreme situations and competitive circumstances could limit such actions and, in those circumstances, increases in commodity prices could lower our margins and impact the profitability of our franchisees.

We have established a process to identify, control and manage market risks which may arise from changes in interest rates, commodity prices and other relevant rates and prices. We do not use derivative instruments for trading purposes.

Item 8. Financial Statements and Supplementary Data

See Index to Consolidated Financial Statements consolidated financial statements which appears on page F-1 herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive and financial officers, including the Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), evaluated the effectiveness of our design and operation of our disclosure controls and procedures pursuant to and as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report.

Based on their assessment as of December 27, 2023 December 25, 2024, our CEO and CFO have concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

We have integrated Keke's Breakfast Cafe into our overall internal control structure over financial reporting processes.

Other than as discussed above, there There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control system is designed to provide reasonable assurance to our management and Board of Directors regarding the reliability of financial reporting and the preparation

and fair presentation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of **December 27, 2023** **December 25, 2024** based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of **December 27, 2023** **December 25, 2024**.

The effectiveness of our internal control over financial reporting as of **December 27, 2023** **December 25, 2024** has also been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Denny's Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Denny's Corporation and subsidiaries' (the Company) internal control over financial reporting as of **December 27, 2023** **December 25, 2024**, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 27, 2023** **December 25, 2024**, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of **December 27, 2023** **December 25, 2024** and **December 28, 2022** **December 27, 2023**, the related consolidated statements of income, comprehensive income, shareholders' deficit, and cash flows for each of the years in the three-year period ended **December 27, 2023** **December 25, 2024**, and the related notes (collectively, the consolidated financial statements), and our report dated **February 26, 2024** **February 24, 2025** expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Greenville, South **Charlotte, North** Carolina
February **26, 2024** **24, 2025**

Item 9B. Other Information

During the quarter ended **December 27, 2023** **December 25, 2024**, none of the Company's directors or officers informed the Company of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this item with respect to our executive officers and directors; compliance by our directors, executive officers and certain beneficial owners of our common stock with Section 16(a) of the Exchange Act; the committees of our Board of Directors; our Audit Committee Financial Expert; and our Code of Ethics is furnished by incorporation by reference to information under the captions entitled "General-Equity Security Ownership," "Election of Directors," "Executive Compensation," "Related Party Transactions" and "Code of Ethics" in the proxy statement (to be filed hereafter) in connection with Denny's Corporation's 2024 2025 Annual Meeting of Stockholders (the "proxy statement") and possibly elsewhere in the proxy statement (or will be filed by amendment to this report). Additional information required by this item related to our executive officers appears in Item 1 of Part I of this report under the caption "Information about our Executive Officers."

Our Amended and Restated Insider Trading Policy governs transactions in our securities by our directors, officers and employees and is designed to promote compliance with applicable insider trading laws, rules and regulations. A copy of our Amended and Restated Insider Trading Policy is filed with this Annual Report on Form 10-K as Exhibit 19.

Item 11. Executive Compensation

The information required by this item is furnished by incorporation by reference to information under the captions entitled "Executive Compensation" and "Election of Directors" in the proxy statement and possibly elsewhere in the proxy statement (or will be filed by amendment to this report).

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The security ownership of certain beneficial owners information required by this item is furnished by incorporation by reference to information under the caption "Equity Security Ownership" in the proxy statement and possibly elsewhere in the proxy statement (or will be filed by amendment to this report).

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 27, 2023 December 25, 2024 with respect to our compensation plans under which equity securities of Denny's Corporation are authorized for issuance.

Plan category	Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans	Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights
Equity compensation plans approved by security holders	Equity compensation plans approved by security holders	4,225,772	(1) (1)	\$ — 1,544,103	Equity compensation plans approved by security holders	4,264,089	(1) (1)
Equity compensation plans not approved by security holders	Equity compensation plans not approved by security holders	—	—	— 704,166	(3) (3)		
Total	Total	4,225,772	\$ —	2,248,269			
Total		4,264,089	\$ —	894,301			

(1) Includes maximum shares issuable in connection with our outstanding performance share awards and restricted stock units awards.

(2) Includes shares of our common stock available for issuance as awards of stock options, restricted stock, restricted stock units, deferred stock units and performance share units under the Denny's Corporation 2021 Omnibus Incentive Plan.

(3) Includes shares of our common stock available for issuance as awards of stock options and restricted stock units outside of the Denny's Incentive Plans in accordance with Nasdaq Listing Rule 5635(c)(4).

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is furnished by incorporation by reference to information under the captions "Related Party Transactions" and "Election of Directors" in the proxy statement and possibly elsewhere in the proxy statement (or will be filed by amendment to this report).

Item 14. Principal Accountant Fees and Services

The information required by this item is furnished by incorporation by reference to information under the caption entitled "Selection of Independent Registered Public Accounting Firm" in the proxy statement and possibly elsewhere in the proxy statement (or will be filed by amendment to this report).

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) *Financial Statements*: See the Index to Consolidated Financial Statements consolidated financial statements which appears on page F-1 hereof.

(a)(2) *Financial Statement Schedules*: No schedules are filed herewith because of the absence of conditions under which they are required or because the information called for is in our Consolidated Financial Statements consolidated financial statements or notes thereto appearing elsewhere herein.

(a)(3) *Exhibits*: Certain of the exhibits to this Report, indicated by an asterisk, are hereby incorporated by reference from other documents on file with the Commission with which they are electronically filed, under File No. 001-18051, to be a part hereof as of their respective dates.

Exhibit No.	Description
*2.1	Asset Purchase Agreement, dated as of May 3, 2022, by and between the Denny's Corporation, as purchaser, and the sellers and principals party thereto (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities and Exchange Commission on May 3, 2022).
*2.2	First Amendment to Asset Purchase Agreement, dated as of July 11, 2022, by and between the Denny's Corporation, as purchaser, and the sellers and principals party thereto (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities and Exchange Commission on July 14, 2022).
*3.1	Restated Certificate of Incorporation of Denny's Corporation dated March 3, 2003, as amended by Certificate of Amendment to Restated Certificate of Incorporation to Increase Authorized Capitalization dated August 25, 2004 (incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K of Denny's Corporation for the year ended December 29, 2004).
*3.2 3.2	Amended and Restated By-laws of Denny's Corporation, amended and restated effective as of November 7, 2018 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities and Exchange Commission on November 13, 2018), February 5, 2025.
*4.1	Description of Common Stock of Denny's Corporation (incorporated by reference to Exhibit 4.1 to the Annual Report on Form 10-K of Denny's Corporation for the year ended December 25, 2019).
+*10.1	Employment Letter Agreement, dated as of April 28, 2022, by and between Denny's Corporation and Kelli Valade (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities and Exchange Commission on May 3, 2022).
*10.2	Fourth Amended and Restated Credit Agreement dated as of August 26, 2021 among Denny's, Inc., as the Borrower, Denny's Corporation, as Parent, and Certain Subsidiaries of Parent, as Guarantors, Wells Fargo Bank, National Association, as Administrative Agent and L/C Issuer, Truist Bank, Bank of the West, and Regions Bank, as Co-Syndication Agents, Cadence Bank N.A. and Fifth Third Bank, National Association as Co-Documentation Agents, and The Other Lenders Party Hereto, Wells Fargo Securities, LLC, Truist Securities, Inc., Bank of the West, and Regions Capital Markets, A Division of Regions Bank, as Joint Lead Arrangers and Joint Bookrunners (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities and Exchange Commission on August 26, 2021).
*10.3	Fourth Amended and Restated Guarantee and Collateral Agreement dated as of August 26, 2021 among Denny's Inc., Denny's Realty, LLC, Denny's Corporation, DFO, LLC, the other Subsidiaries of Parent from time to time party hereto, and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities Securities and Exchange Exchange Commission on August 26, 2021).
*10.4	First Amendment to Fourth Amended and Restated Credit Agreement, dated as of March 31, 2023, among Denny's, Inc., as the Borrower, Denny's Corporation, as Parent, and certain subsidiaries of Parent, as Guarantors, Wells Fargo Bank, National Association, as Administrative Agent on behalf of the Lenders under the Credit Agreement, and the Lenders (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 29, 2023).
+*10.5	Denny's Corporation Executive Severance Pay Plan, effective August 30, 2023 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Denny's Corporation filed with the Securities and Exchange Commission on September 1, 2023).
+*10.6	Denny's Inc. Deferred Compensation Plan, as amended and restated effective March 1, 2017 (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 of Denny's Corporation (Commission File No. 333-216655) filed with the Securities Securities and Exchange Commission on March 13, 2017).
+*10.7	Denny's Corporation 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on May 19, 2021).
+*10.8	2022 Long-Term Incentive Program Performance Share Unit Award Certificate (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 30, 2022).

+*10.9	2022 Long-Term Incentive Program Restricted Stock Unit Award Certificate (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 30, 2022).
+*10.10	Form of 2023 Long-Term Incentive Program Performance Share Unit Award Certificate (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 29, 2023).
+*10.11	Form of 2023 Long-Term Incentive Program Restricted Stock Unit Award Certificate (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 29, 2023).
+*10.12	Form of 2024 Long-Term Incentive Program Restricted Share Unit Award Certificate (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 27, 2024).
+*10.13	Form of 2024 Long-Term Incentive Program Performance Share Unit Award Certificate (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended March 27, 2024).
+*10.14	Summary of Non-Employee Director Compensation as of May 19, 2021 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Denny's Corporation for the quarter ended June 30, 2021).
19.1	Denny's Corporation Amended and Restated Insider Trading Policy (as of August 28, 2024).
21.1	Subsidiaries of Denny's Corporation.
23.1	Consent of KPMG LLP.
31.1	Certification of Kelli F. Valade, Chief Executive Officer of Denny's Corporation, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Robert P. Verostek, Executive Vice President and Chief Financial Officer of Denny's Corporation, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Statement of Kelli F. Valade, Chief Executive Officer of Denny's Corporation, and Robert P. Verostek, Executive Vice President and Chief Financial Officer of Denny's Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1 *97.1	Denny's Corporation Dodd-Frank Clawback Policy, effective October 2, 2023 (incorporated by reference to Exhibit 97.1 to the Annual Report of Form 10-K of Denny's Corporation for the year ended December 27, 2023) Clawback Policy, effective October 2, 2023.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
+	Denotes management contracts or compensatory plans or arrangements.
*	Incorporated by reference.

Item 16. Form 10-K Summary

None.

DENNY'S CORPORATION AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Denny's Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Denny's Corporation and subsidiaries (the Company) as of **December 27, 2023** **December 25, 2024** and **December 28, 2022** **December 27, 2023**, the related consolidated statements of income, comprehensive income, shareholders' deficit, and cash flows for each of the years in the three-year period ended **December 27, 2023** **December 25, 2024**, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of **December 27, 2023** **December 25, 2024** and **December 28, 2022** **December 27, 2023**, and the results of its operations and its cash flows for each of the years in the three-year period ended **December 27, 2023** **December 25, 2024**, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **December 27, 2023** **December 25, 2024**, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated **February 26, 2024** **February 24, 2025** expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of assumptions underlying self-insurance liabilities

As discussed in Note 2 to the consolidated financial statements, the Company's self-insurance liabilities related to workers' compensation, general, product and automobile insurance as of **December 27, 2023** **December 25, 2024** were **\$9.7 million** **\$9.3 million**. The liabilities represent estimated incurred losses. These estimates include assumptions regarding frequency and severity of claims as well as changes in the Company's business environment, medical costs and the regulatory environment that could impact the overall self-insurance costs.

We identified the evaluation of assumptions underlying self-insurance liabilities as a critical audit matter. Specifically, inherent uncertainty in the frequency and severity of claims assumptions that are used to actuarially estimate the self-insurance liabilities involved especially subjective auditor judgment. It also required professionals with specialized skills and knowledge to evaluate these key assumptions and the impact of these assumptions on the self-insurance liabilities.

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The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's self-insurance process, including controls related to the underlying claims data used to develop the frequency and severity of historical claims. We evaluated the Company's ability to accurately estimate claims expense by comparing the prior estimated claim payments to actual claim payments. We also assessed the Company's estimate of the self-insurance liabilities by evaluating facts and circumstances related to incurred claims received after year-end but before the consolidated financial statements were issued, to identify the presence of trends not considered by the Company when it developed its assumptions. We involved actuarial professionals with specialized skills and knowledge, who assisted with:

- performing an independent assessment of the frequency and severity of the claims used by the Company to estimate the self-insurance liabilities
- developing an independent acceptable range for the self-insurance liabilities using the Company's underlying historical claims data, which involved assessing the frequency and severity of the Company's claims assumptions.

/s/ KPMG LLP

We have served as the Company's auditor since 2003.

Greenville, South **Charlotte, North** Carolina
February **26, 2024** **24, 2025**

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Denny's Corporation and Subsidiaries				
Consolidated Balance Sheets				
	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands, except per share amounts)		(In thousands, except per share amounts)	
Assets	Assets		Assets	
Current assets:	Current assets:		Current assets:	
Cash and cash equivalents				
Investments				
Receivables, net				
Inventories				
Assets held for sale				
Prepaid and other current assets				
Total current assets				
Property, net of accumulated depreciation of \$159,879 and \$153,334, respectively				
Financing lease right-of-use assets, net of accumulated amortization of \$8,220 and \$9,847, respectively				
Property, net of accumulated depreciation of \$159,588 and \$159,879, respectively				
Financing lease right-of-use assets, net of accumulated amortization of \$6,783 and \$8,220, respectively				
Operating lease right-of-use assets, net				

Goodwill				
Intangible assets, net				
Deferred financing costs, net				
Other noncurrent assets				
Other noncurrent assets				
Other noncurrent assets				
Total assets				
Liabilities				
Liabilities				
Liabilities				
Current liabilities:		Current liabilities:		Current liabilities:
Current finance lease liabilities				
Current operating lease liabilities				
Accounts payable				
Other current liabilities				
Total current liabilities				
Long-term liabilities:		Long-term liabilities:		Long-term liabilities:
Long-term debt				
Noncurrent finance lease liabilities				
Noncurrent operating lease liabilities				
Liability for insurance claims, less current portion				
Deferred income taxes, net				
Other noncurrent liabilities				
Total long-term liabilities				
Total liabilities				
Commitments and contingencies				
Commitments and contingencies				
Commitments and contingencies				
Commitments and contingencies (Note 18)				
Commitments and contingencies (Note 18)				
Commitments and contingencies (Note 18)				
Shareholders' deficit				
Shareholders' deficit				
Shareholders' deficit				
Common stock \$0.01 par value; shares authorized - 135,000; December 27, 2023: 52,906 shares issued and 52,239 shares outstanding; December 28, 2022: 64,998 shares issued and 56,728 shares outstanding				
Common stock \$0.01 par value; shares authorized - 135,000; December 25, 2024: 51,329 shares issued and outstanding; December 27, 2023: 52,906 shares issued and 52,239 shares outstanding				
Paid-in capital				
Deficit				
Accumulated other comprehensive loss, net				
Treasury stock, at cost, 667 and 8,270 shares, respectively				
Treasury stock, at cost, 0 and 667 shares, respectively				
Total shareholders' deficit				
Total liabilities and shareholders' deficit				

See accompanying notes to consolidated financial statements.

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Denny's Corporation and Subsidiaries
Consolidated Statements of Income

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands, except per share amounts)		(In thousands, except per share amounts)			
Revenue:	Revenue:		Revenue:			
Company restaurant sales						
Franchise and license revenue						
Total operating revenue						
Costs of company restaurant sales, excluding depreciation and amortization:						
Product costs						
Product costs						
Product costs						
Payroll and benefits						
Occupancy						
Other operating expenses						
Total costs of company restaurant sales, excluding depreciation and amortization						
Costs of franchise and license revenue						
General and administrative expenses						
Depreciation and amortization						
Goodwill impairment charges						
Operating (gains), losses and other charges, net						
Total operating costs and expenses, net						
Operating income						
Interest expense, net						
Other nonoperating expense (income), net						
Other nonoperating (income) expense, net						
Net income before income taxes						
Provision for income taxes						
Net income						
Net income per share - basic						
Net income per share - basic						
Net income per share - basic						
Net income per share - diluted						
Basic weighted average shares outstanding						
Basic weighted average shares outstanding						
Basic weighted average shares outstanding						
Diluted weighted average shares outstanding						

See accompanying notes to consolidated financial statements.

Denny's Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income

Fiscal Year Ended		Fiscal Year Ended			
December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
(In thousands)		(In thousands)			

Net income

Other comprehensive income (loss), net of tax:

Minimum pension liability adjustment, net of tax of \$(151), \$113 and \$35, respectively
Minimum pension liability adjustment, net of tax of \$(151), \$113 and \$35, respectively
Minimum pension liability adjustment, net of tax of \$(151), \$113 and \$35, respectively
Changes in the fair value of cash flow derivatives, net of tax of \$1,927, \$3,214 and \$1,386, respectively
Reclassification of cash flow derivatives to interest expense, net of tax of \$(1,247), \$309 and \$1,179, respectively
Minimum pension liability adjustment, net of tax of \$44, \$(151) and \$113, respectively
Minimum pension liability adjustment, net of tax of \$44, \$(151) and \$113, respectively
Minimum pension liability adjustment, net of tax of \$44, \$(151) and \$113, respectively
Changes in the fair value of cash flow derivatives, net of tax of \$4,523, \$1,927 and \$3,214, respectively
Reclassification of cash flow derivatives to interest expense, net of tax of \$(1,494), \$(1,247) and \$309, respectively
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net of tax of \$87, \$7 and \$42, respectively
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net of tax of \$87, \$7 and \$42, respectively
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net of tax of \$87, \$7 and \$42, respectively
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net of tax of \$192, \$87 and \$7, respectively
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net of tax of \$192, \$87 and \$7, respectively
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net of tax of \$192, \$87 and \$7, respectively

Other comprehensive income

Total comprehensive income

See accompanying notes to consolidated financial statements.

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Denny's Corporation and Subsidiaries
Consolidated Statements of Shareholders' Deficit

Consolidated Statements of Shareholders' Deficit																	
Common Stock		Treasury Stock		Paid-in		Accumulated Other Comprehensive		Total Shareholders' Deficit		Common Stock		Treasury Stock		Paid-in		Accumulated Other Comprehensive	
Shares	Amount	Shares	Amount	Capital	(Deficit)	Loss, Net		Deficit	Shares	Amount	Shares	Amount	Capital				(Deficit)
(In thousands)						(In thousands)											

Balance,
December 30,
2020

Balance,
December 29,
2021

Net income
Net income
Net income
Other comprehensive income
Share-based compensation on equity classified awards, net
Share-based compensation on equity classified awards, net
Share-based compensation on equity classified awards, net
Share-based compensation on equity classified awards, net of withholding tax
Share-based compensation on equity classified awards, net of withholding tax
Share-based compensation on equity classified awards, net of withholding tax
Purchase of treasury stock
Issuance of common stock for share-based compensation
Issuance of common stock for share-based compensation
Issuance of common stock for share-based compensation
Exercise of common stock options
Balance, December 29, 2021
Net income
Net income
Net income

Other comprehensive income

Share-based compensation on equity classified awards, net

Purchase of treasury stock

Issuance of common stock for share-based compensation

Issuance of common stock for share-based compensation

Issuance of common stock for share-based compensation

Balance, December 28, 2022

Balance, December 28, 2022

Balance, December 28, 2022

Net income

Net income

Net income

Other comprehensive income

Share-based compensation on equity classified awards, net

Share-based compensation on equity classified awards, net

Share-based compensation on equity classified awards, net

Purchase of treasury stock

Share-based compensation on equity classified awards, net of withholding tax

Purchase of treasury stock, including excise tax
Retirement of treasury stock
Issuance of common stock for share-based compensation
Issuance of common stock for share-based compensation
Issuance of common stock for share-based compensation
Balance, December 27, 2023
Balance, December 27, 2023
Balance, December 27, 2023
Net income
Net income
Net income
Other comprehensive income
Share-based compensation on equity classified awards, net of withholding tax
Share-based compensation on equity classified awards, net of withholding tax
Share-based compensation on equity classified awards, net of withholding tax
Purchase of treasury stock, including excise tax
Retirement of treasury stock
Issuance of common stock for share-based compensation

Issuance of
common stock for
share-based
compensation
Issuance of
common stock for
share-based
compensation
Balance,
December 25,
2024
Balance,
December 25,
2024
Balance,
December 25,
2024

See accompanying notes to consolidated financial statements.

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Denny's Corporation and Subsidiaries Consolidated Statements of Cash Flows						
	Fiscal Year Ended		Fiscal Year Ended			
	December	December	December 29,		December	December
	27, 2023	28, 2022	2021		25, 2024	27, 2023
	(In thousands)		(In thousands)			
Cash flows from operating activities:	Cash flows from operating activities:		Cash flows from operating activities:			
Net income						
Adjustments to reconcile net income to cash flows provided by operating activities:						
Depreciation and amortization						
Depreciation and amortization						
Depreciation and amortization						
Goodwill impairment charges						
Operating (gains), losses and other charges, net						
Losses (gains) and amortization on interest rate swap derivatives, net						
Amortization of deferred financing costs						
(Gains) losses on investments						
Losses (gains) on early termination of debt and leases						
Deferred income tax (benefit) expense						
Increase (decrease) of tax valuation allowance						
Increase of tax valuation allowance						
Share-based compensation expense						

Changes in assets and liabilities, excluding acquisitions and dispositions:	Changes in assets and liabilities, excluding acquisitions and dispositions:			Changes in assets and liabilities, excluding acquisitions and dispositions:		
Receivables						
Inventories						
Prepaids and other current assets						
Other assets						
Operating lease assets and liabilities						
Accounts payable						
Other accrued liabilities						
Other noncurrent liabilities						
Net cash flows provided by operating activities						
Cash flows from investing activities:	Cash flows from investing activities:			Cash flows from investing activities:		
Capital expenditures						
Acquisitions of restaurant and real estate						
Acquisition of Keke's Breakfast Cafe						
Collections (deposits) on real estate acquisitions						
Collection of real estate acquisition deposit						
Initial operating lease direct costs						
Proceeds from sales of real estate and other assets						
Proceeds from sales of real estate, restaurants and other assets						
Investment purchases						
Proceeds from sale of investments						
Collections on notes receivable						
Issuance of notes receivable						
Net cash flows (used in) provided by investing activities						
Net cash flows used in investing activities						
Cash flows from financing activities:	Cash flows from financing activities:			Cash flows from financing activities:		
Revolver borrowings						
Revolver payments						
Long-term debt payments						
Tax withholding on share-based payments						
Deferred financing costs						
Purchase of treasury stock						
Purchase of treasury stock						
Purchase of treasury stock						
Proceeds from exercise of stock options						
Proceeds from exercise of stock options						
Net bank overdrafts						
Proceeds from exercise of stock options						
Net bank overdrafts						
Net bank overdrafts						
Net cash flows (used in) provided by financing activities						

Increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of period
Cash and cash equivalents at end of period

See accompanying notes to consolidated financial statements.
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Denny's Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 1. Introduction and Basis of Reporting

Denny's Corporation, or the Company, is one of America's largest franchised full-service restaurant chains based on number of restaurants. As of **December 27, 2023** **December 25, 2024**, the Company consisted of **1,631** **1,568** restaurants, **1,558** **1,493** of which were franchised/licensed restaurants and **73** **75** of which were company operated. The Company consists of the Denny's brand ("Denny's") and the Keke's Breakfast Café brand ("Keke's"). Keke's was acquired on July 20, 2022. See Note 3 for details.

At **December 27, 2023** **December 25, 2024**, the Denny's brand consisted of **1,573** **1,499** restaurants, **1,508** **1,438** of which were franchised or licensed restaurants and **65** **61** of which were company **restaurants** **operated**. Denny's restaurants are operated in 50 states, the District of Columbia, two U.S. territories and 12 foreign countries with principal concentrations in California (**23%** (**24%** of total restaurants), Texas (13%) and Florida (8%).

At **December 27, 2023** **December 25, 2024**, the Keke's brand consisted of **58** **69** restaurants, **50** **55** of which were franchised restaurants and **eight** **14** of which were company operated. **All** Keke's restaurants are **located** **operated** in **Florida**, **six states with principal concentration in Florida** (88% of total restaurants).

Certain reclassifications have been made in the 2023 consolidated financial statements to conform to the 2024 presentation. These reclassifications did not affect total revenues or net income.

Note 2. Summary of Significant Accounting Policies

The following accounting policies significantly affect the preparation of our **Consolidated Financial Statements** **consolidated financial statements**:

Use of Estimates. In preparing our **Consolidated Financial Statements** **consolidated financial statements** in conformity with U.S. generally accepted accounting principles (GAAP), management is required to make certain assumptions and estimates that affect reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingencies. In making these assumptions and estimates, management may from time to time seek advice and consider information provided by actuaries and other experts in a particular area. Actual amounts could differ materially from these estimates.

Consolidation Policy. Our **Consolidated Financial Statements** **consolidated financial statements** include the financial statements of Denny's Corporation and its wholly-owned subsidiaries: Denny's, Inc., DFO, LLC, Denny's Realty, LLC, Keke's Inc., Keke's Franchise Organization and East Main Insurance Company. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year. Our fiscal year ends on the last Wednesday in December. As a result, a fifty-third week is added to a fiscal year every five or six years. Fiscal **2024**, **2023** **2022** and **2021** **2022** each included 52 weeks of operations. Our next 53-week year will be fiscal 2025.

Cash and Cash Equivalents. Our policy is to invest cash in excess of operating requirements in short-term highly liquid investments with an original maturity of three months or less, which we consider to be cash equivalents. Cash and cash equivalents include short-term investments of \$0.1 million **at December 25, 2024** and **\$0.4 million at** December 27, 2023 **and December 28, 2022**, respectively.

Receivables. Receivables, which are recorded at net realizable value, primarily consist of trade accounts receivables and financing receivables from franchisees, vendor receivables and credit card receivables. Trade accounts receivables from franchisees consist of royalties, advertising and rent. Financing receivables from franchisees primarily consist of notes from franchisees related to the roll-out of restaurant equipment. We accrue interest on notes receivable based on the contractual terms. The allowance for doubtful accounts is based on management's estimates of expected credit losses based on the Company's historical loss experience, adjusted for current and reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as known credit risk or industry trends. Receivables that are ultimately deemed to be uncollectible, and for which collection efforts have been exhausted, are written off against the allowance for doubtful accounts.

Inventories. Inventories consist primarily of food, beverages and, in some periods, equipment and are valued at the lower of first-in, first-out cost or net realizable value.

Property and Depreciation. Owned property is stated at cost. Property under finance leases is stated at the lesser of its fair value or the net present value of the related minimum lease payments at the lease inception. Maintenance and repairs are expensed as incurred. We depreciate owned property over its estimated useful life using the straight-line method. We amortize property held under finance leases (at capitalized value) over the lesser of its estimated useful life or the lease term. Building

assets are assigned estimated useful lives that range from five to 30 years. Other property and equipment assets are assigned lives that range from two to ten years. Leasehold improvements are generally assigned lives between five and 15 years limited by the expected lease term.

Goodwill. Amounts recorded as goodwill primarily represent excess reorganization value recognized as a result of our 1998 bankruptcy and from our acquisition of Keke's in 2022. We also record goodwill in connection with the acquisition of restaurants from franchisees. Likewise, upon the sale of restaurant operations to franchisees, goodwill is decremented. We test goodwill for impairment at each fiscal year end and more frequently if circumstances indicate impairment may exist. Such indicators include, but are not limited to, a significant decline in our expected future cash flows, a significant adverse decline in our stock price, significantly adverse legal developments and or a significant change in the business climate.

Intangible Assets. Intangible assets consist primarily of trade names, franchise agreements and reacquired franchise rights. Trade names are considered indefinite-lived intangible assets and are not amortized. Franchise agreements are amortized using the straight-line basis over the term of the related franchise agreement. Reacquired franchise rights are amortized using the straight-line basis over the term of the related franchise agreement. Franchise agreements and reacquired franchise rights resulting from acquisitions are accounted for using the purchase method of accounting and are estimated by management based on the fair value of the assets received.

We test trade name assets for impairment at each fiscal year end, and more frequently if circumstances indicate impairment may exist. We assess impairment of reacquired franchise rights and franchise agreements whenever changes or events indicate that the carrying values may not be recoverable. Costs incurred to renew or extend the term of recognized intangible assets are recorded in general and administrative expenses in our Consolidated Statements of Income.

Marketable Securities. Marketable securities included in investments consist of available for sale equity instruments and are recorded at fair market value in our Consolidated Balance Sheets. The aggregate cost and fair value of these marketable securities was \$1.1 million and \$1.1 million, respectively, at December 25, 2024 and \$1.2 million and \$1.3 million, respectively, at December 27, 2023 and \$1.9 million and \$1.7 million, respectively, at December 28, 2022. Unrealized gains (losses) included in fair value were gains of less than \$0.1 million, gains of \$0.1 million and losses of \$0.2 million and gains of \$0.1 \$0.2 million at December 27, 2023 December 25, 2024, December 28, 2022 December 27, 2023 and December 29, 2021 December 28, 2022, respectively.

Marketable securities included in other noncurrent assets consist of trading debt and equity mutual funds and are recorded at fair market value in our Consolidated Balance Sheets. These securities represent the plan assets of our nonqualified deferred compensation plan (the "plan assets"). The plan assets are held in a rabbi trust. Each plan participant's account consists of their contribution, our matching contribution (made prior to 2016) and each participant's share of earnings or losses in the plan. We have recorded offsetting deferred compensation liabilities as a component of other noncurrent liabilities in our Consolidated Balance Sheets.

The realized and unrealized holding gains and losses related to marketable securities are recorded in other nonoperating income with an offsetting amount recorded in general and administrative expenses related to deferred compensation plan liabilities. During 2024, 2023 2022 and 2021, 2022, we incurred a net gain of \$2.1 million \$1.7 million, a net loss gain of \$2.2 million \$2.1 million and a net gain loss of \$2.2 million, respectively, related to marketable securities.

Deferred Financing Costs. Costs related to the issuance of debt are deferred and amortized as a component of interest expense using the effective interest method over the terms of the respective debt issuances.

Self-insurance Liabilities. We record liabilities for insurance claims during periods in which we have been insured under large deductible programs or have been self-insured for our medical claims and workers' compensation, general, product and automobile insurance liabilities. The liabilities represent estimated incurred losses. These estimates include assumptions regarding claims frequency and severity as well as changes in our business environment, medical costs and the regulatory environment that could impact our overall self-insurance costs.

Total workers' compensation, general, product and automobile insurance liabilities were \$9.7 million \$9.3 million and \$9.7 million at December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively.

Income Taxes. We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. All deferred taxes are reported as noncurrent in our Consolidated Balance Sheets. A valuation allowance reduces our net deferred tax asset to the amount that is more likely than not to be realized. We make certain estimates and judgments in the calculation of our provision for incomes taxes, in the resulting tax liabilities, and in the recoverability of deferred tax assets.

We recognize positions taken or expected to be taken in a tax return in the **Consolidated Financial Statements** **consolidated financial statements** when it is more-likely-than-not that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit with greater than 50% likelihood of being realized upon ultimate settlement. We recognize any interest and penalties related to unrecognized tax benefits in income tax expense. Assessment of uncertain tax positions requires judgments relating to the amounts, timing and likelihood of resolution.

Leases and Subleases.

Lessee

We lease certain real estate and equipment for our restaurants and support facilities. At contract inception, we determine whether a contract is, or contains, a lease by determining whether it conveys the right to control the use of the identified asset for a period of time. We recognize a lease liability and a right-of-use ("ROU") asset at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently measured at amortized cost using the effective interest method.

Operating lease ROU assets are initially and subsequently measured throughout the lease term at the carrying amount of the lease liability adjusted for initial direct costs, prepayments, accrued payments and lease incentives, if any. Lease cost is recognized on a straight-line basis over the lease term. Operating lease payments are classified as cash flows for operating activities with ROU asset amortization and the change in the lease liability combined as "Operating lease assets/liabilities" in the reconciliation of net income to net cash flows provided by operating activities in the Consolidated Statement of Cash Flows. Finance lease ROU assets are initially measured at cost and subsequently amortized on a straight-line basis over the lesser of the useful life or the lease term. Finance lease principal payments are classified as cash flows used in financing activities in the Consolidated Statement of Cash Flows. Operating and finance lease ROU assets are assessed for impairment using long-lived assets impairment guidance.

We use a consistent lease term for calculating the depreciation period for the related assets, classifying the lease and computing periodic rent expense where the lease terms include escalations in rent over the lease term.

The lease guidance provides for certain practical expedients and accounting elections. We elected the practical expedient to not separate nonlease components (such as common area maintenance) from lease components in regard to all leases and the portfolio approach in applying the discount rate to our leases.

Key estimates and judgments include how we determine (1) lease payments, (2) lease term and (3) the discount rate used to discount the unpaid lease payments to present value.

We have certain lease agreements structured with both a fixed base rent and a contingent rent based on a percentage of sales over contractual levels, others with only contingent rent based on a percentage of sales and some with a fixed base rent adjusted periodically for inflation or changes in the fair market rent rate. Contingent rent is recognized as sales occur. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The exercise of lease renewal options is at our sole discretion, except in certain sublease situations in which we have determined that it is reasonably certain that one or more options will be exercised, including where the exercise of a sublease option compels us to exercise the renewal option of the underlying master lease. Renewal option periods are included in the measurement of **the** lease ROU asset and lease liability where the exercise is reasonably certain to occur.

The discount rate used to determine the present value of the lease payments is our estimated collateralized incremental borrowing rate, based on the yield curve for the respective lease terms, as we generally cannot determine the interest rate implicit in the lease.

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Abatements or deferrals **Deferrals** in rents received from landlords as a result of the COVID-19 pandemic are recognized as reductions in variable lease payments.

Lessor

We lease or sublease certain restaurant properties to our franchisees and occasionally to third parties. The lease descriptions, terms, variable lease payments and renewal options are the same as the lessee leases described above. Contingent rental income is recognized when earned. Similar to our lessee accounting, we elected the lessor practical expedient to not separate nonlease components from lease components in regard to all leases.

Employee Benefit Plans. Each year we measure and recognize the funded status of our defined benefit plans in our Consolidated Balance Sheets as of December 31. That date represents the month-end that is closest to our fiscal year-end. The funded status is adjusted for any contributions or significant events (such as a plan amendment, settlement, or curtailment that calls for a remeasurement) that occurs between our fiscal year-end and December 31.

Derivative Instruments. We use derivative financial instruments to manage our exposure to interest rate risk. We do not enter into derivative instruments for trading or speculative purposes. All derivatives are recognized on our Consolidated Balance Sheets at fair value. Changes in the fair values of derivatives are recorded in earnings or other comprehensive income ("OCI"), based on whether the instrument is designated as a hedge transaction. Gains or losses on derivative instruments reported in OCI are classified to earnings in the period the hedged item affects earnings. If the underlying hedge transaction ceases to exist, any associated amounts reported in OCI are reclassified to earnings. By entering into derivative instruments, we are exposed to counterparty credit risk. When the fair value of a derivative instrument is in an asset position, the counterparty has a liability to us, which creates credit risk for us. We manage our exposure to this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

Contingencies and Litigation. We are subject to legal proceedings involving ordinary and routine claims incidental to our business, as well as legal proceedings that are nonroutine and include compensatory or punitive damage claims. Settlement costs are accrued when they are deemed estimable and probable. Our ultimate legal and financial liability with respect to such matters cannot be estimated with certainty and requires the use of estimates in recording liabilities for potential litigation settlements. When the reasonable estimate is a range, the recorded loss will be the best estimate within the range. We record legal settlement costs as other operating expenses in our Consolidated Statements of Income as those costs are incurred.

Comprehensive Income. Comprehensive income includes net income and OCI items that are excluded from net income under U.S. GAAP. OCI items include additional minimum pension liability adjustments, the effective unrealized portion of changes in the fair value of cash flow hedges, and the reclassification and amortization of loss related to the dedesignation of cash flow derivatives.

Revenues.

Company Restaurant Revenue. Company restaurant revenue is recognized at the point in time when food and beverage products are sold at company restaurants. We present company restaurant sales net of sales-related taxes collected from customers and remitted to governmental taxing authorities.

Franchise Revenue. Franchise and license revenues consist primarily of royalties, advertising revenue, initial and other fees and occupancy revenue.

Under franchise agreements we provide franchisees with a license of our respective brands' symbolic intellectual property, administration of advertising programs (including local co-operatives), and other ongoing support functions. These services are highly interrelated, so we do not consider them to be individually distinct performance obligations, and therefore account for them as a single performance obligation.

Royalty and advertising revenues represent sales-based royalties that are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to our performance obligation to our franchisees to maintain the intellectual property being licensed. Under our franchise agreements, franchisee advertising contributions must be spent on marketing and related activities. Advertising revenues and expenditures are recorded on a gross basis within the Consolidated Statements of Income.

Initial and other fees include initial, successor and assignment franchise fees ("initial franchise fees"). Initial franchise fees are billed and received upon the signing of the franchise agreement. Recognition of these fees is deferred until the commencement

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date of the agreement and occurs over time based on the term of the underlying franchise agreement. Acquired initial franchise fees are recognized from the acquisition date over time based on the term of the underlying franchise agreement. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination.

Initial and other fees also include revenue that are distinct from the franchise agreement and are separate performance obligations. Training and other franchise services fees are billed and recognized at a point in time as services are rendered. Equipment revenues are billed and recognized as the equipment is installed. Similar to advertising revenue, equipment revenues and other franchise services fees are recorded on a gross basis within the Consolidated Statements of Income.

We record contract assets related to incentives and subsidies provided to franchisees related to new unit openings and/or equipment upgrades. These contract assets are presented within prepaid and other current assets and other noncurrent assets in our Consolidated Balance Sheets. These assets are amortized as a reduction to franchise and license revenue within our Consolidated Statements of Income over the remaining term of the underlying franchise agreement.

Occupancy revenue results from leasing or subleasing restaurants to franchisees and is recognized over the term of the lease agreement.

With the exception of initial and other franchise fees, revenues are typically billed and collected on a weekly basis. Our ten largest franchisees accounted for 38%, 37%, 38% and 37% of our franchise revenues for 2024, 2023, 2022 and 2021, 2022, respectively.

Gift cards. Company restaurants, franchised restaurants and certain third party retailers sell gift cards which have no stated expiration dates. We recognize revenue when a gift card is redeemed in one of our company restaurants. We maintain a gift card liability for cards sold in our company restaurants and for cards sold by third parties. Gift card breakage is recognized proportionally as redemptions occur. Our gift card breakage primarily relates to cards sold by third parties and is recorded as advertising revenue (included as a component of franchise and license revenue).

Advertising Costs. We expense production costs for radio and television advertising in the year in which the commercials are initially aired and other advertising costs as incurred. Advertising costs for company restaurants are recorded as a component of other operating expenses in our Consolidated Statements of Income and were \$5.6 million \$7.9 million, \$5.6 million and \$5.3 million for 2024, 2023 and \$4.6 million for 2023, 2022, and 2021, respectively. Advertising costs related to franchised restaurants are recorded as a component of franchise and license costs and were \$78.5 million \$80.0 million, \$78.5 million and \$75.9 million in 2024, 2023 and \$70.0 million in 2023, 2022, and 2021, respectively. Under our franchise agreements, advertising contributions received from franchisees must be spent on marketing and related activities. As the Company is contractually required to spend these contributions on advertising costs, the obligations are accrued and advertising costs expensed when the related revenues are recognized.

Restructuring and Exit Costs. Restructuring and exit costs are included as a component of operating (gains), losses and other charges, net in our Consolidated Statements of Income. Restructuring costs consist primarily of severance and other restructuring charges for terminated employees. Amounts recorded as exit costs include period costs related to closed units.

Disposal or Impairment of Long-lived Assets. We evaluate our long-lived assets for impairment at the restaurant level on a quarterly basis, when assets are identified as held for sale or whenever changes or events indicate that the carrying value may not be recoverable. For assets identified as held for sale, we use the market approach and consider proceeds from similar asset sales. We assess impairment of restaurant-level assets based on the operating cash flows of the restaurant, expected proceeds from the sale of assets and our plans for restaurant closings. For underperforming assets, we use the income approach to determine both the recoverability and estimated fair value of the assets. To estimate future cash flows, we make certain assumptions about expected future operating performance, such as revenue growth, operating margins, risk-adjusted discount rates, and future economic and market conditions. If the long-lived assets of a restaurant are not recoverable based upon estimated future, undiscounted cash flows, we write the assets down to their fair value. If these estimates or their related assumptions change in the future, we may be required to record additional impairment charges. These charges are included as a component of operating (gains), losses and other charges, net in our Consolidated Statements of Income.

Assets held for sale consist of real estate properties and/or restaurant operations that we expect to sell within the next year. The assets are reported at the lower of carrying amount or fair value less costs to sell. Fair value is based upon Level 2 inputs, which include sales agreements. We cease recording depreciation on assets that are classified as held for sale. If the determination is made that we no longer expect to sell an asset within the next year, the asset is reclassified out of held for sale.

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Discontinued Operations. We evaluate restaurant closures and assets reclassified to assets held for sale for potential disclosure as discontinued operations. Only disposals resulting in a strategic shift that will have a major effect on our operations and financial results are reported as discontinued operations. There have been no such disposals, nor any disposals of individually significant components. The gains and losses related to restaurant closures and assets reclassified to assets held for sale are included as a component of operating (gain) (gains), losses and other charges, net in our Consolidated Statements of Income.

Gains and Losses on Sales of Restaurants Restaurant Operations to Franchisees, Real Estate and Other Assets. Generally, gains and losses on sales of restaurant operations to franchisees (which may include real estate), real estate properties and other assets are recognized when the sales are consummated and certain other gain recognition criteria are met. Total gains and losses are included as a component of operating (gains), losses and other charges, net in our Consolidated Statements of Income.

Share-based Compensation. Share-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. Share-based compensation expense is included as a component of general and administrative expenses in our Consolidated Statements of Income. We account for forfeitures as they occur. Excess tax benefits recognized related to share-based compensation are included as a component of provision for income taxes in our Consolidated Statements of Income and are classified as operating activities in our Consolidated Statements of Cash Flows.

Generally, compensation expense related to performance share units and restricted stock units is based on the number of units granted, the period over which they are expected to vest and the fair market value of our common stock on the date of the grant. For restricted stock units and performance share units that contain a market condition, compensation expense is based on the Monte Carlo valuation method, which utilizes multiple input variables to determine the probability of the Company achieving the market condition and the fair value of the award. The key assumptions used include expected volatility and risk-free interest rates over the term of the award.

We generally recognize compensation cost associated with performance share units over the entire performance period on a straight-line basis. For performance share units awarded to certain retirement eligible individuals with accelerated vesting terms, compensation cost is recognized on a graded-vesting basis. We generally recognize compensation cost associated restricted stock units on a straight-line basis over the entire performance period of the award.

Subsequent to the vesting period, earned stock-settled restricted stock units and performance share units (both of which are equity classified) are paid to the holder in shares of our common stock, provided the holder was still employed with the Company or an affiliate as of the vesting date or eligible for retirement at their termination date.

Earnings Per Share. Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing net income by the weighted average number of common shares and potential common shares outstanding during the period.

Business Combinations. We account for acquisitions using the acquisition method of accounting. Accordingly, assets acquired and liabilities assumed are recorded at their estimated fair values at the acquisition date. The excess of purchase price over fair value of net assets acquired, including the amount assigned to identifiable intangible assets, is recorded as goodwill.

Newly Adopted Accounting Standards

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" which was later clarified in January 2021 by ASU 2021-01, "Reference Rate Reform (Topic 848): Scope". Additionally, in December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848", which allows ASU 2020-04 to be adopted and applied prospectively to contract modifications made on or before December 31, 2024. The guidance provides optional guidance, for a limited time, to ease the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. The Company adopted ASU 2020-04 on March 12, 2020. The adoption of and future elections under this new guidance did not and are not expected to have a material impact on the Company's consolidated financial position or results of operations. The guidance is effective through December 31, 2024.

Additional new accounting guidance became effective for us as of December 27, 2023 that we reviewed and concluded was either not applicable to our operations or had no material effect on our Consolidated Financial Statements and related disclosures.

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Accounting Standards to be Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The new guidance requires enhanced reportable segment disclosures to include significant segment expenses. ASU 2023-07 is effective for annual and interim periods beginning after December 15, 2023 (our fiscal 2024) and interim periods beginning after December 15, 2024 (our fiscal 2025). We are currently evaluating The Company adopted ASU 2023-07 during the impact that the year ended December 25, 2024. The adoption of this new guidance will did not have a material effect on our Consolidated Financial Statements consolidated financial statements. See Note 20 for further detail.

Additional new accounting guidance became effective for us as of December 25, 2024 that we reviewed and will add necessary disclosures upon adoption. concluded was either not applicable to our operations or had no material effect on our consolidated financial statements and related disclosures.

Accounting Standards to be Adopted

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The new guidance requires enhanced effective tax rate reconciliation and income taxes paid disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 (our fiscal 2025). We are currently evaluating the impact that the adoption of this new guidance will have on our Consolidated Financial Statements consolidated financial statements and will add necessary disclosures upon adoption.

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses (Subtopic 220-40)". The new guidance requires disaggregation of certain relevant expenses included in the consolidated statements of income. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 (our fiscal 2027) and interim periods beginning after December 15, 2027 (our fiscal 2028). We are currently evaluating the impact that the adoption of this new guidance will have on our consolidated financial statements and will add necessary disclosures upon adoption.

We reviewed all other newly issued accounting pronouncements and concluded that they are either not applicable to our business or are not expected to have a material effect on our Consolidated Financial Statements consolidated financial statements as a result of future adoption.

Note 3. Acquisition of Keke's Breakfast Cafe

On July 20, 2022, the Company completed its acquisition of Keke's pursuant to that certain Asset Purchase Agreement (the "Purchase Agreement"), dated May 3, 2022, which was subsequently amended by the First Amendment to Asset Purchase Agreement (the "First Amendment"), dated July 11, 2022, by and between the Company, as purchaser, and K2 Restaurants, Inc. together with the other sellers and principals party thereto, for the acquisition of certain assets and assumption of certain liabilities of the franchise business, consisting of 44 franchised restaurants, and eight company owned and operated restaurants.

Pursuant to the Purchase Agreement, we agreed to purchase Keke's for a purchase price of \$82.5 million. The purchase price was funded by utilizing cash on hand as well as funds from the Company's revolving credit facility.

The acquisition was accounted for as a business combination using the acquisition method of accounting. The allocation of the purchase price is based on management's analysis, including work performed by third party valuation specialists.

The components of the purchase price allocation were as follows:

(In thousands)	
Total consideration paid	\$ 82,500
Assets:	
Property	2,015
Operating lease ROU assets	7,908
Franchise agreements	10,700
Trade name	35,600
Liabilities:	
Operating lease liabilities	7,908
Deferred franchise revenue	992
Other liabilities	36
Net assets acquired, excluding goodwill	47,287
Goodwill	\$ 35,213

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The Keke's trade name has been assigned an indefinite life, and therefore, will not be amortized, but rather tested annually for impairment. At the acquisition date, franchise agreements had a weighted average useful life of approximately 15 years. Goodwill attributable to the Keke's acquisition will be deductible and amortized for tax purposes. Goodwill is considered to represent the value associated with the workforce and synergies anticipated to be realized as a combined company.

Acquisition transaction costs totaling approximately \$0.6 million during the year ended December 28, 2022 were recorded in general and administrative expenses in the accompanying Consolidated Statements of Income. Keke's results are included in the Other segment results beginning with the fiscal 2022 third quarter.

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Results of operations starting from the date of acquisition of Keke's have been included in our Consolidated Financial Statements consolidated financial statements for the year ended December 28, 2022. The Keke's acquisition is not material to our Consolidated Financial Statements, consolidated financial statements, and therefore, supplemental pro forma financial information for the year ended December 28, 2022 and the respective prior year periods related to the acquisition is not included herein.

Note 4. Receivables

Receivables, net consisted of the following:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Receivables, net:	Receivables, net:		Receivables, net:	
Trade accounts receivable from franchisees				
Notes and loan receivables from franchisees				
Vendor receivables				
Credit card receivables				
Other				
Allowance for doubtful accounts				
Total receivables, net				

During 2024, we recorded credit losses of \$0.2 million, and during 2023 2022 and 2021, 2022, we recorded reversals of credit losses of \$0.1 million, \$0.1 million, and \$1.1 million, respectively, based on actual and expected losses on franchise-related receivables. The reversal in 2021 was primarily the result of the collection of amounts for which credit losses were previously recorded due to uncertainties related to the impacts of the COVID-19 pandemic.

Note 5. Property

Property, net consisted of the following:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Land				
Buildings and leasehold improvements				
Other property and equipment				
Total property				
Less accumulated depreciation				
Property, net				

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The following table reflects the property assets, included in the table above, and buildings with finance leases which were leased to franchisees:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Land				
Buildings and leasehold improvements				
Total property owned, leased to franchisees				
Less accumulated depreciation				
Property owned, leased to franchisees, net				
Buildings held under finance leases, leased to franchisees				
Less accumulated amortization				
Property held under finance leases, leased to franchisees, net				
Total property leased to franchisees, net				

Depreciation expense, including amortization of property under finance leases, for 2024, 2023 and 2022 was \$12.6 million, \$12.2 million and 2021 was \$12.2 million, \$12.8 million and \$13.3 million, respectively. Substantially all owned property is pledged as collateral for our Credit Facility. See Note 10.

Note 6. Goodwill and Intangible Assets

The following table reflects the changes in carrying amounts of goodwill and goodwill by segment:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Balance, beginning of year				
Additions related to acquisition of Keke's				
Adjustments related to the acquisition of a Denny's franchise unit				
Reclassifications to assets held for sale				
Impairment charges related to Keke's				
Reclassifications from (to) assets held for sale				
Reclassifications from (to) assets held for sale				
Reclassifications from (to) assets held for sale				
Impairment charges				
Impairment charges				
Impairment charges				
Balance, end of year ⁽¹⁾				
Goodwill by segment				
Goodwill by segment				

Goodwill by segment

Denny's
Denny's
Denny's
Other
Total goodwill

(1)

(1)

(1)

Net of accumulated impairment losses of \$6.4 million.	Net of accumulated impairment losses of \$6.4 million.
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Intangible assets consist of the following:

		December							
		December 27, 2023		December 28, 2022	December 25, 2024		December 27, 2023		
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount		Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount
		(In thousands)			(In thousands)				Accumulated Amortization
Intangible assets with indefinite lives:	Intangible assets with indefinite lives:								
Trade names									
Liquor licenses									
Intangible assets with definite lives:	Intangible assets with definite lives:						Intangible assets with definite lives:		
Reacquired franchise rights									
Franchise agreements									
Intangible assets, net									

The weighted-average life of reacquired franchise rights is six years. The weighted-average life of franchise agreements is 14 years. The amortization expense for definite-lived intangibles and other assets for 2024, 2023 and 2021 was \$2.2 million, \$2.0 million and \$2.1 million, respectively. Estimated amortization expense for intangible assets with definite lives in the next five years is as follows:

	(In thousands)	(In thousands)
2024		
2025		
2026		
2027		
2028		
2029		

We performed an annual impairment test as of December 25, 2024 and determined that the fair value of the reporting units substantially exceeded their respective carrying values. No impairment charges related to goodwill or other intangible assets with indefinite lives were recorded. However, we recorded \$0.1 million of impairment related to reacquired franchise rights and \$0.1 million of impairment related to franchise agreements during the year ended December 25, 2024. See Note 14.

We performed an annual impairment test of goodwill and other intangible assets with indefinite lives as of December 27, 2023 and determined that a portion of the goodwill related to Keke's was impaired as a result of lower than forecasted sales and cash flows. Near-term sales and cash flows in 2023 were impacted by reduced tourism in Florida as well as a slower pace of restaurant development than originally anticipated. In addition, investments in general and administrative expenses to support the growth of the brand and an extended development cycle have also impacted near-term cash flow projections. Accordingly, we recognized \$6.4 million of impairment charges related to the Keke's goodwill. See

Note 8. The balance of this goodwill is included in the Other segment. As it relates to the remainder of goodwill and other intangible assets with indefinite lives, we concluded that the fair value of these assets substantially exceeded their carrying values. However, we recorded less than \$0.1 million of impairment related to reacquired franchise rights during the year ended December 27, 2023. See Note 14.

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Note 7. Other Current Liabilities

Other current liabilities consisted of the following:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Accrued payroll				
Accrued insurance, primarily current portion of liability for insurance claims				
Accrued taxes				
Accrued advertising				
Gift cards				
Accrued legal settlements				
Accrued interest				
Other				
Other current liabilities				

Note 8. Fair Value of Financial Instruments

Fair Value of Assets and Liabilities Measured on a Recurring and Nonrecurring Basis

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total	Total	Total	Total	Total	Total
	(In thousands)		(In thousands)			
Fair value measurements as of December 25, 2024:						
Deferred compensation plan investments ⁽¹⁾						
Deferred compensation plan investments ⁽¹⁾						
Deferred compensation plan investments ⁽¹⁾						
Interest rate swaps ⁽²⁾						
Investments ⁽³⁾						
Total						
Fair value measurements as of December 27, 2023:						
Fair value measurements as of December 27, 2023:						
Fair value measurements as of December 27, 2023:						
Deferred compensation plan investments ⁽¹⁾						
Deferred compensation plan investments ⁽¹⁾						

Deferred compensation plan investments ⁽¹⁾
Interest rate swaps ⁽²⁾
Investments ⁽³⁾
Total
Fair value measurements as of December 28, 2022:
Fair value measurements as of December 28, 2022:
Fair value measurements as of December 28, 2022:
Deferred compensation plan investments ⁽¹⁾
Deferred compensation plan investments ⁽¹⁾
Deferred compensation plan investments ⁽¹⁾
Interest rate swaps ⁽²⁾
Investments ⁽³⁾
Total

- (1)

The fair values of our deferred compensation plan investments are based on the closing market prices of the elected investments and are included in other noncurrent assets in our Consolidated Balance Sheets.
- (2)

The fair values of our interest rate swaps are based upon Level 2 inputs, which include valuation models. The key inputs for the valuation models are quoted market prices, interest rates, forward yield curves and credit risk adjustments that are necessary to reflect the probability of default by the counterparty or us. For disclosures about the fair value measurements of our derivative instruments, see Note 10.
- (3)

The fair value of investments is valued using a readily determinable net asset value per share based on the fair value of the underlying securities. There are no significant redemption restrictions associated with these investments.

Those assets and **liabilities (liabilities)** measured at fair value on a nonrecurring basis are summarized below:

		Significant Unobservable Inputs (Level 3)	Impairment Charges	Significant Unobservable Inputs (Level 3)	Impairment Charges
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					
Fair value measurements as of December 27, 2023:					

Fair value measurements as of December 27, 2023:

Fair value measurements as of December 27, 2023:

Fair value measurements as of December 27, 2023:

Assets held and used, including other intangible assets (1)

Assets held and used, including other intangible assets (1)

Assets held and used, including other intangible assets (1)

Goodwill (2)

(1)		
(1)		
(1)	As of December 27, 2023, impaired assets were written down to their fair value. To determine fair value, we used the income approach, which assumes that the future cash flows reflect current market expectations. These fair value measurements require significant judgment using Level 3 inputs, such as discounted cash flows from operations, which are not observable from the market, directly or indirectly. There is uncertainty in the projected future cash flows used in the Company's impairment analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods.	As of December 27, 2023, impaired assets were written down to their fair value. To determine fair value, we used the income approach, which assumes that the future cash flows reflect current market expectations. These fair value measurements require significant judgment using Level 3 inputs, such as discounted cash flows from operations, which are not observable from the market, directly or indirectly. There is uncertainty in the projected future cash flows used in the Company's impairment analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods.
(2)	(2) As of December 27, 2023, impaired Keke's goodwill was written down to fair value. To determine fair value, we used an income approach and market approach, with equal weighting given to each approach, to value the goodwill subject to the impairment. These fair value measurements require significant judgment using Level 3 inputs. The income approach involves the use of estimates and assumptions including forecasted future revenues and operating margins, including projected growth in restaurant unit counts and average unit volumes, royalty rate, and discount rates. Inputs used are generally obtained from historical data supplemented by current and anticipated market conditions and growth rates. The market approach involves the selection and application of cash flows multiples of a group of similar companies to the projected cash flows of the operating segment.	(2) As of December 27, 2023, impaired Keke's goodwill was written down to fair value. To determine fair value, we used an income approach and market approach, with equal weighting given to each approach, to value the goodwill subject to the impairment. These fair value measurements require significant judgment using Level 3 inputs. The income approach involves the use of estimates and assumptions including forecasted future revenues and operating margins, including projected growth in restaurant unit counts and average unit volumes, royalty rate, and discount rates. Inputs used are generally obtained from historical data supplemented by current and anticipated market conditions and growth rates. The market approach involves the selection and application of cash flows multiples of a group of similar companies to the projected cash flows of the operating segment.

Assets that are measured at fair value on a non-recurring basis include property, operating right-of-use assets, finance right-of-use assets, goodwill and reacquired franchise rights. During the year ended **December 27, 2023** **December 25, 2024** and **December 28, 2022** **December 27, 2023**, we recognized impairment charges of **\$8.6** **\$0.8** million and **\$1.0** **\$8.6** million, respectively, related to certain of these assets. See Note 6 and Note 14.

The carrying amounts of cash and cash equivalents, accounts receivables, accounts payable and accrued expenses are deemed to approximate fair value due to the immediate or short-term maturity of these instruments. The fair value of notes receivable approximates the carrying value after consideration of recorded allowances and related risk-based interest rates. The liabilities under our credit facility are carried at historical cost, which approximates fair value. The fair value of our senior secured revolver approximates its carrying value since it is a variable rate facility (Level 2). The determinations of fair values of certain tangible and intangible assets for purposes of the application of the acquisition method of accounting to the acquisition of Keke's were based on Level 3 inputs.

Note 9. Leases

Lessee

Our operations utilize property, facilities and equipment leased from others. Buildings and facilities are primarily used for restaurants and support facilities. Many of our restaurants are operated under lease arrangements which generally provide for a fixed base rent, and, in many instances, contingent rent based on a percentage of gross revenues. Initial terms of land and restaurant building leases generally range from 10 to 20 years, exclusive of options to renew, which are typically for five year periods. Leases of equipment consist primarily of restaurant equipment, computer equipment and vehicles. Initial terms of equipment leases generally range from three to five years.

Lessor

We lease or sublease certain restaurant properties to our franchisees and occasionally to third parties. The lease descriptions, terms, variable lease payments and renewal options are generally the same as the lessee leases described above.

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The components of lease costs were as follows:

	Classification	Fiscal Year Ended	
		December 27, 2023	December 28, 2022
		(In thousands)	
Lease costs			
Finance lease costs:			
Amortization of right-of-use assets	Depreciation and amortization	\$ 1,451	\$ 1,704
Interest on lease liabilities	Interest expense, net	2,139	2,350
Operating lease costs:			
Operating lease costs - company	Occupancy	8,841	7,624
Operating lease costs - franchise	Costs of franchise and license revenue	14,022	15,541
Operating lease costs - general and administrative	General and administrative expenses	629	564
Operating lease costs - closed stores	Restructuring charges and exit costs	175	201
Variable lease costs:			
Variable lease costs - company	Occupancy	4,803	3,988
Variable lease costs - franchise	Costs of franchise and license revenue	6,232	6,596
Variable lease costs - general and administrative	General and administrative expenses	271	255
Variable lease costs - closed stores	Restructuring charges and exit costs	46	34
Sublease income:			
Sublease income - franchise	Franchise and license revenue	(24,966)	(27,445)
Sublease income - closed stores	Restructuring charges and exit costs	(166)	(229)
Total lease costs		\$ 13,477	\$ 11,183

	Classification	Fiscal Year Ended		
		December 25, 2024	December 27, 2023	December 28, 2022
(In thousands)				
Lease costs				
Finance lease costs:				
Amortization of right-of-use assets	Depreciation and amortization	\$ 1,350	\$ 1,451	\$ 1,704
Interest on lease liabilities	Interest expense, net	1,990	2,139	2,350
Operating lease costs:				
Operating lease costs	Occupancy	8,828	8,584	7,624
Operating lease costs	Costs of franchise and license revenue	12,702	14,022	15,541
Operating lease costs	General and administrative expenses	739	629	564
Operating lease costs	Other operating expenses	459	257	—
Operating lease costs	Restructuring charges and exit costs	125	175	201
Variable lease costs:				
Variable lease costs	Occupancy	4,716	4,789	3,988
Variable lease costs	Costs of franchise and license revenue	5,979	6,232	6,596
Variable lease costs	General and administrative expenses	333	271	255
Variable lease costs	Other operating expenses	6	14	—

Variable lease costs	Restructuring charges and exit costs	65	46	34
Sublease income:				
Sublease income	Franchise and license revenue	(22,817)	(24,966)	(27,445)
Sublease income	Restructuring charges and exit costs	(192)	(166)	(229)
Total lease costs		\$ 14,283	\$ 13,477	\$ 11,183

Lease terms and discount rates were as follows:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
Weighted-average remaining lease term (in years):				
Finance leases				
Finance leases				
Finance leases	8.0	8.4	8.7	8.0
Operating leases	8.8	9.4	9.0	8.8
Weighted-average discount rate:				
Finance leases				
Finance leases				
Finance leases	23.1 %	23.5 %	21.4 %	23.1 %
Operating leases	6.0 %	5.8 %	6.1 %	6.0 %

The components of lease income were as follows:

		Fiscal Year Ended	
		December 27, 2023	December 28, 2022
Classification		(In thousands)	
Lease income			
Operating lease income - franchise	Franchise and license revenue	\$ 26,353	\$ 28,473
Operating lease income - closed stores	Restructuring charges and exit costs	119	183
Operating lease income - general and administrative	General and administrative expenses	118	140
Variable lease income - franchise	Franchise and license revenue	9,530	10,124
Variable lease income - closed stores	Restructuring charges and exit costs	47	46
Total lease income		\$ 36,167	\$ 38,966

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The components of lease income were as follows:

		Fiscal Year Ended		
Classification		December 25, 2024	December 27, 2023	December 28, 2022
(In thousands)				
Lease income				
Operating lease income	Franchise and license revenue	\$ 24,269	\$ 26,353	\$ 28,473
Operating lease income	Restructuring charges and exit costs	130	119	183
Operating lease income	General and administrative expenses	71	118	140
Variable lease income	Franchise and license revenue	8,895	9,530	10,124
Variable lease income	Restructuring charges and exit costs	61	47	46
Total lease income		\$ 33,426	\$ 36,167	\$ 38,966

Cash and supplemental noncash amounts were as follows:

	Fiscal Year Ended			
	December 27, 2023		December 28, 2022	
	(In thousands)			
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from finance leases	\$	2,139	\$	2,350
Operating cash flows from operating leases	\$	24,310	\$	24,626
Financing cash flows from finance leases	\$	1,786	\$	2,020
Right-of-use assets obtained in exchange for new finance lease liabilities	\$	1,071	\$	537
Right-of-use assets obtained in exchange for new operating lease liabilities ⁽¹⁾	\$	7,047	\$	16,040

	Fiscal Year Ended			
	December 25, 2024		December 27, 2023	
	December 28, 2022			
	(In thousands)			
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from finance leases	\$	1,990	\$	2,139
Operating cash flows from operating leases	\$	23,055	\$	24,310
Financing cash flows from finance leases	\$	1,411	\$	1,786
Right-of-use assets obtained in exchange for new finance lease liabilities	\$	1,783	\$	1,071
Right-of-use assets obtained in exchange for new operating lease liabilities ⁽¹⁾	\$	25,283	\$	7,047

(1) Right-of-use assets obtained in 2022 includes \$7.9 million from the acquisition of Keke's. See Note 3.

Maturities of lease liabilities and receipts as of **December 27, 2023** **December 25, 2024** were as follows:

	December 27, 2023				Lease Receipts	December 25, 2024				Lease Receipts		
	Lease Liabilities					Lease Liabilities						
	Finance		Operating			Finance		Operating				
	(In thousands)					(In thousands)						
2024												
2025												
2026												
2027												
2028												
2029												
Thereafter												
Total undiscounted cash flows												
Less: interest	Less: interest	12,835	38,557	38,557			Less: interest	11,643	43,548		43,548	
Present value of lease liabilities	Present value of lease liabilities	10,533	129,230	129,230			Present value of lease liabilities	10,568	136,328		136,328	
Less: current lease liabilities												
Long-term lease liabilities												
Long-term lease liabilities												
Long-term lease liabilities												

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Note 10. Long-Term Debt

Long-term debt consisted of the following:

December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
(In thousands)		(In thousands)	

Revolving loans
Finance lease obligations
Total long-term debt
Less current maturities of finance lease obligations
Noncurrent portion of long-term debt

There are no scheduled maturities of our revolving loans due in 2024 through 2025. The \$255.5 million \$261.3 million of revolving loans are due August 26, 2026.

The Company and certain of its subsidiaries have a credit facility consisting of a five-year \$400 million senior secured revolver (with a \$25 million letter of credit sublimit). The credit facility includes an accordion feature that would allow us to increase the size of the revolver to \$450 million. Borrowings bear a tiered interest rate, which is based on the Company's consolidated leverage ratio. On March 31, 2023, the credit facility was amended to change the benchmark interest rate from LIBOR to Adjusted Daily Simple SOFR. The maturity date for the credit facility is August 26, 2026.

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The credit facility is available for working capital, capital expenditures and other general corporate purposes. The credit facility is guaranteed by the Company and its material subsidiaries and is secured by assets of the Company and its subsidiaries, including the stock of its subsidiaries (other than its insurance captive subsidiary). It includes negative covenants that are usual for facilities and transactions of this type. The credit facility also includes contains certain financial covenants, with respect to including a maximum consolidated leverage ratio of 4.0 times and a minimum consolidated fixed charge coverage ratio ratio of 1.5 times. As of December 25, 2024, our consolidated leverage ratio was 3.85 times and our consolidated fixed charge coverage ratio was 2.18 times. We were in compliance with all financial covenants as of December 27, 2023, December 25, 2024, and we expect to remain in compliance throughout 2025.

As of December 27, 2023 December 25, 2024, we had outstanding revolver loans of \$255.5 million \$261.3 million and outstanding letters of credit under the credit facility of \$11.5 million \$16.1 million. These balances resulted in unused commitments of \$133.0 million \$122.6 million as of December 27, 2023 December 25, 2024 under the credit facility. After December 27, 2023, we increased our letters of credit to \$17.0 million.

As of December 27, 2023 December 25, 2024, borrowings under the credit facility bore interest at a rate of Adjusted Daily Simple SOFR plus 2.00% 2.25%. Letters of credit under the credit facility bore interest at a rate of 2.13% 2.38%. The commitment fee, paid on the unused portion of the credit facility, was set to 0.30% 0.35%.

Prior to considering the impact of our interest rate swaps, described below, the weighted-average interest rate on outstanding revolver loans was 7.41% 6.98% and 6.37% 7.41% as of December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively. Taking into consideration our interest rate swaps that are designated as cash flow hedges, the weighted-average interest rate of outstanding revolver loans was 5.04% 5.01% and 5.31% 5.04% as of December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively.

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Interest Rate Hedges

We have receive-variable, pay-fixed interest rate swaps to hedge the forecasted cash flows of our floating rate debt. A summary of our interest rate swaps as of December 27, 2023 December 25, 2024 is as follows:

Trade Date	Trade Date	Effective Date	Maturity Date	Notional Amount	Fair Value	Fixed Rate	Trade Date	Effective Date	Maturity Date	Notional Amount
(In thousands)										
Swaps designated as cash flow hedges										
Swaps designated as cash flow hedges										

Swaps designated as cash flow hedges

March 20, 2015

March 20, 2015

March 20, 2015		March 29, 2018	March 31, 2025	\$ 120,000	\$	\$ 3,162	2.34	2.34 %	March 29, 2018	March 31, 2025	\$ 120,000	\$	\$ 6		
October 1, 2015	October 1, 2015	March 29, 2018	March 31, 2026	\$ 50,000	\$	\$ 1,680	2.37	2.37 %	October 1, 2015	March 29, 2018	March 31, 2026	\$ 50,000	\$		
February 15, 2018	February 15, 2018	March 31, 2020	December 31, 2033	\$ 37,000	(1)	(1) \$ 4,046	3.09	3.09 %	February 15, 2018	March 31, 2020	December 31, 2033	\$ 68,000	(1)	(1) \$ 19,136	3.
Total															

(1) The notional amount amounts of the swaps entered into on February 15, 2018 will increase by \$120 million on March 31, 2025 when the swaps entered into on March 20, 2015 expire and will increase periodically until they reach the maximum notional amount of \$335 million on August 31, 2033.

On March 31, 2023, the Company entered into an amendment of its interest rate swaps. The amendment transitions our interest rate swap benchmark interest rates from LIBOR to Daily Simple SOFR, and as such the fixed rates in the table above have been adjusted to the appropriate fixed rates. The conversion to Daily Simple SOFR did not have a material impact on the Company's consolidated financial position or results of operations.

Termination and Designation of Certain Interest Rate Swaps

During the quarter ended March, 29, 2023, March 29, 2023, we terminated a portion of our hedging relationship entered into in 2018 ("2018 Swaps"), reducing the previous maximum notional amount of \$425 million on August 31, 2033 to \$335 million. As a result, we expect our total swaps to approximate 80% of our outstanding debt prospectively. We received \$1.5 million of cash as a result of the termination which is recorded as a component of operating activities in our Consolidated Statement of Cash Flows for the year ended December 27, 2023.

In addition, during the year ended December 27, 2023, we designated the remaining 2018 Swaps as cash flow hedges of our exposure to variability in future cash flows attributable to variable rate interest payments due on forecasted notional amounts.

Changes in Fair Value of Interest Rate Swaps

To the extent the swaps are highly effective in offsetting the variability of the hedged cash flows, changes in the fair value of the swaps are not included in the Consolidated Statements of Income but are reported as a component of other comprehensive

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income (loss). Our interest rate swaps are designated as cash flow hedges with unrealized gains and losses recorded as a component of accumulated other comprehensive loss, net.

As of December 27, 2023 December 25, 2024, the fair value of swaps designated as cash flow hedges was an asset of \$8.9 million \$20.8 million and was recorded as a component of other noncurrent assets. The assets. The designated swaps have an offsetting amount (before taxes) recorded as a component of accumulated other comprehensive loss, net in our Consolidated Balance Sheets. See Note 18 17 for the amounts recorded in accumulated other comprehensive loss related to the interest rate swaps. During the year ended December 25, 2024, we reclassified \$5.9 million from accumulated other comprehensive loss, net as a reduction to interest expense, net. We expect to reclassify approximately \$6.1 \$4.5 million from accumulated other comprehensive loss, net as a reduction to interest expense, net in our Consolidated Statements of Income related to swaps designated as cash flow hedges during the next twelve months.

For the periods prior to their designation as cash flow hedges, changes in the fair value of the 2018 Swaps were recorded as a component of other nonoperating expense (income), net in our Consolidated Statements of Income. For the year ended December 27, 2023, we recorded expense of \$10.6 million, and for the years year ended December 28, 2022 and December 29, 2021, we recorded income of \$55.0 million and \$12.8 million, respectively, as a component of other nonoperating (income) expense, (income), net related to the 2018 Swaps resulting from changes in fair value.

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Amortization of Certain Amounts Included In Accumulated Other Comprehensive Loss, Net

At December 27, 2023 December 25, 2024, we had a total of \$64.2 \$63.4 million (before taxes) included in accumulated other comprehensive loss, net related to i) (i) the discontinuance of hedge accounting treatment related to certain cash flow hedges in prior years and ii) (ii) the fair value of certain swaps at the date of designation as cash flow hedges that are being amortized into our Consolidated Statements of Income as a component of interest expense, net over the remaining term of the related swap. We reclassified unrealized losses of \$0.8 million, \$0.4 million, and less than \$0.1 million, and \$0.2 million to interest expense, net related to the 2018 Swaps, for the years ended December 27, 2023 December 25, 2024, December 28, 2022 December 27, 2023, and December 29, 2021 December 28, 2022, respectively. We expect to amortize approximately \$0.8 \$3.1 million from accumulated other comprehensive loss, net to interest expense, net in our Consolidated Statements of Income related to dedesignated interest rate swaps during the next twelve months.

Note 11. Revenues

The following table disaggregates our revenue by sales channel and type of good or service:

	Fiscal Year Ended		Fiscal Year Ended		December 27, 2023	December 28, 2022
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024		
	(In thousands)		(In thousands)			
Company restaurant sales						
Franchise and license revenue:						
Royalties						
Royalties						
Royalties						
Advertising revenue						
Initial and other fees						
Occupancy revenue						
Franchise and license revenue						
Total operating revenue						

Balances related to contracts with customers consists consist of receivables, contract assets, deferred franchise revenue and deferred gift card revenue. See Note 4 for details on our receivables.

Deferred franchise revenue consists primarily of the unamortized portion of initial franchise fees that are currently being amortized into revenue and amounts related to development agreements and unopened restaurants that will begin amortizing into revenue when the related restaurants are opened. Deferred franchise revenue represents our remaining performance obligations to our franchisees, excluding amounts of variable consideration related to sales-based royalties and advertising.

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The components of the change in deferred franchise revenue are as follows:

	(In thousands)	
Balance, December 28, 2022 December 27, 2023	\$	20,751 19,150
Fees received from franchisees		1,729 1,080
Revenue recognized, net (1)		(3,330) (3,262)
Balance, December 27, 2023 December 25, 2024		19,150 16,968
Less current portion included in other current liabilities		2,164 2,073
Deferred franchise revenue included in other noncurrent liabilities	\$	16,986 14,895

(1) Of this amount \$2.7 million \$2.8 million was included in the deferred franchise revenue balance as of December 28, 2022 December 27, 2023.

We record contract assets related to incentives and subsidies provided to franchisees related to new unit openings and/or equipment upgrades. These amounts will be recognized as a component of franchise and license revenue over the remaining term of the related franchise agreements. The agreements.

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The components of the change in contract assets are as follows:

	(In thousands)
Balance, December 28, 2022 December 27, 2023	\$ 5,361 6,608
Franchisee deferred costs	2,689 1,417
Contract asset amortization	(1,442) (1,319)
Balance, December 27, 2023 December 25, 2024	6,608 6,706
Less current portion included in other current assets	1,050 976
Contract assets included in other noncurrent assets	\$ 5,558 5,730

The Company purchases equipment related to various programs for franchise restaurants, including kitchen and point-of-sale system equipment. We bill our franchisees and recognize revenue when the related equipment is installed, less amounts contributed from the Company, which have been deferred as contract assets in the table above. We recognized \$0.7 million, \$4.8 million and \$19.3 million of revenue related to the sale of equipment to franchisees during the years ended December 25, 2024, December 27, 2023 and December 28, 2022, respectively. As of December 25, 2024, we had \$0.2 million in inventory and \$0.4 million in receivables related to the purchased equipment. As of December 27, 2023, we had \$0.6 million in inventory and \$0.3 million in receivables related to the purchased equipment. As of December 28, 2022, we had \$3.6 million in inventory and \$6.6 million in receivables related to the kitchen equipment rollout.

As of December 27, 2023 December 25, 2024, deferred franchise revenue, net of contract asset amortization, expected to be recognized in the future is as follows:

	(In thousands)	(In thousands)
2024		
2025		
2026		
2027		
2028		
2029		
Thereafter		
Deferred franchise revenue, net		

Deferred gift card liabilities consist of the unredeemed portion of gift cards sold in company restaurants and at third party locations. The balance of deferred gift card liabilities represents our remaining performance obligations to customers. The balance of deferred gift card liabilities as of December 25, 2024 and December 27, 2023 was \$8.4 million and December 28, 2022 was \$7.8 million and \$7.7 million, respectively. During the year ended December 27, 2023 December 25, 2024, we recognized revenue of \$0.5 million \$0.6 million from gift card redemptions at company restaurants.

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Note 12. Employee Benefit Plans

We maintain defined contribution plans and defined benefit plans which cover a substantial number of employees.

Defined Contribution Plans

Eligible employees can elect to contribute up to 25% of their compensation to our 401(k) plan. Effective January 1, 2016, the plan was amended and restated to incorporate Safe Harbor Plan design features which included changes to participant eligibility, company contribution amounts and vesting. As a result, we match up to a maximum of 4% of compensation deferred by the participant.

In addition, a non-qualified deferred compensation plan is offered to certain employees. This plan allows participants to defer up to 50% of annual salary and up to 75% of bonuses and incentive compensation awards, on a pre-tax basis. There are no matching contributions made under this plan.

We made total contributions of \$1.8 million \$2.0 million, \$1.8 million and \$1.7 million for 2024, 2023 and \$1.5 million for 2023, 2022, and 2021, respectively, under these plans.

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Defined Benefit Plans

Benefits under our defined benefit plans are based upon each employee's years of service and average salary. The following table provides a reconciliation of the changes in the benefit obligations, plan assets, and funded status of our defined benefit plans:

	December 27, 2023 (In thousands)	December 28, 2022	December 25, 2024 (In thousands)	December 27, 2023
Change in Benefit Obligation:	Change in Benefit Obligation:		Change in Benefit Obligation:	
Benefit obligation at beginning of year				
Interest cost				
Actuarial gain				
Benefits paid				
Settlements				
Benefit obligation at end of year				
Accumulated benefit obligation				
Change in Plan Assets:	Change in Plan Assets:		Change in Plan Assets:	
Fair value of plan assets at beginning of year				
Employer contributions				
Benefits paid				
Settlements				
Fair value of plan assets at end of year				
Unfunded status at end of year				
Amounts recognized on the balance sheet:				
Other current liabilities				
Other current liabilities				
Other current liabilities				
Other noncurrent liabilities				
Net amount recognized				
Amounts in accumulated other comprehensive loss not yet reflected in net period benefit cost:				
Unamortized actuarial losses, net				
Unamortized actuarial losses, net				
Unamortized actuarial losses, net				
Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive loss, net:				
Benefit obligation actuarial gain (loss)				
Benefit obligation actuarial gain (loss)				
Benefit obligation actuarial gain (loss)				
Amortization of net loss				
Settlement loss recognized				
Plan closure loss				
Other comprehensive income				

The components of net periodic benefit cost, which are included in general and administrative expenses in our Consolidated Statements of Income, were as follows:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Interest cost						

Amortization of net loss

Settlement loss recognized

Plan experience gain

Net periodic benefit cost

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Assumptions

The discount rates used to determine the benefit obligations as of December 25, 2024 and December 27, 2023 were 5.08% and December 28, 2022 were 4.93% and 5.26%, respectively. The discount rates used to determine net period pension costs for 2024, 2023 and 2022 were 4.93%, 5.26% and 2021 were 5.26%, 1.99% and 1.34%, respectively.

In determining the discount rates, we have considered long-term bond indices of bonds having similar timing and amounts of cash flows as our estimated defined benefit payments. We use a yield curve based on high quality, long-term corporate bonds to calculate the single equivalent discount rate that results in the same present value as the sum of each of the plan's estimated benefit payments discounted at their respective spot rates.

Contributions and Expected Future Benefit Payments

We made contributions of \$0.6 million \$0.5 million and \$0.4 million \$0.6 million to our defined benefit plans during the years ended December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively. We expect to contribute \$0.6 million \$0.1 million to our defined benefit plans during 2024, 2025.

Benefits expected to be paid for each of the next five years and in the aggregate for the five fiscal years from 2028 2030 through 2032 2034 are as follows:

	Defined Benefit Plans	Defined Benefit Plans
	(In thousands)	(In thousands)
2024		
2025		
2026		
2027		
2028		
2028 through 2032		
2029		
2030 though 2034		

Note 13. Share-Based Compensation

Share-Based Compensation Plans

The Denny's Corporation 2021 Omnibus Incentive Plan (the "2021 Omnibus Plan") is used to grant share-based compensation to selected employees, officers and directors of Denny's and its affiliates. However, we reserve the right to pay discretionary bonuses, or other types of compensation, outside of this plan. At December 27, 2023 December 25, 2024, there were 1.5 million 0.9 million shares available for grant under the 2021 Omnibus Plan. In addition, we have 0.7 million shares available to be issued outside of the 2021 Omnibus Plan pursuant to the grant or exercise of employment inducement awards of stock options and restricted stock units in accordance with Nasdaq Listing Rule 5635(c)(4).

Share-Based Compensation Expense

Total share-based compensation expense included as a component of net income was as follows:

	Fiscal Year Ended		Fiscal Year Ended			
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)			
Employee share awards						
Employee share awards						
Employee share awards						
Restricted stock units for board members						
Total share-based compensation						

The income tax benefits recognized as a component of the provision for income taxes in our Consolidated Statements of Income related to share-based compensation expense were \$2.3 million \$2.8 million, \$2.9 million \$2.3 million and \$3.4 million \$2.9 million during the years ended December 27, 2023 December 25, 2024, December 28, 2022 December 27, 2023 and December 29, 2021 December 28, 2022, respectively.

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Employee Share Awards

Employee share awards consist of performance share units ("PSUs") and restricted stock units ("RSUs") (which are equity classified). The number of shares that are ultimately issued is dependent upon the level of attainment of the market and performance conditions. The following table summarizes the employee share awards activity during the year ended December 27, 2023 December 25, 2024:

	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Outstanding, beginning of year				
Outstanding, beginning of year				
Outstanding, beginning of year				
Granted				
Converted				
Performance shares adjustment				
Forfeited				
Outstanding, end of year				
Convertible, end of year				

During the year ended December 27, 2023 December 25, 2024, we granted certain employees 0.3 million 0.6 million performance share units ("PSUs") with a weighted average grant date fair value of \$18.39 \$15.48 per share that vest based on the total shareholder return ("TSR") of our common stock compared to the TSRs of a group of peer companies and 0.3 million PSUs with a weighted average grant date fair value of \$11.90 per share that vest based on our Adjusted EPS growth rate versus plan, as defined under the terms of the award. companies. As the TSR based PSUs contain a market condition, a Monte Carlo valuation was used to determine the grant date fair value. The performance period for these PSUs is the three year fiscal period beginning December 29, 2022 December 28, 2023 and ending December 31, 2025 December 30, 2026. The PSUs will completely vest and be earned at the end of the performance period at which point the relative TSR and Adjusted EPS growth rate achievement percentages percentage will be applied to the vested units (from 0% to 200% of the target award). We recognize compensation cost associated with 0.5 million of these PSU awards over the entire performance period on a straight-line basis, with compensation cost for the remaining 0.1 million PSU awards recognized on a graded-vesting basis due to the accelerated vesting terms for certain retirement eligible individuals.

We also granted certain employees 0.7 0.8 million restricted stock units ("RSUs") with a weighted average grant date fair value of \$11.83 \$10.13 per share. These RSUs generally vest evenly over the three-year fiscal period beginning December 29, 2022 December 28, 2023 and ending December 31, 2025 December 30, 2026. We recognize compensation cost associated with these RSU awards on a straight-line basis over the entire performance period of the award.

For 2024, 2023 2022 and 2021, 2022, the weighted average grant date fair value of awards granted was \$12.55, \$13.43 \$16.22 and \$21.83, \$16.22, respectively.

The following table presents the weighted-average assumptions used in the Monte Carlo simulations to determine the fair value of PSU awards at the grant date, along with the related weighted-average grant date fair value of PSU awards:

		December 27, 2023	December 28, 2022		December 29, 2021	December 25, 2024	December 27, 2023		December 28, 2022
Risk-free interest rate	Risk-free interest rate	3.75%	1.96%		0.18%	Risk-free interest rate	4.14%	3.75%	1.96%
Expected term (in years)	Expected term (in years)	3.0	2.8		3.0	Expected term (in years)	3.0	3.0	2.8
Expected volatility	Expected volatility	69.7%	66.0%		64.9%	Expected volatility	39.2%	69.7%	66.0%
Expected dividend yield	Expected dividend yield	0.0%		Expected dividend	0.0%			0.0%	
Grant date fair value per unit	Grant date fair value per unit	\$18.39	\$21.05		\$24.74	Grant date fair value per unit	\$15.48	\$18.39	\$21.05

The risk-free interest rate was based on U.S. Treasury bond yield with a term equal to the expected life assumed at the date of grant. The expected term represents the period of time the awards are expected to be outstanding. Expected volatility was based on historical volatility of the Company. The expected dividend yield is based on the Company's history and expectations of dividend payouts at the time of grant.

We made payments of \$0.1 million \$0.3 million, \$0.1 million and \$0.4 million during 2024, 2023 and \$0.2 million during 2023, 2022, and 2021, respectively, related to converted performance and restricted share units. Payments relate to the payment of payroll taxes. The fair value of units

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converted was \$8.6 million \$5.7 million, \$8.6 million and \$13.8 million during 2024, 2023 and \$4.3 million during 2023, 2022, and 2021, respectively. As of December 27, 2023 December 25, 2024, we had \$9.6 million \$13.9 million of unrecognized compensation cost related to unvested employee share awards, which is expected to be recognized over a weighted average of 1.8 years.

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Restricted Stock Units for Board Members

During the year ended December 27, 2023 December 25, 2024, we granted less than 0.1 million RSUs (which are equity classified) with a weighted average grant date fair value of \$10.71 \$8.09 per unit to non-employee members of our Board, Board of Directors. The restricted stock units RSUs vest after a one year one-year service period. A director may elect to convert these awards into shares of common stock on a specific date in the future (while still serving as a member of our Board) Board of Directors, upon termination as a member of our Board of Directors, or in three equal annual installments commencing after termination of service as a member of our Board, Board of Directors.

During the year ended December 27, 2023 December 25, 2024, 0.2 million 0.1 million restricted stock units were converted into shares of common stock.

There were 0.7 million and 0.8 million RSUs outstanding as of December 27, 2023 December 25, 2024 and December 28, 2022 December 27, 2023, respectively. As of December 27, 2023 December 25, 2024, we had \$0.3 million \$0.4 million of unrecognized compensation cost related to all unvested RSU awards outstanding, which is expected to be recognized over a weighted average of 0.4 years.

Stock Options

Prior to 2012, stock options were granted that vest evenly over three years, have a 10-year contractual life and are issued at the market value at the date of grant. There were no options granted in 2023, 2022 or 2021. There were no stock options outstanding at December 27, 2023, and there were no stock options exercised for the years ended December 27, 2023 or December 28, 2022. The total intrinsic value of the options exercised was \$0.3 million during the year ended December 29, 2021.

Note 14. Operating (Gains), Losses and Other Charges, Net

Operating (gains), losses and other charges, net consists of the following:

	Fiscal Year Ended		Fiscal Year Ended		
	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		(In thousands)		
Gains on sales of assets and other, net					
Impairment charges ⁽¹⁾					
Restructuring charges and exit costs					
Impairment charges ⁽¹⁾					
Operating (gains), losses and other charges, net					
(1)					
(1)					
(1)	Impairment charges include impairments related to property, operating right-of-use assets, finance right-of-use assets, and reacquired franchise rights.		Impairment charges include impairments related to property, operating lease right-of-use assets, finance lease right-of-use assets, franchise agreements, and reacquired franchise rights.		

Gains on sales of assets and other, net for the years ended **December 27, 2023** December 25, 2024, **December 28, 2022** December 27, 2023, and **December 29, 2021** December 28, 2022, were primarily related to the sales of restaurants and real estate.

Restructuring charges and exit costs consists of the following:

	Fiscal Year Ended		
	December 27, 2023	December 28, 2022	December 29, 2021
	(In thousands)		
Exit costs	\$ 190	\$ 86	\$ 323
Severance and other restructuring charges	2,346	1,324	952
Total restructuring charges and exit costs	\$ 2,536	\$ 1,410	\$ 1,275

Exit costs primarily consists **We recorded impairment charges** of costs related to closed restaurants. Exit cost liabilities related to lease costs are included as a component of operating lease liabilities in our Consolidated Balance Sheets. See Note 9.

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Severance and other restructuring charges primarily consist of severance costs for the years ended December 27, 2023 and December 28, 2022. Severance and other restructuring charges **\$0.8 million** for the year ended December 29, 2021 were **December 25, 2024** primarily related to the relocation assets held for sale and resulting from our assessments of certain support functions underperforming and closed units. The **\$0.8 million** included **\$0.6 million** related to our support center in the Dallas, Texas area. As of December 27, 2023 property, **\$0.1 million** related to reacquired franchise rights, and December 28, 2022, we had accrued severance and other restructuring charges of **\$1.4 million** and **\$0.7 million**, respectively. The balance as of December 27, 2023 is expected **\$0.1 million** related to be paid during the next 12 months.

a franchise agreement. We recorded impairment charges of **\$2.2 million** for the year ended December 27, 2023 primarily resulting from underperforming units. The **\$2.2 million** included **\$1.3 million** related to property and **\$0.9 million** related to operating lease right-of-use assets, less than **\$0.1 million** related to finance lease right-of-use assets, and less than **\$0.1 million** related to reacquired franchise rights. We recorded impairment charges of **\$1.0 million** for the year ended December 28, 2022 primarily resulting from underperforming units. The **\$1.0 million** included **\$0.6 million** related to property, **\$0.3 million** related to operating lease right-of-use assets, and less than **\$0.1 million** related to finance lease right-of-use assets. **We recorded impairment**

Restructuring charges and exit costs consists of the following:

	Fiscal Year Ended		
	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		
Exit costs	\$ 307	\$ 190	\$ 86
Severance and other restructuring charges	1,012	2,346	1,324
Total restructuring charges and exit costs	\$ 1,319	\$ 2,536	\$ 1,410

Exit costs primarily consist of costs related to closed restaurants. Exit cost liabilities related to lease costs are included as a component of operating lease liabilities in our Consolidated Balance Sheets. See Note 9.

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Severance and other restructuring charges primarily consist of severance costs for the years ended December 25, 2024, December 27, 2023, and December 28, 2022. As of December 25, 2024 and December 27, 2023, we had accrued severance and other restructuring charges of **\$0.4 million** for **\$0.3 million** and **\$1.4 million**, respectively. The balance as of December 25, 2024 is expected to be paid during the year ended December 29, 2021 primarily resulting from an underperforming unit. The **\$0.4 million** included **\$0.3 million** related to property, **\$0.1 million** related to finance lease right-of-use assets, and less than **\$0.1 million** related to operating lease right-of-use assets. **next 12 months.**

Note 15. Income Taxes

The provisions for (benefits from) income taxes were as follows:

Fiscal Year Ended		Fiscal Year Ended			
December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022

	(In thousands)	(In thousands)
Current:	Current:	Current:
Federal		
State and local		
Foreign		
Deferred:	Deferred:	Deferred:
Federal		
State and local		
Increase (decrease) of valuation allowance		
Total provision for income taxes		

The reconciliation of income taxes at the U.S. federal statutory tax rate to our effective tax rate was as follows:

	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024	December 27, 2023	December 28, 2022
Statutory provision rate	21 %	21 %	21 %	21 %	21 %	21 %
State and local taxes, net of federal income tax benefit						
Foreign taxes						
Change in state valuation allowance						
General business credits generated						
General business credits generated						
General business credits generated						
Foreign tax credits generated						
Section 162(m) and share-based compensation						
Section 162(m) and share-based compensation						
Section 162(m) and share-based compensation						
Insurance premiums						
Other						
Other						
Other						
Effective tax rate	26 %	25 %	25 %	26 %	26 %	25 %

For 2024, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes, partially offset by the generation of employment and foreign tax credits. The 2024 rate was also impacted by \$1.8 million of disallowed compensation deductions.

For 2023, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes, partially offset by the generation of employment and foreign tax credits. The 2023 rate was also impacted by \$1.9 million of disallowed compensation deductions.

For 2022, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes, partially offset by the generation of employment and foreign tax credits.

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For 2021, the difference in the overall effective rate from the U.S. statutory rate was primarily due to state and foreign taxes and the generation of employment credits. The 2021 rate was also impacted by \$1.3 million of disallowed compensation deductions. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was signed into law as a response to the economic impacts of the COVID-19 pandemic. As a result of the CARES Act, during 2021 the Company carried back 2020's net operating loss to years 2015 and forward, to obtain \$1.5 million in federal income tax refunds. See Note 16 for a discussion of other items related to the CARES Act.

The following table represents the approximate tax effect of each significant type of temporary difference that resulted in deferred income tax assets or liabilities.

December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
-------------------	-------------------	-------------------	-------------------

	(In thousands)	(In thousands)
Deferred tax assets:	Deferred tax assets:	Deferred tax assets:
Self-insurance accruals		
Finance lease liabilities		
Operating lease liabilities		
Accrued exit costs		
Pension, other retirement and compensation plans		
Pension, other retirement and compensation plans		
Pension, other retirement and compensation plans		
Deferred income		
Other accruals		
General business and foreign tax credit carryforwards - state and federal		
General business and foreign tax credit carryforwards - state and federal		
General business and foreign tax credit carryforwards - state and federal		
Net operating loss carryforwards - state		
Total deferred tax assets before valuation allowance		
Total deferred tax assets before valuation allowance		
Total deferred tax assets before valuation allowance		
Less: valuation allowance		
Total deferred tax assets		
Deferred tax liabilities:	Deferred tax liabilities:	Deferred tax liabilities:
Intangible assets		
Contract assets		
Deferred finance costs		
Operating lease right-of-use assets		
Fixed assets		
Interest rate swaps		
Total deferred tax liabilities		
Total deferred tax liabilities		
Total deferred tax liabilities		
Net deferred tax liabilities		

The Company's state net operating loss tax asset of \$0.8 million \$0.5 million includes \$0.6 million \$0.3 million related to Louisiana, Pennsylvania, Tennessee and South Carolina.

Of the \$2.9 million \$3.4 million valuation allowance, \$0.4 million \$0.2 million relates to Pennsylvania and South Carolina net operating loss carryforwards, \$1.0 million \$1.1 million relates to California enterprise zone credits and \$1.5 million \$2.1 million relates to foreign tax credit carryforwards, all of which may never be utilized, prior to their expiration.

It is more likely than not that we will be able to utilize all of our existing temporary differences and most of our remaining state tax net operating losses and state credit tax carryforwards, net of existing valuation allowance, prior to their expiration.

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The following table provides a reconciliation of the beginning and ending amount of unrecognized tax benefits:

	December 27, 2023	December 28, 2022	December 25, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Balance, beginning of year				
Increase (decrease) related to prior year tax positions				
Decreases related to prior year tax positions				
Decreases related to prior year tax positions				
Decreases related to prior year tax positions				
Balance, end of year				
Balance, end of year				

Balance, end of year

There was less than \$0.1 million of interest expense for the year ended December 25, 2024 and no interest expense for the year ended December 27, 2023 associated with unrecognized tax benefits for the years ended December 27, 2023 and December 28, 2022. benefits.

We file income tax returns in the U.S. federal jurisdictions and various state jurisdictions. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2020, 2021. We remain subject to examination for U.S. federal taxes from 2020 2021 onward, and in the following major state jurisdictions: California 2018 (2019 onward), Florida 2020 (2021 onward) and Texas 2019 (2020 onward).

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Note 16. Other CARES Act Provisions

The CARES Act allowed eligible employers to claim employee retention tax credits ("ERTC") for qualified wages paid after March 12, 2020 and before January 1, 2021. The ERTC was extended to June 30, 2021 under the passage of the Taxpayer Certainty and Disaster Relief Act of 2020 ("ACT") which was signed into law on December 27, 2020. We qualified for credits under the provisions of the CARES Act for the entire period subsequent to March 12, 2020 through January 1, 2021 and for the entire period subsequent to January 1, 2021 through June 30, 2021.

The total amount of credits recorded in 2021 related to the ERTC was \$0.8 million, of which \$0.3 million was included as a component of costs of company restaurant sales and \$0.5 million was included as a component of general and administrative expenses in our Consolidated Statement of Income for the year ended December 29, 2021.

In addition, as allowed under the CARES Act, we deferred \$3.1 million of our portion of FICA taxes in 2020 which were paid in 2021.

Note 17. Net Income Per Share

The amounts used for the basic and diluted net income per share calculations are summarized below:

The amounts used for the basic and diluted net income per share calculations are summarized below.

	Fiscal Year Ended		Fiscal Year Ended		December 27, 2023	December 28, 2022
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024		
	(In thousands, except per share amounts)		(In thousands, except per share amounts)			
Net income						
Weighted average shares outstanding - basic						
Weighted average shares outstanding - basic						
Weighted average shares outstanding - basic						
Effect of dilutive share-based compensation awards						
Weighted average shares outstanding - diluted						
Net income per share - basic						
Net income per share - basic						
Net income per share - basic						
Net income per share - diluted						
Anti-dilutive share-based compensation awards						
Anti-dilutive share-based compensation awards						
Anti-dilutive share-based compensation awards						

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Note 18, 17. Shareholders' Equity

Share Repurchases

Our credit facility permits the repurchase of Denny's stock and the payment of cash dividends subject to certain limitations. Our Board of Directors approves share repurchases of our common stock. Under these authorizations, we may, from time to time, purchase shares in the open market (including pre-arranged stock trading plans in accordance with the guidelines specified in Rule 10b5-1 under the Securities Exchange Act of 1934, as amended) or in privately negotiated transactions, subject to market and business conditions. Currently, we are operating under a \$250 million share repurchase authorization approved by the Board of Directors in December 2019.

During 2023, we The following table summarizes share repurchase activity:

	Fiscal Year Ended		
	December 25, 2024	December 27, 2023	December 28, 2022
	(In thousands)		
Amount repurchased ⁽¹⁾	\$ 11,231	\$ 52,099	\$ 64,884
Total number of shares repurchased	1,349	5,202	6,280

(1) Amount repurchased a total includes excise taxes of 5.2 \$0.1 million shares of our common stock and \$0.4 million for \$52.1 million, including excise taxes. During 2022, we repurchased a total of 6.3 million shares of our common stock for \$64.9 million. During 2021, we repurchased a total of 2.0 million shares of our common stock for \$30.6 million, the years ended December 25, 2024 and December 27, 2023, respectively.

Repurchased shares are included as treasury stock in our Consolidated Balance Sheets and our Consolidated Statements of Shareholders' Deficit.

Retirement of Treasury Stock

In the fourth quarter of fiscal 2024, the Board of Directors approved the retirement of 2.0 million shares of treasury stock at a weighted average share price of \$8.78, including excise taxes. As of the year ended December 25, 2024, no shares remained in treasury.

In the fourth quarter of fiscal 2023, the Board of Directors approved the retirement of 12.8 million shares of treasury stock at a weighted average share price of \$11.02, including excise taxes. As of the year ended December 27, 2023, 0.7 million shares remained in treasury.

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Accumulated Other Comprehensive Loss

The components of the change in accumulated other comprehensive loss were as follows:

	Pensions	Pensions	Derivatives	Accumulated Other Comprehensive Loss	Pensions	Derivatives	Accumulated Other Comprehensive Loss
	(In thousands)						
Balance as of December 30, 2020							
Benefit obligation actuarial loss							
Amortization of net loss ⁽¹⁾							
Amortization of net loss ⁽¹⁾							
Amortization of net loss ⁽¹⁾							
Changes in the fair value of cash flow derivatives							
Changes in the fair value of cash flow derivatives							
Changes in the fair value of cash flow derivatives							
Reclassification of cash flow derivatives to interest expense, net ⁽²⁾							
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net							
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net							
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net							
Income tax expense							
Balance as of December 29, 2021							
Benefit obligation actuarial gain							
Amortization of net loss ⁽¹⁾							

Amortization of net loss ⁽¹⁾
Amortization of net loss ⁽¹⁾
Settlement loss recognized
Changes in the fair value of cash flow derivatives
Reclassification of cash flow derivatives to interest expense, net ⁽²⁾
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Income tax expense
Balance as of December 28, 2022
Benefit obligation actuarial loss
Amortization of net loss ⁽¹⁾
Amortization of net loss ⁽¹⁾
Amortization of net loss ⁽¹⁾
Settlement loss recognized
Plan closure loss
Changes in the fair value of cash flow derivatives
Reclassification of cash flow derivatives to interest expense, net ⁽²⁾
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Income tax benefit (expense)
Balance as of December 27, 2023
Benefit obligation actuarial gain
Amortization of net loss ⁽¹⁾
Amortization of net loss ⁽¹⁾
Amortization of net loss ⁽¹⁾
Settlement loss recognized
Changes in the fair value of cash flow derivatives
Changes in the fair value of cash flow derivatives
Changes in the fair value of cash flow derivatives
Reclassification of cash flow derivatives to interest expense, net ⁽²⁾
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Amortization of unrealized losses related to dedesignated derivatives to interest expense, net
Income tax expense
Balance as of December 25, 2024

- (1) Before-tax amount that was reclassified from accumulated other comprehensive loss and included as a component of pension expense within general and administrative expenses in our Consolidated Statements of Income. See Note 12 for additional details.
- (2) Amounts reclassified from accumulated other comprehensive loss into income represent payments made to (received from) the counterparty for the effective portions of the interest rate swaps. These amounts are included as a component of interest expense, net in our Consolidated Statements of Income. We expect to receive payments from the counterparty and reclassify **\$6.1** **\$4.5** million from accumulated other comprehensive loss related to our interest rate swaps during the next twelve months. See Note 10 for additional details.

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Note 19.18. Commitments and Contingencies

Legal Proceedings

There are various claims and pending legal actions against or indirectly involving us, incidental to and arising out of the ordinary course of the business. In the opinion of management, based upon information currently available, the ultimate liability with respect to these proceedings and claims will not materially affect the Company's consolidated results of operations or financial position.

Purchase Obligations

We have commitments related to company and franchised restaurants under purchase contracts for food and non-food products. Many of these agreements do not obligate us to purchase any specific volumes and include provisions that would allow us to cancel such agreements with appropriate notice. Our future purchase obligation payments due by period for both company and franchised restaurants at December 27, 2023 December 25, 2024 consist of the following:

(In thousands)		
Less than 1 year	\$	202,018 195,923
1-2 years		—
3-4 years		—
5 years and thereafter		—
Total	\$	202,018 195,923

For agreements with cancellation provisions, the amounts included in the table above represent our estimate of purchase obligations during the periods presented if we were to cancel these contracts with appropriate notice.

Note 20.19. Supplemental Cash Flow Information

	Fiscal Year Ended		Fiscal Year Ended		December 27, 2023	December 28, 2022
	December 27, 2023	December 28, 2022	December 29, 2021	December 25, 2024		
	(In thousands)		(In thousands)			
Income taxes paid, net						
Interest paid						
Noncash investing and financing activities:						
Noncash investing and financing activities:						
Noncash investing and financing activities:						
Receipt of real estate receivable						
Receipt of real estate receivable						
Receipt of real estate receivable						
Accrued purchase of property						
Accrued purchase of property						
Accrued purchase of property						
Issuance of common stock, pursuant to share-based compensation plans						
Issuance of common stock, pursuant to share-based compensation plans						
Issuance of common stock, pursuant to share-based compensation plans						
Execution of finance leases						
Treasury stock payable						
Treasury stock excise tax payable						

Note 21. 20. Segment Information

We manage our business by brand and as a result have identified two operating segments, Denny's and Keke's. In addition, we have identified Denny's as a reportable segment. The Denny's reportable segment includes the results of all company and franchised and licensed Denny's restaurants. Our Keke's operating segment, which includes the results of all company and franchise restaurants, is included in Other.

The primary sources of revenues for all operating segments are the sale of food and beverages at our company restaurants and the collection of royalties, advertising revenue, initial and other fees, including occupancy revenue, from restaurants operated by our franchisees. We do not rely on any major customer as a source of sales and the customers and assets of all operating segments are located predominantly in the United States. There are no material transactions between segments.

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Management's measure of segment income is restaurant-level operating margin. The Company defines restaurant-level operating margin as operating income excluding the following three four items: general and administrative expenses, depreciation and amortization, goodwill impairment charges, and operating (gains), losses and other charges, net. The Company excludes general and administrative expenses, which include primarily non restaurant-level costs associated with support of company and franchised restaurants and other activities at their corporate office. The Company excludes depreciation and amortization expense, substantially all of which is related to company restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlays for the restaurants. The Company excludes goodwill impairment charges and operating (gains), losses and other charges, net, to provide a clearer perspective of its ongoing operating performance and a more relevant comparison to prior period results. The Company's chief operating decision maker ("CODM") is our Chief Executive Officer. Restaurant-level operating margin is used by our chief operating decision maker ("CODM") CODM to evaluate restaurant-level operating efficiency and performance. performance and make key operating decisions.

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The following tables present revenues by segment and a reconciliation of restaurant-level operating margin to net income:

	Fiscal Year Ended		
	December 27, 2023	December 28, 2022	December 29, 2021
Revenues by operating segment:	(In thousands)		
Denny's			
Other			
Total operating revenue			
Segment income:			
Segment income:			
Segment income:			
	Fiscal Year Ended December 25, 2024		
	Fiscal Year Ended December 25, 2024		
	Fiscal Year Ended December 25, 2024		
Denny's			
Denny's			
Denny's			
Other			
Revenues			
Revenues			
Revenues			
Company restaurant sales			
Company restaurant sales			
Company restaurant sales			
Franchise and license revenue:			
Franchise and license revenue:			

Franchise and license revenue:

- Royalties
- Royalties
- Royalties
- Advertising revenue
- Advertising revenue
- Advertising revenue
- Initial and other fees
- Initial and other fees
- Initial and other fees
- Occupancy revenue
- Occupancy revenue
- Occupancy revenue
- Total franchise and license revenue
- Total franchise and license revenue
- Total franchise and license revenue
- Total operating revenue
- Total operating revenue
- Total operating revenue

Costs and expenses

Costs and expenses

Costs and expenses

- Costs of company restaurant sales, excluding depreciation and amortization:
- Costs of company restaurant sales, excluding depreciation and amortization:
- Costs of company restaurant sales, excluding depreciation and amortization:

- Product costs
- Product costs
- Product costs
- Payroll and benefits
- Payroll and benefits
- Payroll and benefits
- Occupancy costs
- Occupancy costs
- Occupancy costs
- Other operating expenses:
- Other operating expenses:
- Other operating expenses:
- Utilities
- Utilities
- Utilities
- Repairs and maintenance
- Repairs and maintenance
- Repairs and maintenance
- Marketing
- Marketing
- Marketing
- Legal settlements
- Legal settlements
- Legal settlements
- Pre-opening costs
- Pre-opening costs

Pre-opening costs
Other direct costs
Other direct costs
Other direct costs
Total costs of company restaurant sales, excluding depreciation and amortization
Total costs of company restaurant sales, excluding depreciation and amortization
Total costs of company restaurant sales, excluding depreciation and amortization
Costs of franchise and license revenue, excluding depreciation and amortization:
Costs of franchise and license revenue, excluding depreciation and amortization:
Costs of franchise and license revenue, excluding depreciation and amortization:
Advertising costs
Advertising costs
Advertising costs
Occupancy costs
Occupancy costs
Occupancy costs
Other direct costs
Other direct costs
Other direct costs
Total costs of franchise and license revenue, excluding depreciation and amortization
Total costs of franchise and license revenue, excluding depreciation and amortization
Total costs of franchise and license revenue, excluding depreciation and amortization
Total restaurant-level operating margin
Total restaurant-level operating margin
Total restaurant-level operating margin
Reconciliation of restaurant-level operating margin to net income
Reconciliation of restaurant-level operating margin to net income
Reconciliation of restaurant-level operating margin to net income
General and administrative expenses
General and administrative expenses
General and administrative expenses
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Goodwill impairment charges
Goodwill impairment charges
Goodwill impairment charges
Operating (gains), losses and other charges, net
Operating (gains), losses and other charges, net
Operating (gains), losses and other charges, net
Total other operating expenses
Total other operating expenses
Total other operating expenses
Operating income
Operating income
Operating income
Interest expense, net
Other nonoperating expense (income), net
Interest expense, net
Interest expense, net
Other nonoperating income, net

Other nonoperating income, net
Other nonoperating income, net
Net income before income taxes
Net income before income taxes
Net income before income taxes
Provision for income taxes
Provision for income taxes
Provision for income taxes
Net income
Net income
Net income

	Fiscal Year Ended	
	December 27, 2023	December 28, 2022
Segment assets:	(In thousands)	
Denny's	\$ 340,136	\$ 394,051
Other	124,682	104,284
Total assets	\$ 464,818	\$ 498,335

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	Fiscal Year Ended December 27, 2023		
	Denny's	Other	Total
Revenues	(In thousands)		
Company restaurant sales	\$ 201,175	\$ 14,357	\$ 215,532
Franchise and license revenue:			
Royalties	115,004	5,127	120,131
Advertising revenue	77,932	562	78,494
Initial and other fees	13,112	770	13,882
Occupancy revenue	35,883	—	35,883
Total franchise and license revenue	241,931	6,459	248,390
Total operating revenue	443,106	20,816	463,922
Costs and expenses			
Costs of company restaurant sales, excluding depreciation and amortization:			
Product costs	51,939	3,850	55,789
Payroll and benefits	75,407	5,259	80,666
Occupancy costs	14,875	1,934	16,809
Other operating expenses:			
Utilities	7,418	430	7,848
Repairs and maintenance	3,486	175	3,661
Marketing	5,524	79	5,603
Legal settlements	2,302	—	2,302
Pre-opening costs	—	288	288
Other direct costs	13,452	1,181	14,633
Total costs of company restaurant sales, excluding depreciation and amortization	174,403	13,196	187,599
Costs of franchise and license revenue, excluding depreciation and amortization:			
Advertising costs	77,932	562	78,494
Occupancy costs	22,160	—	22,160

Other direct costs	21,778	20	21,798
Total costs of franchise and license revenue, excluding depreciation and amortization	121,870	582	122,452
Total restaurant-level operating margin	\$ 146,833	\$ 7,038	\$ 153,871
Reconciliation of restaurant-level operating margin to net income			
General and administrative expenses		\$	77,770
Depreciation and amortization			14,385
Goodwill impairment charges			6,363
Operating (gains), losses and other charges, net			2,530
Total other operating expenses			101,048
Operating income			52,823
Interest expense, net			17,597
Other nonoperating expense, net			8,288
Net income before income taxes			26,938
Provision for income taxes			6,993
Net income		\$	19,945

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	Fiscal Year Ended December 28, 2022		
	Denny's	Other	Total
	(In thousands)		
Revenues			
Company restaurant sales	\$ 193,576	\$ 6,177	\$ 199,753
Franchise and license revenue:			
Royalties	111,718	2,173	113,891
Advertising revenue	75,926	—	75,926
Initial and other fees	27,870	392	28,262
Occupancy revenue	38,597	—	38,597
Total franchise and license revenue	254,111	2,565	256,676
Total operating revenue	447,687	8,742	456,429
Costs and expenses			
Costs of company restaurant sales, excluding depreciation and amortization:			
Product costs	51,705	1,912	53,617
Payroll and benefits	74,157	2,255	76,412
Occupancy costs	14,310	844	15,154
Other operating expenses			
Utilities	7,075	198	7,273
Repairs and maintenance	3,803	71	3,874
Marketing	5,294	—	5,294
Legal settlements	4,224	—	4,224
Other direct costs	13,243	367	13,610
Total costs of company restaurant sales, excluding depreciation and amortization	173,811	5,647	179,458
Costs of franchise and license revenue, excluding depreciation and amortization:			
Advertising costs	75,926	—	75,926
Occupancy costs	24,090	—	24,090
Other direct costs	35,305	6	35,311
Total costs of franchise and license revenue, excluding depreciation and amortization	135,321	6	135,327
Total restaurant-level operating margin	\$ 138,555	\$ 3,089	\$ 141,644

Reconciliation of restaurant-level operating margin to net income		
General and administrative expenses	\$	67,173
Depreciation and amortization		14,862
Operating (gains), losses and other charges, net		(1,005)
Total other operating expenses		81,030
Operating income		60,614
Interest expense, net		13,769
Other nonoperating expense (income), net		(52,585)
Net income before income taxes		99,430
Provision for income taxes		24,718
Net income	\$	74,712

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	Fiscal Year Ended	
	December 25, 2024	December 27, 2023
Segment assets:	(In thousands)	
Denny's	\$ 344,986	\$ 340,136
Other	151,288	124,682
Total assets	\$ 496,274	\$ 464,818

Note 21. Subsequent Events

During January 2025, as part of a cost savings initiative, the Company eliminated approximately 40 positions and announced the relocation of certain support functions to our support center in Spartanburg, South Carolina. As a result, the Company expects to record between \$3.0 million and \$3.5 million in severance and other restructuring charges during the quarter ending March 26, 2025.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 26, 2024 February 24, 2025

DENNY'S CORPORATION

BY: /s/ Robert P. Verostek

Robert P. Verostek

Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Kelli F. Valade</u> (Kelli F. Valade)	Chief Executive Officer and Director (Principal Executive Officer)	February 26, 2024 24, 2025
<u>/s/ Robert P. Verostek</u> (Robert P. Verostek)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 26, 2024 24, 2025
<u>/s/ Jay C. Gilmore</u> (Jay C. Gilmore)	Senior Vice President, Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)	February 26, 2024 24, 2025
<u>/s/ Brenda J. Lauderback</u> (Brenda J. Lauderback)	Director and Chair of the Board of Directors	February 26, 2024 24, 2025
<u>/s/ Bernadette S. Aulestia</u> (Bernadette S. Aulestia)	Director	February 26, 2024 24, 2025
<u>/s/ Olu Beck</u> (Olu Beck)	Director	February 26, 2024 24, 2025
<u>/s/ Gregg R. Dedrick</u> (Gregg R. Dedrick)	Director	February 26, 2024 24, 2025
<u>/s/ José M. Gutiérrez</u> (José M. Gutiérrez)	Director	February 26, 2024 24, 2025
<u>/s/ John C. Miller</u> (John C. Miller)	Director	February 26, 2024 24, 2025
<u>/s/ Mark R. Vondrasek</u> (Mark R. Vondrasek)	Director	February 24, 2025
<u>/s/ Laysha Ward</u> (Laysha Ward)	Director	February 26, 2024 24, 2025



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AMENDED AND RESTATED BY-LAWS OF DENNY'S CORPORATION A Delaware Corporation (the "Corporation") As of February 5, 2024



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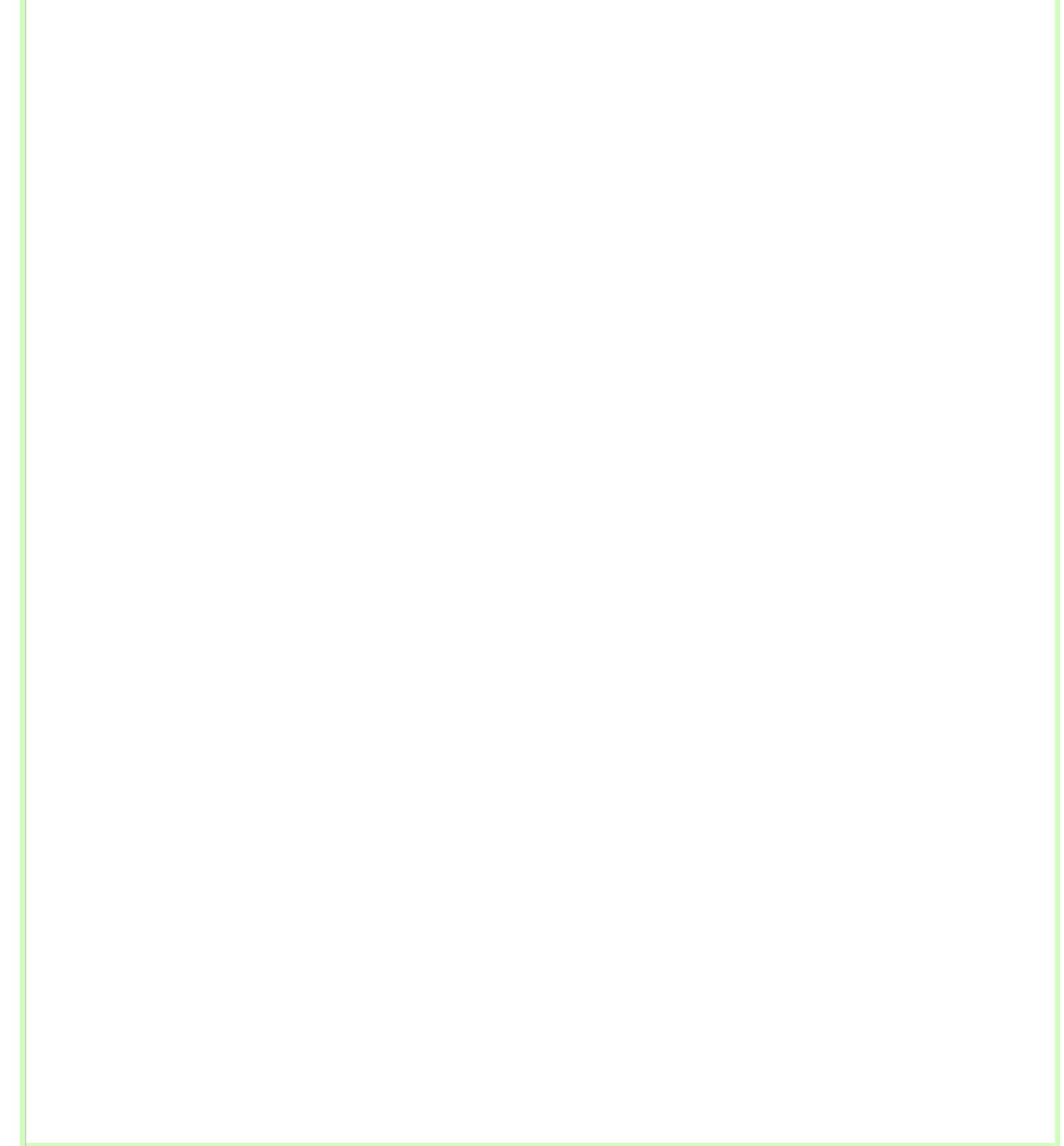


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ARTICLE I OFFICES REGISTERED OFFICE. The registered office of the Corporation in the State of Delaware shall be in the City of Wilmington. OTHER OFFICES. The Corporation may have other offices, either within or without the state of Delaware, at such place or places as the Board of Directors of the Corporation (the "Board") may from time to time determine or as shall be necessary or appropriate for the business of the Corporation. ARTICLE II MEETING OF STOCKHOLDERS ANNUAL MEETINGS. Annual meetings of stockholders shall be held for the election of directors and the conduct of such other business that is properly brought before the meeting in accordance with the requirements of Section 2 or Section 3 of this Article II, as applicable, of these Amended and Restated By-Laws (these "By-laws"), the Corporation's Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), the Delaware General Corporation Law, as amended (the "DGCL"), and other applicable law. The time, place and date (which date shall not be a legal holiday in the place where the meeting is to be held and if held over the Internet or other electronic technology, which date shall not be a federal holiday), within or without the State of Delaware as permitted under the DGCL, of the annual meeting shall be designated, from time to time, by (i) resolution of the Board adopted by a majority of the total number of authorized directors, whether or not there exist any vacancies in previously authorized directorships at the time such resolution is presented to the Board for adoption (the "Entire Board"), (ii) resolution of a duly authorized committee of the Board, or (iii) the Chairman of the Board, if delegated that authority by a resolution of the Board adopted by the affirmative vote of a majority of the Entire Board, and which shall be stated in the notice of the annual meeting or in a waiver of notice of such annual meeting. The Board may, in its sole discretion, determine that an annual meeting shall not be held at any place, but shall instead be held solely by means of the Internet or other electronic technology pursuant to which the stockholders shall have a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings substantially concurrently with their occurrence. The date and time of the annual meeting may subsequently be changed in the same manner as is required to fix the original date and time of the annual meeting. Any and all references hereafter in these By-laws to an annual meeting or annual meetings shall also be deemed to refer to any special meeting(s) called in lieu thereof. NOMINATION OF DIRECTORS; ADVANCE NOTICE OF NOMINATIONS BY STOCKHOLDERS. (a) Nominations of any person for election to the Board at an annual or special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting in accordance with Section 8 of these



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2 By-laws) may be made at such meeting only (i) by or at the direction of the Board, including by any committee or persons duly authorized to do so by the Board or these By-laws (including, without limitation, by making reference to the nominees in the proxy statement delivered to the Corporation's stockholders on behalf of the Board), or (ii) by a stockholder Present in Person at the meeting who (A) is a record owner of shares of the Corporation at the time of giving the notice provided for in this Section 2, (B) is a record owner of shares of the Corporation as of the record date for the determination of stockholders entitled to notice of and to vote at the meeting in question, (C) is a record owner of shares of the Corporation at the time of the meeting, (D) is entitled to vote for the election of directors at the meeting, and (E) complies with the requirements set forth in this Section 2 in all applicable respects. The foregoing clause (i) shall be the exclusive means for a stockholder to propose any nomination of a person or persons for election to the Board at a stockholders' meeting. (b) Without qualification, for a stockholder to propose a nomination of a person or persons for election to the Board at a stockholders' meeting, the stockholder must (A) provide timely notice thereof in writing and in proper form to the Secretary of the Corporation containing the information with respect to such stockholder and its proposed candidates for nomination for election to the Board as required to be set forth by this Section 2 (collectively, the "Nominating Notice"), and (B) provide any updates or supplements to such Nominating Notice at the times and in the forms required by this Section 2. (c) For a Nominating Notice with respect to an annual meeting of stockholders to be timely, the Nominating Notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) calendar days nor more than ninety (90) calendar days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) calendar days prior to such anniversary date or delayed more than sixty (60) calendar days after such anniversary date, then to be timely such Nominating Notice must be received by the Corporation no later than the later of (i) seventy (70) calendar days prior to the date of the meeting or (ii) the tenth (10th) calendar day following the day on which public disclosure of the date of the meeting was first made by the Corporation, or if the Corporation did not hold an annual meeting in the preceding calendar year or a special meeting in lieu thereof, such Nominating Notice by the stockholder to be timely must be received by the Corporation not more than ninety (90) calendar days prior to such annual meeting and not later than the later of (i) sixty (60) calendar days prior to such annual meeting or (ii) the tenth (10th) calendar day following the day on which public disclosure of the date of the meeting was first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a

Nominating Notice as described above. For purposes of these By-laws, "Nominating Notice Deadline" shall mean the last date for a stockholder to deliver a Nominating Notice with respect to an annual meeting of stockholders in accordance with the provisions of this Section 2(c) or, in the case of a special meeting of stockholders, the last date for a stockholder to deliver a Nominating Notice with respect to a special meeting of stockholders in accordance with the provisions of Section 2(d) of these By-laws. (d) If the election of directors is a matter specified in the notice of special meeting of stockholders given by or at the direction of the person calling such special meeting in



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3 accordance with these By-laws, then for a Nominating Notice with respect to such special meeting to be timely, the Nominating Notice shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not less than sixty (60) calendar days nor more than ninety (90) calendar days prior to the date of the special meeting; provided, however, that in the event that less than seventy (70) calendar days notice or prior public disclosure of the date of the special meeting is given or made to stockholders by or at the direction of the Corporation, notice by the stockholder to be timely must be received by the Corporation no later than the tenth (10th) calendar day following the day on which public disclosure of the date of the special meeting was first made by the Corporation. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a Nominating Notice as described above. (c) Notwithstanding anything in this Section 2 to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting of stockholders (or special meeting called in lieu thereof) is increased and there is no public disclosure made by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least seventy (70) calendar days prior to the one-year anniversary date of the immediately preceding year's annual meeting of stockholders, a Nominating Notice with respect to an annual meeting of stockholders (or special meeting called in lieu thereof) shall also be considered timely, but only with respect to Stockholder Nominees proposed for nomination for any new directorship positions created by such increase, and only with respect to a stockholder who had, prior to such increase in the size of the Board, previously submitted to the Corporation in proper written form a Nominating Notice, in compliance with this Section 2 prior to the Nominating Notice Deadline, if it shall be delivered to, or mailed to and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) calendar day following the day on which such public disclosure is first made by the Corporation. (f) To be in proper written form, a Nominating Notice shall set forth: (1) the name and address, as they appear on the Corporation's books, of the Nominating Stockholder and any Stockholder Associated Person; (2) all information as to the Nominating Stockholder, each person whom the Nominating Stockholder proposes to nominate for election or re-election as a director (each, a "Stockholder Nominee"), and each Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filing required to be filed by the Nominating Stockholder with the SEC in connection with a contested solicitation of proxies for the election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including the rules and regulations thereunder (the "Exchange Act"), including such person's written consent to being named in the proxy statement of the Nominating Stockholder as a nominee of the Nominating Stockholder and to serving as a director of the Corporation if elected; (3) (i) the class or series and number of shares of capital stock of the Corporation which are owned, directly or indirectly, beneficially (within the meaning of Rule 13d-3 under the Exchange Act) and/or of record, by the Nominating Stockholder or any Stockholder Associated Person, provided that such Nominating Stockholder or Stockholder Associated Person shall in all events be deemed to beneficially own any shares of any class or series of the



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4 Corporation's equity securities as to which such Nominating Stockholder or Stockholder Associated Person has a right to acquire beneficial ownership at any time in the future, whether such right is exercisable immediately, only after the passage of time or only upon the satisfaction of certain conditions precedent, (i) any derivative positions held or beneficially held by such Nominating Stockholder or any Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other proxy, agreement, arrangement or understanding has been made or relationship exists, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or provide a right to vote or increase or decrease the voting power of, such Nominating Stockholder or any Stockholder Associated Person with respect to the Corporation's securities, and (iii) a representation that such Nominating Stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to be Present in Person at the meeting to propose such nomination; (4) a reasonably detailed description of any agreement, arrangement or understanding, written or oral, or any direct or indirect relationship the Nominating Stockholder or any Stockholder Associated Person may have with any Stockholder Nominee, including but not limited to, those pursuant to which the nomination is proposed to be made, or with any other person or persons (naming such person or persons) with respect to such nomination; (5) a description in reasonable detail of any relationship (including any direct or indirect interest in any agreement, arrangement or understanding, whether written or oral and whether formal or informal) between the Nominating Stockholder or any Stockholder Associated Person and the Corporation or any director, officer, or other employee of the Corporation (naming such director, officer, or other employee); (6) a description in reasonable detail of any contacts and discussions between the Nominating Stockholder or any Stockholder Associated Person and any officer, director, or employee of the Corporation (naming such officer, director, or employee and listing the dates and describing the nature of such contacts and discussions); (7) a description in reasonable detail of any interest, direct or indirect, monetary or non-monetary, of the Nominating Stockholder or any Stockholder Associated Person in having any Stockholder Nominee elected to the Board, including any anticipated benefit therefrom to be received by the Nominating Stockholder or any Stockholder Associated Person; (8) a description in reasonable detail of any pending, or to the knowledge of the Nominating Stockholder or any Stockholder Associated Person, threatened legal proceeding in which any Nominating Stockholder or Stockholder Associated Person is a party or participant involving the Corporation or any officer, director, affiliate, associate, or employee of the Corporation; (9) as to each Stockholder Nominee, (A) all information that would be required to be set forth in a Nominating Notice pursuant to this Section 2 if such Stockholder Nominee was a Nominating Stockholder; (B) a list of all other publicly-traded companies, whether or not currently publicly-traded or currently in existence, where such Stockholder Nominee had been proposed as a candidate for election to a board of directors by the Nominating Stockholder;




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5 (C) a description in reasonable detail of any and all agreements, arrangements and/or understandings (whether written or oral and formal or informal) between such Stockholder Nominee and any person or entity (naming such person or entity) in connection with such Stockholder Nominee's service or action as a proposed candidate and, if elected, as a member of the Board; (D) to the extent that such Stockholder Nominee has been convicted of any past criminal offenses involving a felony, fraud, dishonesty or a breach of trust or duty, a description in reasonable detail of such offense and all legal proceedings relating thereto; (E) to the extent that such Stockholder Nominee has been determined by any governmental authority or self-regulatory organization to have violated any federal or state securities or commodities laws, including but not limited to, the Securities Act of 1933, as amended, the Exchange Act or the Commodity Exchange Act, a description in reasonable detail of such violation and all legal proceedings relating thereto; (F) to the extent that such Stockholder Nominee has ever been suspended or barred by any governmental authority or self-regulatory organization from engaging in any profession or participating in any industry, or has otherwise been subject to a disciplinary action by a governmental authority or self-regulatory organization that provides oversight over the Stockholder Nominee's current or past profession or an industry that the Stockholder Nominee has participated in, a description in reasonable detail of such action and the reasons therefor; (G) a description in reasonable detail of any and all litigation, whether or not judicially resolved, settled or dismissed, relating to the Stockholder Nominee's past or current service on the board of directors (or similar governing body) of any corporation, limited liability company, partnership, trust or any other entity where a legal complaint filed in any state or federal court located within the United States alleges that the proposed candidate committed any act constituting (1) a breach of fiduciary duties, (2) misconduct, (3) fraud, (4) breaches of confidentiality obligations, and/or (5) a breach of the entity's code of conduct applicable to directors, and (H) the amount of any equity securities beneficially owned by such Stockholder Nominee in any company that is a direct competitor of the Corporation or its operating subsidiaries if such beneficial ownership by such nominee, when aggregated with that of all other Stockholder Nominees, the Nominating Stockholder and all Stockholder Associated Persons, is five percent (5%) or more of the class of equity securities of such company; (10) a reasonably detailed description of any agreement, arrangement or understanding, written or oral, or any direct or indirect relationship, with respect to the nomination proposed to be brought before the meeting by the Nominating Stockholder, between or among any Nominating Stockholder or any Stockholder Associated Person and any other person or entity (naming each such person or entity), including without limitation any agreements, arrangements and understandings that would be required to be disclosed pursuant to Item 5 or Item 6 of Schedule 13D if a Schedule 13D relating to the Corporation was filed with the SEC by such Nominating Stockholder or Stockholder Associated Person pursuant to the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable to such Nominating Stockholder or Stockholder Associated Person); (11) a description in reasonable detail of any plans or proposals of the Nominating Stockholder, any Stockholder Associated Person or any Stockholder Nominee relating to the Corporation that would be required to be disclosed by such Nominating Stockholder, Stockholder Associated Person or Stockholder Nominee pursuant to Item 4 of Schedule 13D if a Schedule 13D relating to the Corporation was filed with the SEC by such Nominating Stockholder, Stockholder Associated Person or Stockholder Nominee pursuant to the Exchange Act (regardless




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6 of whether the requirement to file a Schedule 13D with the SEC is applicable to such Nominating Stockholder, Stockholder Associated Person or Stockholder Nominee) together with a description of any agreements, arrangements or understandings (whether written or oral and whether formal or informal) that relate to such plans or proposals and naming all the parties to any such agreements, arrangements or understandings; (12) a description in reasonable detail of all direct and indirect compensation, reimbursement, indemnification, benefits and other agreements, arrangements and understandings (written or oral and formal or informal and whether monetary or non-monetary) during the past three years, and any other relationships, between or among a Nominating Stockholder, a Stockholder Associated Person, if any, and a Stockholder Nominee, including all information that would be required to be disclosed pursuant to Items 403 and 404 promulgated under Regulation S-K (or any such successor rule) if such Nominating Stockholder or Stockholder Associated Person was the "registrant" for purposes of such items and the Stockholder Nominee was a director or executive of such registrant; (13) each Stockholder Nominee's written representation and agreement (in the form provided by the Secretary of the Corporation upon written request), (w) that such person is not a party to any agreement, arrangement or understanding (written or oral) with, and has not given any commitment or assurance (written or oral) to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been expressly disclosed in writing to the Corporation in the Nominating Notice or any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law that has not been expressly disclosed in writing to the Corporation in the Nominating Notice; (x) that such person is not a party to any agreement, arrangement, or understanding (written or oral) with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been expressly disclosed in writing to the Corporation in the Nominating Notice; (y) is not a party to any agreement, arrangement or understanding (written or oral) with any person or entity, that contemplates such person, resigning as a member of the Board prior to the conclusion of the term of office to which such person was elected, and has not given any commitment or assurance (written or oral) to any person or entity that such person intends to, or if asked by such person or entity would, resign as a member of the Board prior to the end of the conclusion of the term of office to which such person was elected, except as expressly disclosed in writing to the Corporation in the Nominating Notice; and (z) that in the person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed code of ethics and/or business conduct, corporate governance, conflicts of interest, confidentiality, public disclosure, hedging and pledging policies relating to the Corporation's securities, and stock ownership and stock trading policies and guidelines of the Corporation, and any other Corporation policies and guidelines applicable to Corporation directors; (14) a representation as to whether the Nominating Stockholder and/or the Stockholder Associated Person, if any, intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's



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7 outstanding capital stock required to elect the Stockholder Nominee or otherwise to solicit proxies from stockholders in support of such nomination; and (15) each Stockholder Nominee's irrevocable and executed letter of resignation as a director of the Corporation, effective upon such person's failure to receive, in accordance with Article II, Section 5(c) of these By-laws, the required vote for re-election at the next meeting of stockholders at which such person would face re-election and upon acceptance of such resignation by the Board. (n) The Nominating Notice shall also be accompanied by a Stockholder Nominee's written representation and agreement (in the form provided to the Stockholder Nominee by the Secretary of the Corporation) that such person will complete and execute a written nominee questionnaire, as may be provided from time to time by the Corporation, that relates to such Stockholder Nominee's background, qualifications, independence and other information reasonably requested by the Corporation. (h) A Nominating Stockholder shall update and supplement its Nominating Notice as necessary, from time to time, so that the information provided or required to be provided in such notice pursuant to this Section 2 shall be true, correct and complete in all respects not only prior to the Nominating Notice Deadline but also at all times thereafter and prior to the meeting, and such update and supplement shall be received by the Secretary of the Corporation not later than the earlier of (A) five (5) business days following the occurrence of any event, development or occurrence that would cause the information provided in the Nominating Notice to be not true, correct and complete in all respects, or (B) ten (10) business days prior to the publicly disclosed date of the meeting at which such nominations contained therein are to be considered; provided, however, that should any such event, development or occurrence take place within ten (10) business days prior to such meeting, such update and supplement shall be received by the Secretary of the Corporation not later than one (1) business day following any such event, development or occurrence. For the avoidance of doubt, the updates required pursuant to this Section 2 do not cause a Nominating Notice that was not true, correct and complete in all respects and in compliance with this Section 2 when first delivered to the Corporation prior to the Nominating Notice Deadline to thereafter be in proper form in accordance with this Section 2. (i) Upon written request by the Secretary of the Corporation, the Board or any duly authorized committee thereof, any Nominating Stockholder who has submitted a Nominating Notice to the Corporation shall provide, within five (5) business days of delivery of such request (or such other period as may be specified in such request), written verification, in a form and manner, including, if requested, an executed and notarized affidavit, satisfactory in the reasonable discretion of the Board or any duly authorized committee thereof to demonstrate the accuracy of any information submitted by such stockholder in the Nominating Notice delivered pursuant to this Section 2. If a Nominating Stockholder fails to provide such written verification within such period and in the form requested, the information as to which written verification was requested shall be deemed not to have been provided in accordance with this Section 2. (j) No person shall be eligible to serve as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2. The Presiding Officer (as hereinafter defined) shall, if the facts warrant, determine, in consultation with counsel (who may



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g be the Corporation's internal counsel), and declare to the meeting that the proposed nomination was not made in accordance with the requirements set forth in these By-laws, and if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded. (k) Notwithstanding the foregoing provisions of this Section 2, the disclosures required by this Section 2 shall not include any disclosures with respect to the ordinary course of business activities of any broker, dealer, commercial bank, or trust company who is deemed a Nominating Stockholder or Stockholder Associated Person solely as a result of being the stockholder directed to prepare and submit a Nominating Notice required by these By-laws on behalf of a beneficial owner of the shares held of record by such broker, dealer, commercial bank, or trust company and who is not otherwise affiliated or associated with such beneficial owner. (l) Notwithstanding the foregoing provisions of this Section 2, a Nominating Stockholder shall also comply with any and all applicable requirements of the Exchange Act, the U.S. Securities and Exchange Commission (the "SEC"), the DGCL and other applicable law with respect to the matters set forth in this Section 2, any solicitation of proxies contemplated by the Nominating Stockholder in connection with its submission of a Nominating Notice to the Corporation, and any filings made with the SEC in connection therewith. (m) For a Nominating Notice to comply with the requirements of this Section 2, each of the requirements of this Section 2 shall be directly and expressly responded to and a Nominating Notice must clearly indicate and expressly reference which provisions of this Section 2 the information disclosed is intended to be responsive to. Any global cross-references shall be disregarded and information disclosed in the Nominating Notice in response to any provision of this Section 2 shall not be deemed responsive to any other provision hereof unless it is expressly cross-referenced to such other provision and it is clearly apparent how such information is responsive to such other provision. (n) For a Nominating Notice to comply with the requirements of this Section 2, it must set forth in writing directly within the body of the Nominating Notice, rather than being incorporated by reference from any pre-existing document or writing, including, but not limited to, any documents publicly filed with the SEC, all the information required to be included therein as set forth in this Section 2; and each of the requirements of this Section 2 shall be directly responded to in a manner that makes it clearly apparent how the information provided is specifically responsive to any requirements of this Section 2. (o) A Nominating Stockholder submitting the Nominating Notice, by its delivery to the Corporation, represents and warrants that all information contained therein, as of the Nominating Notice Deadline, is true, accurate and complete in all respects, contains no false or misleading statements and such Nominating Stockholder acknowledges that it intends for the Corporation and the Board to rely on such information as (i) being true, accurate and complete in all respects and (ii) not containing any false or misleading statements. If the information submitted pursuant to this Section 2 by such Nominating Stockholder shall not be true, correct and complete in all respects prior to the Nominating Notice Deadline, such information shall be deemed not to have been provided in accordance with this Section 2.



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9. (p) Notwithstanding the foregoing provisions of this Section 2, unless otherwise required by applicable law, if the Nominating Stockholder is not Present in Person at the stockholders' meeting to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. In addition, nominations proposed to be brought before a stockholders' meeting by a Nominating Stockholder may not be brought before a meeting if such Nominating Stockholder takes action contrary to the representations made in the Nominating Notice applicable to such nominations or if (i) when submitted to the Corporation prior to the Nominating Notice Deadline, the Nominating Notice applicable to such nominations contained an untrue statement of a fact or omitted to state a fact necessary to make the statements therein not misleading, or (ii) after being submitted to the Corporation, the Nominating Notice applicable to such nominations was not updated or supplemented by the Nominating Stockholder in accordance with these By-laws to cause the information provided in the Nominating Notice to be true, correct and complete in all respects. (q) A Nominating Stockholder submitting a Nominating Notice pursuant to this Section 2, by its delivery to the Corporation, acknowledges that it understands that nothing contained therein shall be considered confidential or proprietary information and that neither the Corporation, the Board, nor any agents or representatives thereof shall be restricted, in any manner, from publicly disclosing or using any of the information contained in a Nominating Notice. (r) Nothing in this Section 2 shall be deemed to give any stockholder the right to have any nominations included in any proxy statement prepared by the Corporation. Notwithstanding any notice of the meeting, proxy statement or supplement thereto sent to stockholders on behalf of the Corporation, a stockholder must separately comply with this Section 2 to propose any nominations at any stockholders' meeting, including delivering its own separate and timely Nominating Notice to the Secretary of the Corporation that complies in all respects with the requirements of this Section 2. BUSINESS AT ANNUAL MEETINGS; ADVANCE NOTICE OF STOCKHOLDER BUSINESS. (a) At any annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting in accordance with these By-laws, the Certificate of Incorporation, the DGCL and other applicable law. To be properly brought before an annual meeting, business must be (i) specified in a notice of meeting (or any supplement thereto) given by or at the direction of the Board (or any duly authorized committee thereof), (ii) if not specified in a notice of meeting (or any supplement thereto) given by or at the direction of the Board (or any duly authorized committee thereof), otherwise brought before the annual meeting by or at the direction of the Board, any duly authorized committee thereof, or the Chairman of the Board if delegated that authority by a resolution of the Board adopted by the affirmative vote of a majority of the Entire Board, or (iii) otherwise properly brought before the annual

meeting by any stockholder of the Corporation Present in Person at the meeting who (A) is a record owner of shares of the Corporation at the time of giving the notice provided for in this Section 3, (B) is a record owner of shares of the Corporation as of the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting, (C) is a record owner of shares of the Corporation at the time of the meeting, (D) is entitled to vote for the election



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10 of directors at such meeting, and (E) complies with the requirements contained in this Section 3 in all applicable respects. (b) Except with respect to proposed nominations of persons for election to the Board, which must be made in compliance with the provisions of Article II, Section 2, of these By-laws and except for stockholder proposals submitted for inclusion in the Corporation's proxy statement pursuant to, and in compliance with, Rule 14a-8 (and the interpretations thereunder) of the Exchange Act and which proposals are not excludable under Rule 14a-8 of the Exchange Act, whether pursuant to a no-action letter from the Staff of the SEC's Division of Corporation Finance or a determination of a federal court of competent jurisdiction, and which are included in the notice of meeting given by or at the direction of the Board and the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act, the foregoing clause (ii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of stockholders. (c) In addition to the other requirements set forth in this Section 3, for any proposal of business to be considered at an annual meeting of stockholders, if (i) must be a proper subject for action by stockholders of the Corporation under these By-laws, the Certificate of Incorporation, the DGCL and other applicable law, and (ii) must not relate to a matter that is expressly reserved for action by the Board under these By-laws, the Certificate of Incorporation, the DGCL or other applicable law. (d) For business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to this Section 3, the stockholder must provide (i) timely and proper notice thereof in writing to the Secretary of the Corporation (the "Proposal Notice"), and (ii) provide any updates or supplements to the Proposal Notice at the times and in the forms required by this Section 3. To be timely, a Proposal Notice shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not less than sixty (60) calendar days nor more than ninety (90) calendar days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) calendar days prior to such anniversary date or delayed more than sixty (60) calendar days after such anniversary date, then to be timely the Proposal Notice must be delivered to, or mailed and received by, the Secretary of the Corporation no later than the later of (i) seventy (70) calendar days prior to the date of the meeting or (ii) the tenth (10th) calendar day following the day on which public disclosure of the date of the meeting was first made by the Corporation, or if the Corporation did not hold an annual meeting in the preceding calendar year or a special meeting in lieu thereof, such Proposal Notice by the stockholder to be timely must be received by the Corporation not more than ninety (90) calendar days prior to such annual meeting and not later than the later of (i) sixty (60) calendar days prior to such annual meeting or (ii) the tenth (10th) calendar day following the day on which public disclosure of the date of the meeting was first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a Proposal Notice as described above. For purposes of these By-laws, "Proposal Notice Deadline" shall mean the last date for a stockholder to deliver a Proposal Notice in accordance with the provisions of this Section 3(c). (e) To be in proper written form, the Proposal Notice must set forth:



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11 (1) the name and address, as they appear on the Corporation's books, of the stockholder proposing to bring business before the Corporation's annual meeting of stockholders (each, a "Proponent") and any Stockholder Associated Person; (2) (A) the class or series and number of shares of capital stock of the Corporation which are owned, directly or indirectly, beneficially (within the meaning of Rule 13d-3 under the Exchange Act) and/or of record, by such Proponent or any Stockholder Associated Person, provided that such Proponent or Stockholder Associated Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation's equity securities as to which such Proponent or Stockholder Associated Person has a right to acquire beneficial ownership at any time in the future, whether such right is exercisable immediately, only after the passage of time or only upon the satisfaction of certain conditions precedent, (B) any derivative positions held or beneficially held by the Proponent and any Stockholder Associated Person and whether and a description in reasonable detail of the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other proxy, agreement, arrangement or understanding has been made or relationship exists, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or provide a right to vote or increase or decrease the voting power of, such Proponent or any Stockholder Associated Person with respect to the Corporation's securities, and (C) a representation that the Proponent is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to be Present in Person at the meeting to propose such business; (3) as to each matter the Proponent proposes to bring before the meeting, (A) a reasonably detailed description of the business desired to be brought before the meeting, (B) the text of the proposed business (including the text of any resolutions proposed for consideration and in the event such business includes a proposal to amend these By-laws, the Certificate of Incorporation or any policy of the Corporation, the text of the proposed amendment), and (C) a reasonably detailed description of the reasons for conducting such business at the meeting; (4) a reasonably detailed description of any interest, direct or indirect, monetary or non-monetary, of the Proponent or any Stockholder Associated Person in the proposed business described in the Proposal Notice, including any anticipated benefit therefrom to be received by the Proponent or any Stockholder Associated Person; (5) a description in reasonable detail of any pending, or to the knowledge of the Proponent or any Stockholder Associated Person, threatened legal proceeding in which any Proponent or Stockholder Associated Person is a party or participant involving the Corporation or any officer, director, affiliate, associate, or employee of the Corporation; (6) a description in reasonable detail of any relationship (including any direct or indirect interest in any agreement, arrangement or understanding, whether written or oral and whether formal or informal) between the Proponent or any Stockholder Associated Person and the Corporation or any director, officer, affiliate, associate, or employee of the Corporation (naming such director, officer, affiliate, associate, or employee).



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12. (7) a description in reasonable detail of any contacts and discussions between the Proponent or any Stockholder Associated Person and any officer, director, or employee of the Corporation (naming such officer, director, or employee and listing the dates and describing the nature of such contacts and discussions); (8) a reasonably detailed description of any relationship, agreement, arrangement or understanding, written or oral, direct or indirect, with respect to the business proposed to be brought before the annual meeting by the Proponent, between or among any Proponent or any Stockholder Associated Person and any other person or entity (naming each such person or entity), including without limitation any agreements, arrangements and understandings that would be required to be disclosed pursuant to Item 5 or Item 6 of Schedule 13D if a Schedule 13D relating to the Corporation was filed with the SEC by such Proponent or Stockholder Associated Person pursuant to the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable to such Proponent or Stockholder Associated Person); (9) a description in reasonable detail of any plans or proposals of the Proponent or any Stockholder Associated Person relating to the Corporation that would be required to be disclosed by such Proponent or Stockholder Associated Person pursuant to Item 4 of Schedule 13D if a Schedule 13D relating to the Corporation was filed with the SEC by such Proponent or Stockholder Associated Person pursuant to the Exchange Act (regardless of whether the requirement to file a Schedule 13D with the SEC is applicable to such Proponent or Stockholder Associated Person) together with a description of any agreements, arrangements or understandings (whether written or oral and whether formal or informal) that relate to such plans or proposals and naming all the parties to any such agreements, arrangements or understandings; (10) all other information relating to (A) the proposed business described in the Proposal Notice, (B) the Proponent, or (C) any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filing required to be filed with the SEC in connection with a contested solicitation of proxies in which the Proponent or any Stockholder Associated Persons are participants in a solicitation subject to Section 14 of the Exchange Act; and (11) a representation whether the Proponent or any Stockholder Associated Person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to approve or adopt the proposed business or otherwise to solicit proxies from stockholders in support of such proposed business. (f) A Proponent shall update and supplement its Proposal Notice as necessary, from time to time, so that the information provided or required to be provided in such Proposal Notice pursuant to this Section 3 shall be true, correct and complete in all respects not only prior to the Proposal Notice Deadline but also at all times thereafter and prior to the meeting, and such update and supplement shall be received by the Secretary of the Corporation not later than the earlier of (A) five (5) business days following the occurrence of any event, development or occurrence that would cause the information provided in the Proposal Notice to be not true, correct and complete in all respects, or (B) ten (10) business days prior to the publicly disclosed date of the meeting at which such proposed business contained therein are to be considered; provided, however, that should any such event, development or occurrence take place within ten (10)



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13 business days prior to such meeting, such update and supplement shall be received by the Secretary of the Corporation not later than one (1) business day following any such event, development or occurrence. For the avoidance of doubt, the updates required pursuant to this Section 3 do not cause a Proposal Notice that was not true, correct and complete in all respects and in compliance with this Section 3 when first delivered to the Corporation prior to the Proposal Notice Deadline to thereafter be in proper form in accordance with this Section 3. (n) Upon written request by the Secretary of the Corporation, the Board or any duly authorized committee thereof, any Proponent who has submitted a Proposal Notice to the Corporation shall provide, within five (5) business days of delivery of such request (or such other period as may be specified in such request), written verification, in a form and manner, including, if requested, an executed and notarized affidavit, satisfactory in the reasonable discretion of the Board or any duly authorized committee thereof to demonstrate the accuracy of any information submitted by such Proponent in the Proposal Notice delivered pursuant to this Section 3. If a Proponent fails to provide such written verification within such period and in the form requested, the information as to which written verification was requested shall be deemed not to have been provided in accordance with this Section 3. (h) Notwithstanding anything in the By-laws to the contrary, no business (other than the election of directors, which shall be governed by Section 2 of these By-laws) shall be conducted at any annual stockholders' meeting except in accordance with the requirements set forth in this Section 3. The Presiding Officer shall, if the facts warrant, determine, in consultation with counsel (who may be the Corporation's internal counsel), and declare to the meeting that business was not properly brought before the meeting in accordance with the requirements set forth in these By-laws, and if he or she should so determine, he or she shall so declare to the meeting and any such proposed business not properly brought before the meeting shall not be transacted. (i) Notwithstanding the foregoing provisions of this Section 3, the disclosures required by this Section 3 shall not include any disclosures with respect to the ordinary course of business activities of any broker, dealer, commercial bank, or trust company who is deemed a Proponent or Stockholder Associated Person solely as a result of being the stockholder directed to prepare and submit a Proposal Notice required by these By-laws on behalf of a beneficial owner of the shares held of record by such broker, dealer, commercial bank, or trust company and who is not otherwise affiliated or associated with such beneficial owner. (j) Notwithstanding the foregoing provisions of this Section 3, a Proponent shall also comply with any and all applicable requirements of the Exchange Act, the SEC, the DGCL and other applicable law with respect to the matters set forth in this Section 3, any solicitation of proxies contemplated by the Proponent in connection with its submission of a Proposal Notice to the Corporation, and any filings made with the SEC in connection therewith. (k) Nothing in these By-laws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to, and subject to the limitations and requirements of, Rule 14a-8 under the Exchange Act and the SEC's and the SEC Staff's interpretations, guidance and no-action letter determinations relating thereto.



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15 (g) Nothing in this Section 3 shall be deemed to give any stockholder the right to have any proposal included in any proxy statement prepared by the Corporation, and, to the extent any such right exists under the Exchange Act or other applicable law or governmental regulation, such right shall be limited to the right expressly provided under such applicable law or governmental regulation. Notwithstanding any notice of the meeting or proxy statement sent to stockholders on behalf of the Corporation, a stockholder must separately comply with this Section 3 to propose business at any annual meeting. If a stockholder's proposed business is the same or relates to business brought by the Corporation and included in the Corporation's meeting notice, proxy statement or any supplement thereto, such stockholder is nevertheless still required to comply with this Section 3 and deliver its own separate and timely Proposal Notice to the Secretary of the Corporation that complies in all respects with the requirements of this Section 3. (f) This Section 3 shall not be applicable, in any respect, to the nomination of persons for election to the Board at any meeting of stockholders, which shall be governed instead by the provisions contained in Article II, Section 2, of these By-laws. INSPECTOR OF ELECTION. At each meeting of stockholders at which an election of directors is to be held, the Presiding Officer may, but shall not be required to, appoint one person, who need not be a stockholder, to act as inspector of election at such meeting. The inspector so appointed, before entering on the discharge of his or her duties, shall take and subscribe to an oath or affirmation to faithfully execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability, and thereupon the inspector shall take charge of the polls and after the balloting shall canvass the votes and make a certificate of the results of the vote taken. The inspector shall perform such duties as shall be required by applicable law or specified by the Presiding Officer. No director or candidate for the office of director shall be appointed inspector. VOTING. (a) At each meeting of the stockholders, each stockholder entitled to vote at such meeting in accordance with the terms of the Certificate of Incorporation and in accordance with the provisions of these By-laws shall be entitled to one vote, in person or by proxy, for each share of stock entitled to vote held by such stockholder, but no proxy shall be voted after three (3) years from its date unless such proxy provides for a longer period. A stockholder may authorize another person to act for such stockholder as proxy by either written authorization, by electronic transmission or by other means permitted under the DGCL provided that any electronic transmission is set forth or submitted in a way that it may be determined that such transmission was authorized by the stockholder. (b) Unless a greater number of affirmative votes is required by the Certificate of Incorporation, these By-laws, the rules or regulations of any stock exchange applicable to the Corporation, the DGCL or other law or regulation applicable to the Corporation, if a quorum exists at any meeting of stockholders, stockholders shall have approved any matter, other than the election of directors, by majority vote (i.e., if the votes cast by stockholders present in person or represented by proxy at the meeting and entitled to vote thereat in favor of such matter exceed the votes cast by such stockholders against such matter).



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16 (c) Except as provided in Article III, Section 4, of these By-laws, a nominee for director shall be elected to the Board by the vote of the majority of the votes cast by stockholders with respect to that director's election at any meeting of stockholders for the election of directors at which a quorum is present (i.e., if the votes cast for such nominee's election exceed the votes cast against such nominee's election). For purposes of this Section 5(c), abstentions and broker non-votes shall not be deemed votes cast either "for" or "against" that director's election. Notwithstanding the foregoing, directors shall be elected by a plurality of the votes cast (and not by majority vote) at any meeting of stockholders where the election of directors is a Contested Election (as hereinafter defined). For purposes of these By-laws, an election of directors shall be considered a "Contested Election" if the number of nominees standing for election at any meeting of stockholders exceeds the number of directors to be elected, with the determination that an election is "contested" to be made by the Secretary of the Corporation, based on whether one or more Nominating Notices, purporting to be in compliance with Article II, Section 2, of these By-laws, were received by the Secretary of the Corporation (provided that the determination that an election is a "Contested Election" shall not prejudice the ability of the Corporation to challenge whether a Nominating Notice has been submitted in accordance with these By-laws), and (ii) such Nominating Notice or Nominating Notices have not been withdrawn on or prior to the tenth (10th) calendar day preceding the date the Corporation files with the SEC its initial definitive proxy statement relating to such meeting of stockholders such that the number of candidates for election as director no longer exceeds the number of directors to be elected at such meeting (regardless of whether or not such proxy statement is thereafter revised or supplemented). If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee. (d) Each person who is nominated to stand for election as director, whether such nomination is proposed by the Corporation or a stockholder, shall, as a condition to such nomination, tender an irrevocable and executed letter of resignation in advance of the meeting for the election of directors. If a nominee for director is not elected and the nominee is an incumbent director, the Board's Nominating and Corporate Governance Committee (the "Nominating and Corporate Governance Committee") will make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and make public disclosure of its decision regarding the tendered resignation and the rationale behind the decision within ninety (90) calendar days from the date of the certification of the election results. The Nominating and Corporate Governance Committee in making its recommendation and the Board in making its decision may each consider any factors or other information that they consider appropriate and relevant. The director who tenders his or her resignation will not participate in the recommendation of the Nominating and Corporate Governance Committee or the decision of the Board with respect to his or her tender of

resignation, but may participate in the recommendation or the decision regarding another director's tender of resignation. (e) If a director's resignation is accepted by the Board pursuant to this By-law, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy pursuant to the provisions of Article III, Section 4, of these By-laws, or may decrease the size of the Board pursuant to the provisions of Article III, Section 1, of these By-laws and the Certificate of Incorporation.



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17 LIST OF STOCKHOLDERS. A complete list of the stockholders entitled to vote at each meeting of stockholders, arranged in alphabetical order, specifying the address of and the number of shares registered in the name of each stockholder shall be kept available as required by the DGCL, shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) calendar days prior to the meeting, either at the principal place of business of the Corporation during ordinary business hours or on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Except as otherwise provided by applicable law, the stock ledger shall be the sole evidence of the identity of the stockholders entitled to examine the stock ledger, the list required by this Section 6 or to vote in person or by proxy at any meeting of the stockholders and the number of shares held by each stockholder.

QUORUM; ADJOURNMENT. At all meetings of the stockholders, except as otherwise required by applicable law, by the Certificate of Incorporation or by these By-laws, the presence, in person or by proxy, of stockholders of record holding shares constituting a majority of the voting power of all the shares of stock of the Corporation issued, outstanding and entitled to vote generally in the election of directors shall constitute a quorum for the transaction of business. The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until the adjournment of the meeting, notwithstanding the withdrawal of any stockholder. In case a quorum shall not be present at any meeting, the holders of record of a majority of the shares of stock entitled to vote thereat, present in person or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of stock entitled to vote shall be present. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At any such adjourned meeting at which the requisite amount of stock entitled to vote shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed, but, unless a new record date is fixed in accordance with the DGCL and these By-laws, only those stockholders entitled to vote at the meeting as originally called shall be entitled to vote at any adjournment or adjournments thereof. If the adjournment is for more than thirty (30) calendar days after the date for which the meeting was originally noticed, or, if after the adjournment, the Board, by resolution of the Board approved by the affirmative vote of a majority of the Entire Board, fixes a new record date for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting in accordance with the requirements of the DGCL and these By-laws.

SPECIAL MEETINGS.



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18 (a) Special meetings of the stockholders for any purpose or purposes may be called by (i) the Chairman of the Board, if delegated that authority by a resolution of the Board adopted by the affirmative vote of a majority of the Entire Board, (ii) the Chief Executive Officer, if delegated that authority by a resolution of the Board adopted by the affirmative vote of a majority of the Entire Board, or (iii) the Board by resolution of the Board duly adopted by the affirmative vote of a majority of the Entire Board and not by any other person or persons. (b) (i) Special meetings of the stockholders of the Corporation shall be called by the Board upon written request to the Secretary of the Corporation of one or more stockholders, including a written request made by a stockholder on behalf of one or more beneficial owners, owning in the aggregate not less than twenty-five percent (25%) of the outstanding shares of the Corporation entitled to vote on the matter or matters to be brought before the proposed special meeting who comply with the notice procedures set forth in this Section 8(b) with respect to any matter that is a proper subject for the special meeting pursuant to this Section 8(b). A request to the Secretary of the Corporation shall be signed by each stockholder, or a duly authorized agent of such stockholder, requesting the special meeting and shall be accompanied by a notice setting forth the information required by Section 3(e) of this Article II as to the business proposed to be conducted (or Section 2(f) in the case of any nominations proposed to be presented) at such special meeting and as to the stockholder(s) proposing such business or nominations (including any beneficial owner(s) on whose behalf the request is made), and by a representation by the stockholder(s) that within five (5) business days after the record date for any such special meeting it will provide such information as of the record date for such special meeting. (ii) The date of any special meeting requested by stockholders shall not be more than ninety calendar (90) days after the request to call the special meeting is received by the Secretary of the Corporation. Notwithstanding the foregoing, a special meeting requested by stockholders shall not be held if (a) the Board has called or calls for an annual meeting of stockholders to be held within ninety (90) calendar days after the Secretary of the Corporation receives the request for the special meeting and the Board determines in good faith that the business of such annual meeting includes (among any other matters properly brought before the annual meeting) the business specified in the request, (b) an annual or special meeting that included the business specified in the request (as determined in good faith by the Board) was held not more than ninety (90) days before the request to call the special meeting was received by the Secretary of the Corporation or (c) the special meeting request does not comply with the requirements of this Section 8(b). A stockholder may revoke a request for a special meeting at any time by written revocation delivered to the Secretary of the Corporation, and if, following such revocation, there are unrevoked requests from stockholders holding in the aggregate less than the requisite number of shares entitling the stockholders to request the calling of a special meeting, the Board, in its discretion, may cancel the special meeting. Business transacted at a special meeting requested by stockholders shall be limited to the purpose(s) stated in the request for meeting, provided, however, that the Board shall have the authority in its discretion to submit additional matters to the stockholders, and to cause other business to be transacted, at any special meeting requested by stockholders




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19. (c) Only such business shall be conducted at a special meeting of stockholders as shall have been specifically brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the person authorized to call the special meeting in accordance with these By-laws. The chair of the meeting shall have the power and duty to determine whether a nomination or any other business brought before a special meeting was made in accordance with the procedures set forth in this Section 8, and, if any nomination or other business is not in compliance with this section (including if the stockholder does not provide the information that it represents it will provide under this section to the Corporation within five (5) business days following the record date for the meeting), to declare that such defective nomination or proposal shall be disregarded, notwithstanding that proxies and votes in respect of such matters may have been received. (d) The provisions of this Section 8 of Article II do not supersede the provisions of Sections 2 and 3 of Article II. (e) Special meetings of stockholders may be held at such date, time and place, within or without the State of Delaware, or by means of remote communication as permitted under the DGCL, as may be fixed by resolution of the Board duly adopted by the affirmative vote of a majority of the Entire Board and shall be stated in the notice of meeting (or any supplement thereto) given by or at the direction of the person authorized to call the special meeting in accordance with this Section 8. In fixing a date, time and place, if any, for any special meeting of stockholders, the Board may consider such factors as it deems relevant, including without limitation, the nature of the matters to be considered, the facts and circumstances related to any request for a meeting and any plan of the Board to call an annual meeting or special meeting. NOTICE OF MEETINGS. Notice, stating the place, date and time of the meeting, and the general nature of the business to be considered, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by any manner permitted by law to each stockholder of record entitled to vote thereat at the address appearing on the record books of the Corporation, not less than ten (10) nor more than sixty (60) calendar days before the date of the meeting. Stockholders not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise provided by applicable law. ACTION WITHOUT A MEETING. (a) Unless otherwise provided by the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed



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20 by a sufficient number of stockholders to take the action were delivered to the Corporation in accordance with Section 228 of the DGCL. Such written consent shall be filed in the minute book of the Corporation. (b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board, by resolution of the Board approved by the affirmative vote of a majority of the Entire Board, may fix a record date which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10) calendar days after the date upon which the resolution fixing the record date is adopted by the Board. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary of the Corporation, request the Board to fix a record date. The Board shall promptly, but in all events within ten (10) calendar days after the date on which such a request is received, adopt a resolution fixing the record date (unless a record date has previously been fixed by the Board pursuant to the first sentence of this Section 10(b)). If no record date has been fixed by the Board pursuant to the first sentence of this Section 10(b) or otherwise within ten (10) calendar days after the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by applicable law, shall be the first date after the expiration of such ten (10) calendar day time period on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded, to the attention of the Secretary of the Corporation. Delivery shall be by hand, by courier service, or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board pursuant to the first sentence of this Section 10(b), the record date for determining stockholders entitled to consent to corporate action in writing without a meeting if prior action by the Board is required by applicable law shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action. (c) In the event of the delivery, in the manner provided by this Section 10 and Section 228 of the DGCL, to the Corporation of written consent or consents to take corporate action and/or any related revocation or revocations, the Corporation shall engage independent inspectors of elections for the purpose of performing promptly a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent and without a meeting shall be effective until such inspectors have completed their review, determined that the requisite number of valid and unrevoked consents delivered to the Corporation in accordance with this Section 10 and Section 228 of the DGCL have been obtained to authorize or take the action specified in the consents, and certified such determination for entry in the records of the Corporation kept for the purpose of recording the proceedings of meetings of stockholders. Nothing contained in this Section 10(c) shall in any way be construed to suggest or imply that the Board or any stockholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).



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21. ORGANIZATION OF MEETINGS. At every meeting of the stockholders, the Chairman of the Board, if there is such an officer, or if not, such person who is designated from time to time by the Board by a resolution of the Board adopted by the affirmative vote of a majority of the Entire Board, shall act as chairman of the meeting and the presiding officer thereof (the "Presiding Officer") and shall call all meetings to order. The Secretary of the Corporation shall act as secretary of all meetings of the stockholders, and in the absence of the Secretary at a meeting of stockholders; an Assistant Secretary, if any, shall act as secretary of such meeting of the stockholders; and in the absence of the Secretary or any Assistant Secretary, the Presiding Officer may appoint any person to act as secretary of the meeting. CONDUCT OF MEETINGS. To the maximum extent permitted by applicable law, the Board shall be entitled to adopt, or in the absence of the Board doing so, the Presiding Officer shall be entitled to prescribe, such rules, regulations or procedures for the conduct of meetings of stockholders as it, he or she shall deem appropriate. Such rules, regulations and procedures that the Board or the Presiding Officer may adopt include, without limitation: (1) establishing an agenda for the meeting and the order for the consideration of the items of business on such agenda, (2) restricting admission to the time set for the commencement of the meeting, (3) limiting attendance at the meeting to stockholders of record of the Corporation entitled to vote at the meeting, their duly authorized proxies or other such persons as the Presiding Officer may determine, (4) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies or other such persons as the Presiding Officer may determine to recognize and, as a condition to recognizing any such participant, requiring such participant to provide the Presiding Officer with evidence of his or her name and affiliation, whether he or she is a stockholder or a proxy for a stockholder, and the class and series and number of shares of each class and series of capital stock of the Corporation which are owned beneficially and/or of record by such stockholder, (5) limiting the time allotted to questions or comments by participants, (6) taking such actions as are necessary or appropriate to maintain order, decorum, safety and security at the meeting, (7) removing any stockholder who refuses to comply with meeting procedures, rules or guidelines as established by the Presiding Officer, (8) complying with any state and local laws and regulations concerning safety and security, (9) restricting use of audio or video recording devices at the meeting, and (10) taking such other action as, in the discretion of the Presiding Officer, is deemed necessary, appropriate or convenient for the proper conduct of the meeting. Unless and to the extent determined by the Board or the Presiding Officer, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure. The Presiding Officer shall also rule on the precedence of, and procedure on, motions and other procedural matters. POSTPONEMENT AND CANCELLATION OF MEETINGS. Any previously scheduled annual or special meeting of the stockholders may be postponed or otherwise rescheduled, and any previously scheduled annual or special meeting of the stockholders called by the Board may be canceled, by resolution of the Board upon public notice given prior to the time previously scheduled for such meeting of stockholders. CERTAIN DEFINITIONS. (a) A person shall be deemed to be "Acting in Concert" with another person if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or



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22 understanding) in concert with, or towards a common goal relating to the leadership, management, governance, board composition, governance, strategic direction, value enhancement plans, or control of the Corporation in parallel with, such other person where (A) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (B) at least two additional factors suggest that such persons knowingly intend to act in concert or in parallel towards a common goal relating to the management, governance or control of the Corporation, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions, or making or soliciting invitations to act in concert or in parallel; provided, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a proxy or consent solicitation statement filed with the SEC on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person. (b) "Close of business" shall mean 5:00 p.m., local time, at the principal executive offices of the Corporation on any calendar day, whether or not such day is a business day. (c) "Control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise. (d) "Present in Person" shall mean that the Proponent or the Nominating Stockholder, as the case may be, or, if such person is not an individual, a qualified representative of such person, appear in person at such stockholders' meeting (unless such meeting is held by means of the Internet or other electronic technology, in which case, the Proponent or the Nominating Stockholder, as the case may be, or its qualified representative, shall be present at such meeting by means of the Internet or other electronic technology). (e) "Public disclosure" or its corollary "publicly disclosed" shall mean disclosure by the Corporation in (i) a document publicly filed by the Corporation with, or furnished by the Corporation to, the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act, (ii) a press release issued by the Corporation and distributed through the Dow Jones Newswire, Business Wire, Reuters Information Service or any similar or successor news wire or press release distribution service, or (iii) another method reasonably intended by the Corporation to achieve broad-based dissemination of the information contained therein. (f) A "qualified representative" of any stockholder means a person who is a duly authorized officer, manager or partner of such stockholder (including, as applicable, a Proponent or a Nominating Stockholder (as defined above)) or has been authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy with respect to the specific matter to be considered at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction (to the reasonable satisfaction of the Presiding Officer of the meeting) of the writing.



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23 or electronic transmission, at the meeting of stockholders prior to the taking of action by such person on behalf of the stockholder. (n) "Stockholder Associated Person" means with respect to any Proponent or Nominating Stockholder (i) any other beneficial owner of stock of the Corporation owned of record or beneficially by such Proponent or Nominating Stockholder, (ii) any Affiliate or Associate (within the meaning of Rule 12b-2 under the Exchange Act) of such Proponent or Nominating Stockholder or beneficial owner, (iii) any participant (as defined in paragraphs (a)(i)-(v) of Instruction 3 to Item 4 of Schedule 14A) with such Proponent or Nominating Stockholder in any solicitation contemplated by the Proposal Notice or the Nominating Notice, (iv) each person who may be deemed to be a member of a "group" (as such term is used in Rule 13d-5 under the Exchange Act) with any such Proponent or Nominating Stockholder or beneficial owner (or their respective Affiliates and Associates) relating to the equity securities of the Corporation, regardless of whether such person is disclosed as a member of a "group" in a Schedule 13D or an amendment thereto filed with the SEC relating to the Corporation, and (v) any person that directly, or indirectly through one or more intermediaries, controls, is controlled by, is under common control with, or is Acting in Concert with such Proponent or Nominating Stockholder or beneficial owner or a Stockholder Associated Person of such Proponent or Nominating Stockholder or beneficial owner. ARTICLE III DIRECTORS NUMBER OF DIRECTORS. The number of directors of the Corporation shall be not less than one (1) nor more than fifteen (15). Within the foregoing limits, the number of directors shall be established from time to time by the stockholders or by resolution approved by an affirmative vote of a majority of the Entire Board at any regular or special meeting thereof. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director. TERMS OF OFFICE. Each director shall be elected to serve until the next annual meeting of stockholders and until his or her successor shall be duly elected and qualified or until his or her earlier death, resignation or removal as provided in these Bylaws. Directors need not be stockholders of the Corporation. RESIGNATIONS. Any director, member of a committee or other officer may resign at any time. Such resignation shall be made in writing or by electronic transmission to the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary or any committee to which the Board has delegated the authority to accept resignations from any director; provided, however, that if such notice is given by electronic transmission, such electronic

transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the director. Subject to Section 5(d) of Article II of these By-laws and unless otherwise specified therein, such resignation shall take effect on receipt thereof. The acceptance of a resignation shall not be necessary to make it effective. A resignation that is conditioned upon the director failing to receive a specified vote for re-election as a director may provide that it is irrevocable.

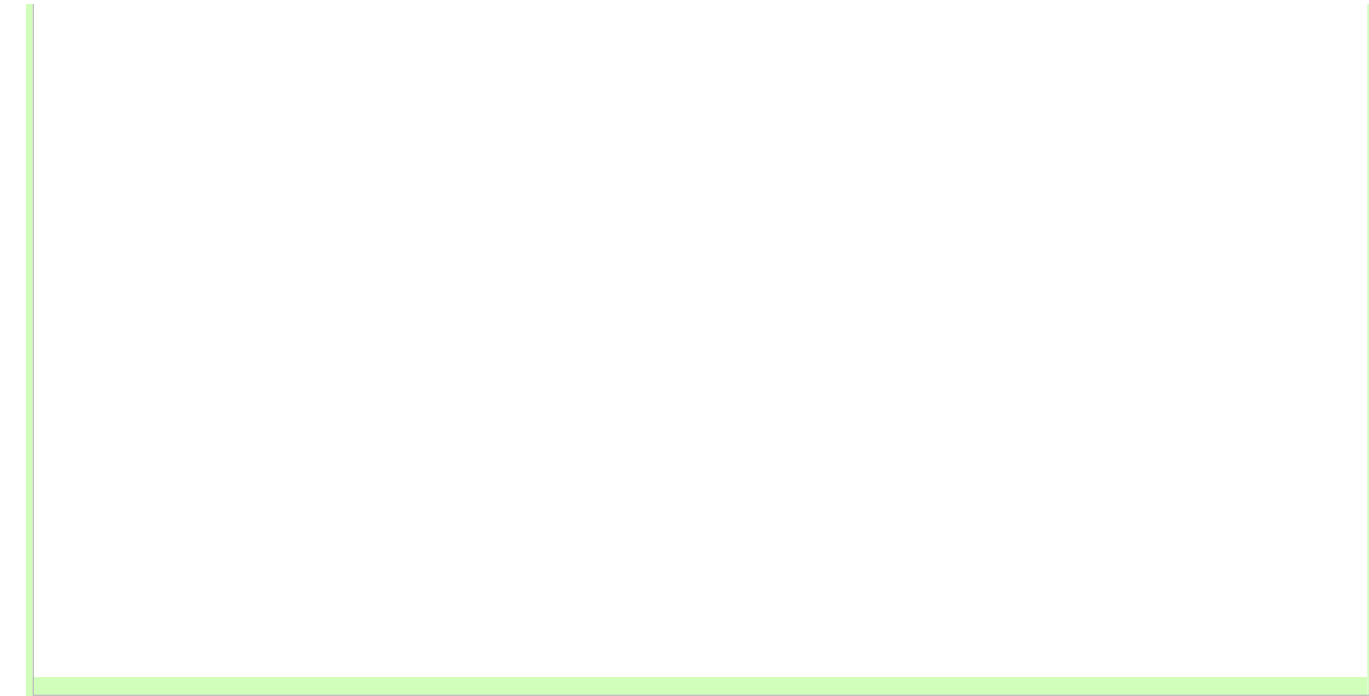


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24 VACANCIES. If the office of any director becomes vacant, including due to newly-created directorships, the remaining directors in office, by a majority vote, though less than a quorum, or by a sole remaining director, may appoint any qualified person to fill such vacancy, who shall hold office for the unexpired term and until his or her successor shall be duly chosen or until his or her earlier death, resignation or removal. In the event that the resignation of any director shall specify that it shall take effect at a future date, the vacancy resulting from such resignation may be filled prospectively in the same manner as provided in this Section 4. REMOVAL. Any director or directors may be removed, with or without cause, at any time by the affirmative vote of the holders of a majority of all the shares of stock outstanding and entitled to vote in any annual election of directors, at a special meeting of the stockholders called in accordance with the provisions of Article II, Section 8, of these By-laws expressly for that purpose, and by like vote of the stockholders the director vacancies thus created may be filled, at the special meeting held for the purpose of removal. INCREASE OR DECREASE OF MAXIMUM NUMBER OF DIRECTORS. The maximum number of directors on the Board may be increased or decreased by amendment of these By-laws approved by the affirmative vote of a majority of the Entire Board or by the affirmative vote of the holders of a majority of all the shares of stock outstanding and entitled to vote, at the annual meeting or at a special meeting expressly called for that purpose. By like vote, the size of the Board may be increased or decreased concurrently with an increase or decrease in the maximum number of directors. By further like vote, additional directors may be elected by the Board, or by the stockholders at an annual or special meeting, to fill any vacancy on the Board caused by an increase in the size of the Board to hold office until the next annual election of directors and until their successors are elected and qualify or until their earlier death, resignation or removal; provided, however, that no decrease in the maximum number of directors on the Board shall shorten the term of any incumbent director. POWERS. The business and affairs of the Corporation shall be managed by the Board, which may exercise all of the powers of the Corporation and do all such lawful acts and things except such as are by law, by the Certificate of Incorporation or by these By-laws conferred upon or reserved to the stockholders. COMMITTEES. (a) The Board may, by resolution or resolutions approved by the affirmative vote of a majority of the Entire Board, designate one or more committees, each committee to consist of three or more directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except as otherwise provided in the Certificate of Incorporation, these By-laws or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee



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25 (b) Any such committee, to the extent provided in the resolution of the Board, or in these By-laws, shall have and may exercise all the powers and authority of the Board to the extent provided by Section 141(c) of the DGCL as it exists now or may hereafter be amended. MEETINGS. (a) In connection with each annual meeting of stockholders for the election of directors, the Board may, but is not required to, meet at the place of the annual meeting of the stockholders for the purpose of organization, the election of officers and the transaction of other business. Notice of such meeting need not be given. If such meeting is held at any other time or place, notice thereof must be given as hereinafter provided for special meetings of the Board, subject to the execution of a waiver of the notice thereof signed by, or the attendance at such meeting of, all directors who may not have received such notice. (b) Regular meetings of the directors may be held, without notice, within or without the State of Delaware, at such places and times as shall be determined from time to time by resolution of the Board. (c) Special meetings of the Board may be called by the Chairman of the Board, the Chief Executive Officer or the Secretary upon the written request of any two (2) directors on at least twenty-four (24) hours' prior notice given to each director of the date, time and place or places of such meeting (except that notice to any director may be waived in writing by such director and will be deemed waived by such director by attendance of the director at such meeting). (d) Unless otherwise restricted by the Certificate of Incorporation or by these By-laws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting. QUORUM. (a) A majority of the total number of directors shall constitute a quorum for the transaction of business. If, at any meeting of the Board, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned. (b) At all meetings of the Board at which a quorum is present, the affirmative vote of a majority of the directors present at the meeting shall be the act of the Board, except as otherwise provided by applicable law, by the Certificate of Incorporation or by these By-laws. COMPENSATION. Directors shall, for their services as member of the Board or as members of committees, be entitled to receive such remuneration, in the form of cash or equity of the Corporation or other compensation, or a combination thereof, as may be fixed from time to time by resolution approved by an affirmative vote of the Entire Board, including, if so approved, reasonable annual fees and reasonable fees for attending meetings of the Board and meetings of any committee of the Board. Directors may also be reimbursed by the



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26. Corporation for all reasonable expenses incurred in traveling to and from any such meetings. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting, if prior to such action the directors or committee members unanimously consent to such action in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee, as applicable. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. RULES AND REGULATIONS. The Board may adopt such rules and regulations for the conduct of its meetings and for the management of the property, affairs and business of the Corporation as it may deem necessary or appropriate, except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. ORGANIZATION. The Board shall from time to time, but in no event less frequently than annually, elect a Chairman of the Board from among the directors. Such Chairman of the Board shall be elected by resolution of the Board adopted by the affirmative vote of a majority of the Entire Board. The Chairman of the Board may be, but is not required to be, an officer or employee of the Corporation. Meetings of the Board shall be presided over by the Chairman of the Board, or such other person as the Board may determine. The Secretary of the Corporation shall act as secretary of meetings of the Board, and in his or her absence such other person as the person presiding over the meeting may appoint. ARTICLE IV OFFICERS OFFICERS. The officers of the Corporation shall include a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer, and a Secretary, all of whom shall be elected by the Board, and such other officers, including one or more Vice Presidents and Assistant Secretaries and Assistant Treasurers, as the Board may from time to time deem necessary or appropriate, each of whom shall have such titles, duties, powers and functions as may be determined from time to time by resolution of the Board and each of whom shall hold office until their successors are elected and qualified or until their earlier death, resignation or removal. None of the officers of the Corporation need be directors (except for the Chairman of the Board, if any) or stockholders. The officers of the Corporation shall be elected annually by the Board. More than one office may be held by the same person and one person may hold the offices and perform the duties of any two or more of said officers. The compensation of all officers of the Corporation shall be fixed by the Board or a duly authorized committee thereof. OTHER OFFICERS AND AGENTS. The Board may appoint such other officers and agents as it may deem advisable, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the



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ARTICLE V MISCELLANEOUS CERTIFICATES OF STOCK. (a) Shares of capital stock of the Corporation may be certificated or uncertificated. Certificates of stock shall be signed by the Chairman of the Board, if one be elected, the President or a Vice President, and the Treasurer or an Assistant Treasurer, or Secretary or an Assistant Secretary, and sealed with the seal of the Corporation, and shall certify the number of shares owned by a stockholder in the Corporation. Any of or all of the signatures may be facsimiles. Certificates of stock shall be in such form as the Board may from time to time adopt and shall be countersigned and registered in such manner, if any, as the Board may prescribe. In case any officer who shall have signed, or whose facsimile signature shall have been used on any such certificate, shall cease to be such officer of the Corporation before such certificate shall have been issued by the Corporation, such certificate may nevertheless be adopted by the Corporation and be issued and delivered as though the person who signed such certificate, or whose facsimile signature shall have been used thereon, had not ceased to be such officer; and such issuance and delivery shall constitute adoption of such certificate by the Corporation.



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28 (b) There shall be entered on the books of the Corporation the number of uncertificated shares (and class or series, if any) issued, each stock certificate issued and the number (and class or series, if any) of shares represented by such stock certificate, the name and address of the person to whom such certificate or uncertificated shares was issued and the date of issuance thereof. LOST, STOLEN OR DESTROYED CERTIFICATES. A new certificate of stock or uncertificated shares in place of any certificate or certificates previously issued by the Corporation may be issued in the place of any certificate theretofore issued by the Corporation, alleged to have been lost, stolen or destroyed, and the directors may, in their discretion, require the owner of the lost, stolen or destroyed certificate, or his, her or its legal representatives, to give the Corporation a bond, in such sum as they may direct, not exceeding double the value of the stock, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate, or the issuance of any such new certificate or uncertificated shares and to provide such evidence of loss, theft or destruction as the Board may require. TRANSFER OF SHARES. The shares of stock of the Corporation shall be transferable only upon its books by the holders of record thereof in person or by their duly authorized attorneys or legal representatives, and upon such transfer the old certificates, if such shares are certificated, shall be surrendered, along with such evidence of the authenticity of such transfer, authorization and other matters as the Corporation or its agents may reasonably require, to the Corporation by the delivery thereof to the person in charge of the stock and transfer books, or to such other person as the directors may designate, by whom they shall be cancelled, and new certificates or evidence of the issuance of uncertificated shares to the person entitled thereto shall thereupon be issued. Upon the receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be cancelled, issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation. A record shall be made of each transfer and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer. REGULATIONS, TRANSFER AGENTS AND REGISTRARS. The Board may make such rules and regulations as it may deem expedient concerning the issuance and transfer of certificates for shares of the stock of the Corporation, may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars, and may require all certificates of stock to bear the signature of either or both. Nothing herein shall be construed to prohibit the Corporation from acting as its own transfer agent at any of its offices. STOCKHOLDERS RECORD DATE. Except as otherwise provided in these By-laws, in order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board, by resolution of the Board adopted by the affirmative vote of a majority of the Entire Board, may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date (a) in

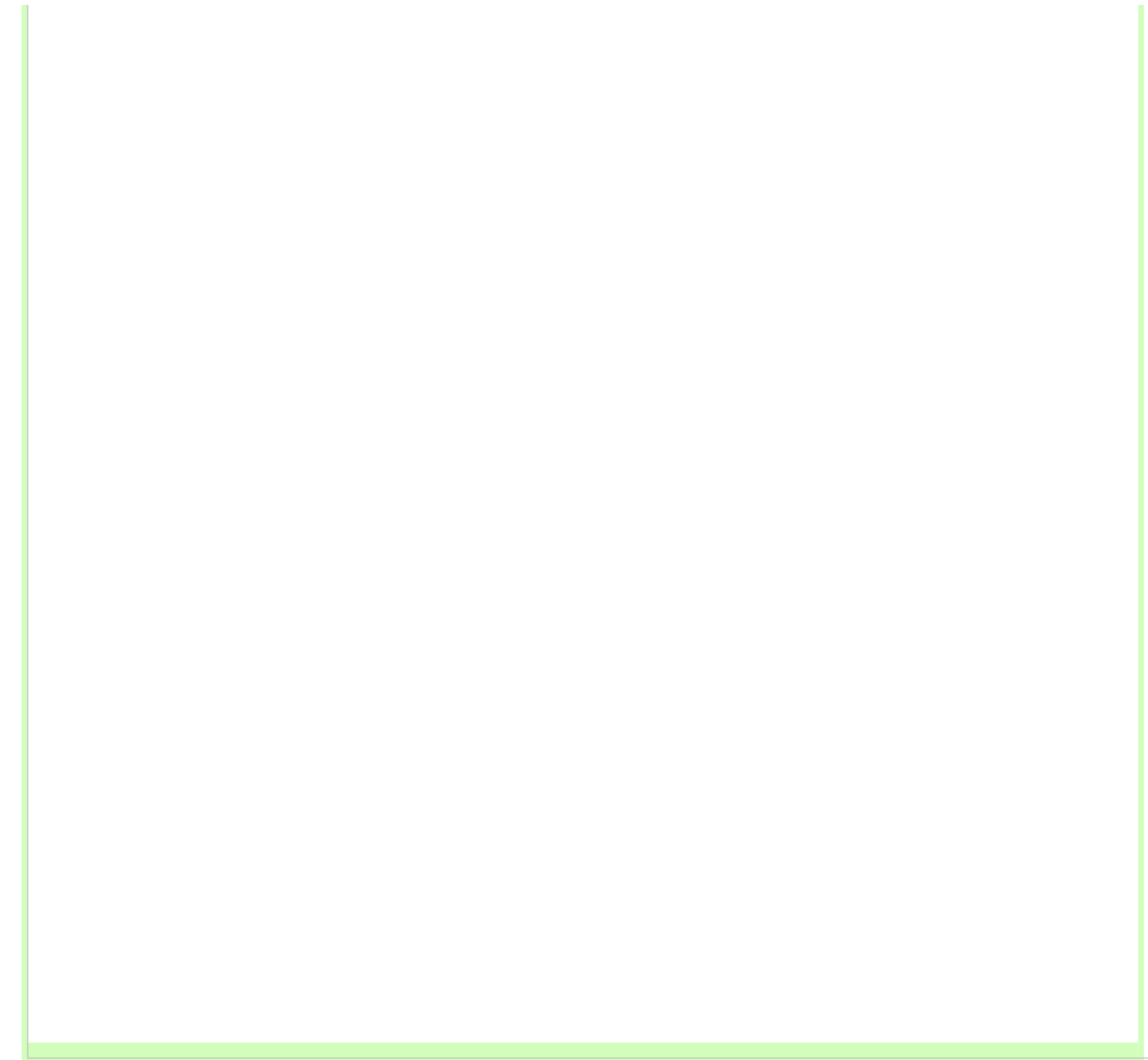


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29 the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, unless otherwise required by applicable law, shall not be more than sixty (60) calendar days nor less than ten (10) calendar days before the date of such meeting, and (b) in the case of any other action, shall not be more than sixty (60) calendar days prior to such action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business of the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting. Notwithstanding anything in this Section 5 to the contrary, a record date for determining stockholders entitled to take action by written consent shall be fixed in accordance with Section 10 of Article II of these Bylaws. STOCKHOLDERS RECORD OWNERSHIP. The Corporation shall be entitled to recognize the exclusive right of a person registered as such on the books of the Corporation as the owner of shares of the Corporation's stock to receive dividends and to vote as such owner. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, regardless of whether the Corporation shall have express or other notice thereof, except as otherwise provided by law. DIVIDENDS AND RESERVES. Subject to the applicable provisions of law or of the Certificate of Incorporation, the Board may, out of funds legally available therefor, at any regular or special meeting, declare dividends upon the capital stock of the Corporation as and when they deem expedient. Before declaring any dividend there may be set apart out of any funds of the Corporation available for dividends, such sum or sums as the directors from time to time in their discretion deem proper for working capital, or as a reserve fund to meet contingencies, or for equalizing dividends, or for the purpose of repaying, maintaining or increasing the property or business of the Corporation or for such other purposes as the directors shall deem conducive to the interests of the Corporation. The Board may, in its discretion, modify or abolish any such reserve at any time. SEAL. The corporate seal of the Corporation shall be in such form as shall be determined by resolution of the Board. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, engraved, printed or otherwise represented upon the subject document or paper. FISCAL YEAR. The fiscal year of the Corporation shall be determined by resolution of the Board. EXECUTION OF INSTRUMENTS. All agreements, deeds, contracts, proxies, covenants, bonds, checks, drafts or other orders for the payment of money, bills of exchange, notes, acceptances and endorsements, and all evidences of indebtedness and other documents, instruments or writings of any nature whatsoever, issued in the name of the Corporation, shall be signed by such officers, agents or employees of the Corporation, or by any one of them, and in such manner, as from time to time may be determined, either generally or in



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30 specific instances, by the Board or by such officer or officers to whom the Board may delegate the power to so determine. STOCK OF OTHER CORPORATIONS. Subject to such limitations as the Board may from time to time prescribe, any officer of the Corporation shall have full power and authority on behalf of the Corporation to attend, to act and vote at, and to waive notice of, any meeting of stockholders of any corporations, shares of stock of which are owned by or stand in the name of the Corporation, and to execute and deliver proxies and actions in writing for the voting of any such shares, and at any such meeting or by action in writing may exercise on behalf of the Corporation any and all rights and powers incident to the ownership of such shares. NOTICE AND WAIVER OF NOTICE. (a) Whenever any notice is required by these By-laws to be given, personal notice is not meant unless expressly so stated, and any notice requirement shall be deemed satisfied when given either by personal notice, by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his, her or its address as it appears on the records of the Corporation (such notice shall be deemed to have been given on the day of such mailing), by electronic transmission (in a manner consistent with the DGCL) or by any other manner permitted by applicable law. (b) Stockholders not entitled to vote at a meeting of stockholders shall not be entitled to receive notice of such meeting except as otherwise required by applicable law. (c) Whenever any notice whatever is required to be given under the provisions of any applicable law, or under the provisions of the Certificate of Incorporation or these By-laws, a waiver thereof in writing or by electronic transmission, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. (d) Attendance of a person at a meeting, whether of stockholders (in person or by proxy) or of directors or of any committee of the Board, shall constitute a waiver of notice of such meeting, except when such person attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not legally called or convened. BOOKS, ACCOUNTS AND OTHER RECORDS. Except as otherwise provided by law, the books, accounts and other records of the Corporation shall be kept at such place or places (within or without the state of Delaware) as the Board, the Chairman or the Chief Executive Officer may, from time to time, designate. SUBJECT TO LAW AND THE CERTIFICATE OF INCORPORATION. All powers, duties and responsibilities provided for in these By-Laws, whether or not explicitly so qualified, are qualified by the provisions of the Certificate of Incorporation and applicable laws. SEVERABILITY. If any provision of these By-laws is determined to be illegal or unenforceable as such, such illegality or unenforceability shall not affect any other provision of these By-laws and such other provisions shall continue in full force and effect.



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31 ARTICLE VI INDEMNIFICATION INDEMNIFICATION FOR PROCEEDINGS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. Subject to the other provisions of this Article VI and the Certificate of Incorporation, any person (and the spouses, heirs, executors, administrators and estate of such person) who was or is made a party or is threatened to be made a party to or is otherwise involved in any Proceeding (as defined in Section 19 of this Article VI), other than an action by or in the right of the Corporation, by reason of the fact that such person, or another person of whom such person is the legal representative, is or was serving in an Official Capacity (as defined in Section 19 of this Article VI) for the Corporation, or, while serving in an Official Capacity for the Corporation, is or was serving, at the request of, for the convenience of, or to represent the interests of, the Corporation, in an Official Capacity for another corporation, limited liability company, partnership, joint venture, trust, association, or other entity or enterprise, whether for profit or not-for profit, including any subsidiaries of the Corporation, and any employee benefit plans maintained or sponsored by the Corporation (an "Other Enterprise"), whether the basis of such Proceeding is an alleged action in an Official Capacity or in any other capacity while serving in an Official Capacity, or is an employee of the Corporation, specifically designated by the Board as an indemnified employee (hereinafter, each of the foregoing persons, a "Covered Person"), shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL (as the same exists or may hereafter be amended, but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against any and all Expenses (as defined in Section 19 of this Article VI) actually and reasonably incurred or suffered by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

INDEMNIFICATION FOR PROCEEDINGS BY OR IN THE RIGHT OF THE CORPORATION. Subject to the other provisions of this Article VI and the Certificate of Incorporation, the Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL (as the same exists now or as it may be hereinafter amended, but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), any Covered Person who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, a Proceeding by or in the right of the Corporation against Expenses actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person, or another person of whom such person is the legal representative, shall have been adjudged to be liable to the Corporation unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such Expenses which the court shall deem proper.



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34 its sole discretion, pursuant to the powers vested in the Corporation under applicable law, (iii) otherwise made under Section 5 of this Article VI, or (iv) otherwise required by applicable law, or (a) if prohibited by the DGCL or other applicable law. Notwithstanding any other provision of this Article VI, no indemnification shall be provided hereunder to any such person if a final adjudication adverse to the director or officer of the Corporation, and from which there is no further right to appeal, establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, (ii) he or she received an Improper Personal Benefit (as defined below), or (iii) with respect to any criminal action or proceeding, including, but not limited to, any violations of the U.S. federal securities laws, he or she had reasonable cause to believe his or her conduct was unlawful. "Improper Personal Benefit" shall mean a person's receipt of a personal gain in fact by reason of a person's Official Capacity of a financial profit, monies or other advantage not also accruing to the benefit of the Corporation or to the stockholders generally and which is unrelated to his or her usual compensation by the Corporation for serving as a director or officer, including, but not limited to, (1) in exchange for the exercise of influence over the Corporation's affairs, (2) as a result of the diversion of a corporate opportunity, or (3) pursuant to the use or communication of confidential or inside information relating to the Corporation or its business or affairs for the purpose of generating a profit from trading in the Corporation's securities or providing a benefit to a third party, including, without the express consent of the Board, assisting a third party who is seeking to change the composition of the Board, management of the Corporation or the policies or strategic direction of the Corporation. PROCEDURE FOR INDEMNIFICATION: DETERMINATION. (a) To obtain indemnification under this Article VI, a Covered Person shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the Covered Person and is reasonably necessary to determine whether and to what extent the Covered Person is entitled to indemnification. (b) Upon written request by a Covered Person for indemnification, a determination (the "Determination"), if required by applicable law, with respect to the Covered Person's entitlement thereto shall be made as follows: (i) by the Board by majority vote of a quorum consisting of Disinterested Directors (as defined in this Article VI, Section 19), (ii) if such a quorum of Disinterested Directors cannot be obtained, by majority vote of a committee duly designated by the Board (all directors, whether or not Disinterested Directors, may participate in such designation) consisting solely of two or more Disinterested Directors, (iii) if such a committee cannot be designated, by any Independent Counsel (as defined in this Article VI, Section 19) selected by the Board, as prescribed in clause (i) above or by the committee of the Board prescribed in clause (ii) above, in a written opinion to the Board, a copy of which shall be delivered to the Covered Person; or if a quorum of the Board cannot be obtained for clause (i) above and the committee cannot be designated under clause (ii) above, selected by a majority vote of the Board (in which directors who are parties may participate); or (iv) if such Independent Counsel determination cannot be obtained, by a majority vote of a quorum of stockholders consisting of



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35 stockholders who are not parties to such Proceeding, or if no such quorum is obtainable, by a majority vote of stockholders who are not parties to the Proceeding, (c) If, in regard to any Expenses (i) the Covered Person shall be entitled to indemnification pursuant to Article VI, Section 3, (ii) no determination with respect to the Covered Person's entitlement is legally required as a condition to indemnification of the Covered Person hereunder, or (iii) the Covered Person has been determined pursuant to Article VI, Section 7(b) to be entitled to indemnification hereunder, then payments of the Expenses shall be made as soon as practicable but in any event no later than thirty (30) calendar days after the later of (A) the date on which written demand is presented to the Corporation pursuant to Article VI, Section 7(a) or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) of this Section 7(c) is satisfied, (d) If (i) the Corporation (including by its Disinterested Directors, Independent Counsel or stockholders) determines that the Covered Person is not entitled to be indemnified in whole or in part under applicable law, (y) any amount of Expenses is not paid in full by the Corporation according to Article VI, Section 7(c) after the Determination is made pursuant to Article VI, Section 7(b) that the Indemnitee is entitled to be indemnified, or (z) any amount of any requested advancement of Expenses is not paid in full by the Corporation according to Article VI, Section 5 above after a request and an undertaking pursuant to Article VI, Section 5 above have been received by the Corporation, in each case, the Covered Person shall have the right to commence litigation in any court of competent jurisdiction, either challenging any such Determination, which shall not be binding, or any aspect thereof (including the legal or factual bases therefor), seeking to recover the unpaid amount of Expenses and otherwise to enforce the Corporation's obligations under these By-laws and, if successful in whole or in part, the Covered Person shall be entitled to be paid also any and all Expenses incurred in connection with prosecuting such claim. In any such suit, the Corporation shall, to the fullest extent not prohibited by law, have the burden of proof and the burden of persuasion, to establish by clear and convincing evidence, that the Covered Person is not entitled to either (i) the requested indemnification or, (ii) except where the required undertaking, if any, has not been tendered to the Corporation, the requested advancement of Expenses. If the Covered Person commences legal proceedings in a court of competent jurisdiction to secure a determination that the Covered Person should be indemnified under applicable law, any such judicial proceeding shall be conducted in all respects as a de novo trial, on the merits, the Covered Person shall continue to be entitled to receive Expense advancements, and the Covered Person shall not be required to reimburse the Corporation for any Expenses advanced, unless and until a final judicial determination is made (as to which all rights of appeal therefrom have been exhausted or lapsed) that the Covered Person is not entitled to be so indemnified under applicable law. Neither the failure of the Corporation (including its Disinterested Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the Covered Person is proper in the circumstances because he or she has met the applicable standard of conduct set forth under the DGCL or other applicable law, nor an actual determination by the Corporation (including its Disinterested Directors, Independent Counsel or stockholders) that the Covered Person has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Covered Person has not met the applicable standard of conduct.



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36 (e) The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful. (f) Notwithstanding anything contained herein to the contrary, if a Determination shall have been made pursuant to Article VI, Section 7(b) above that the Covered Person is entitled to indemnification, the Corporation shall be bound by such Determination in any judicial proceeding commenced pursuant to Article VI, Section 7(d) above. (g) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Article VI, Section 7(d) above that the procedures and presumptions of these By-laws are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of these By-laws. PROCEDURES FOR THE DETERMINATION OF WHETHER STANDARDS HAVE BEEN SATISFIED. (a) All costs incurred by the Corporation in making the Determination shall be borne solely by the Corporation, including, but not limited to, the costs of legal counsel, proxy solicitations and judicial determinations. The Corporation shall also be solely responsible for paying all costs incurred by it in defending any suits or Proceedings challenging payments by the Corporation to a Covered Person under these By-laws. (b) The Corporation shall use its best efforts to make the Determination contemplated by this Article VI, Section 7(b) hereof as promptly as is reasonably practicable under the circumstances. NON-EXCLUSIVITY OF RIGHTS. The right to indemnification and the advancement of Expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Article VI shall not be deemed exclusive of any other rights to which any Covered Person seeking indemnification or advancement of Expenses may be entitled to under any law (common law or statutory law), provision of the Certificate of Incorporation, by-law, agreement, insurance policy, vote of stockholders or Disinterested Directors or otherwise, both as to action in such person's Official Capacity and as to action in another capacity while holding such office or while employed by or acting as agent for the Corporation, and shall continue as to a person who has ceased to be a Covered Person and shall inure to the benefit of the spouses, heirs, executors and administrators of such a person. The Corporation is specifically authorized to enter into an agreement with any of its directors, officers, employees or agents providing for indemnification and advancement of Expenses that may change, enhance, qualify or limit any right to indemnification or the advancement of Expenses provided by this Article VI, to the fullest extent not prohibited by the DGCL or other applicable law. CONTINUATION OF RIGHTS. The rights of indemnification and advancement of Expenses provided in this Article VI shall continue as to any person who has



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37 ceased to serve in an Official Capacity and shall inure to the benefit of his or her spouses, heirs, executors, administrators and estates. CONTRACT RIGHTS. Without the necessity of entering into an express contract with any Covered Person, the obligations of the Corporation to indemnify a Covered Person under this Article VI, including the duty to advance Expenses, shall be considered a contract right between the Corporation and such individual and shall be effective to the same extent and as if provided for in a contract between the Corporation and the Covered Person. Such contract right shall be deemed to vest at the commencement of such Covered Person's service to or at the request of the Corporation, and no amendment, modification or repeal of this Article VI shall affect, to the detriment of the Covered Person and such Covered Person's heirs, executors, administrators and estate, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal. SUBROGATION. In the event of payment of indemnification to a Covered Person, the Corporation shall be subrogated to the extent of such payment to any right of recovery such person may have and such person, as a condition of receiving indemnification from the Corporation, shall execute all documents and do all things that the Corporation may deem necessary or desirable to perfect such right of recovery, including the execution of such documents necessary to enable the Corporation effectively to enforce any such recovery. NO DUPLICATION OF PAYMENTS. The Corporation shall not be liable under this Article VI to make any payment in connection with any claim made against a Covered Person to the extent such person has otherwise received payment (under any insurance policy, by-law, agreement or otherwise) of the amounts otherwise payable as indemnity hereunder. INSURANCE AND FUNDING. (a) The Corporation shall purchase and maintain insurance, at its expense, to protect itself and any person against any liability or expense asserted against or incurred by such person in connection with any Proceeding, to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article VI or the DGCL or otherwise, provided that such insurance is available on acceptable terms, which determination shall be made by resolution of the Board adopted by the affirmative vote of a majority of the Entire Board. The Corporation may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to insure the payment of such sums as may become necessary to effect the indemnification provided herein. (b) Any full or partial payment by an insurance company under any insurance policy covering any Covered Person indemnified above made to or on behalf of a Covered Person under this Article VI shall relieve the Corporation of its liability for indemnification provided for under this Article VI or otherwise to the extent of such payment. (c) In the absence of fraud, (i) the decision of the Board as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to this Section 14 and the choice of the person to provide the insurance or other financial arrangement is



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38 conclusive, and (ii) the insurance or other financial arrangement does not subject any director approving it to personal liability for his or her action in approving the insurance or other financial arrangement; even if a director approving the insurance or other financial arrangement is a beneficiary of the insurance or other financial arrangement. SEVERABILITY. If this Article VI or any word, clause, provision or other portion hereof or any award made hereunder shall for any reason be determined to be invalid on any ground by any court of competent jurisdiction, the provisions hereof shall not otherwise be affected thereby but shall remain in full force and effect, and the Corporation shall nevertheless indemnify and hold harmless each Covered Person indemnified pursuant to this Article VI as to all Expenses with respect to any Proceeding to the fullest extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the fullest extent permitted by applicable law. NO IMPUTATION. The knowledge and/or actions, or failure to act, of any officer, director, employee or representative of the Corporation, an Other Enterprise or any other person shall not be imputed to a Covered Person for purposes of determining the right to indemnification under this Article VI. RELIANCE. Persons who after the date of the adoption of this Article VI or any amendment thereto serve or continue to serve the Corporation in an Official Capacity or who, while serving in an Official Capacity, serve or continue to serve in an Official Capacity for an Other Enterprise, shall be conclusively presumed to have relied on the rights to

indemnification and advancement of Expenses contained in this Article VI. NOTICES. Any notice, request or other communication required or permitted to be given to the Corporation under this Article VI shall be in writing and either delivered in person or sent by U.S. mail, overnight courier or by e-mail or other electronic transmission, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary. CERTAIN DEFINITIONS. (a) The term "Corporation" shall include, in addition to Denny's Corporation and, in the event of a consolidation or merger involving the Corporation, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of an Other Enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. (b) The term "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the Covered Person.

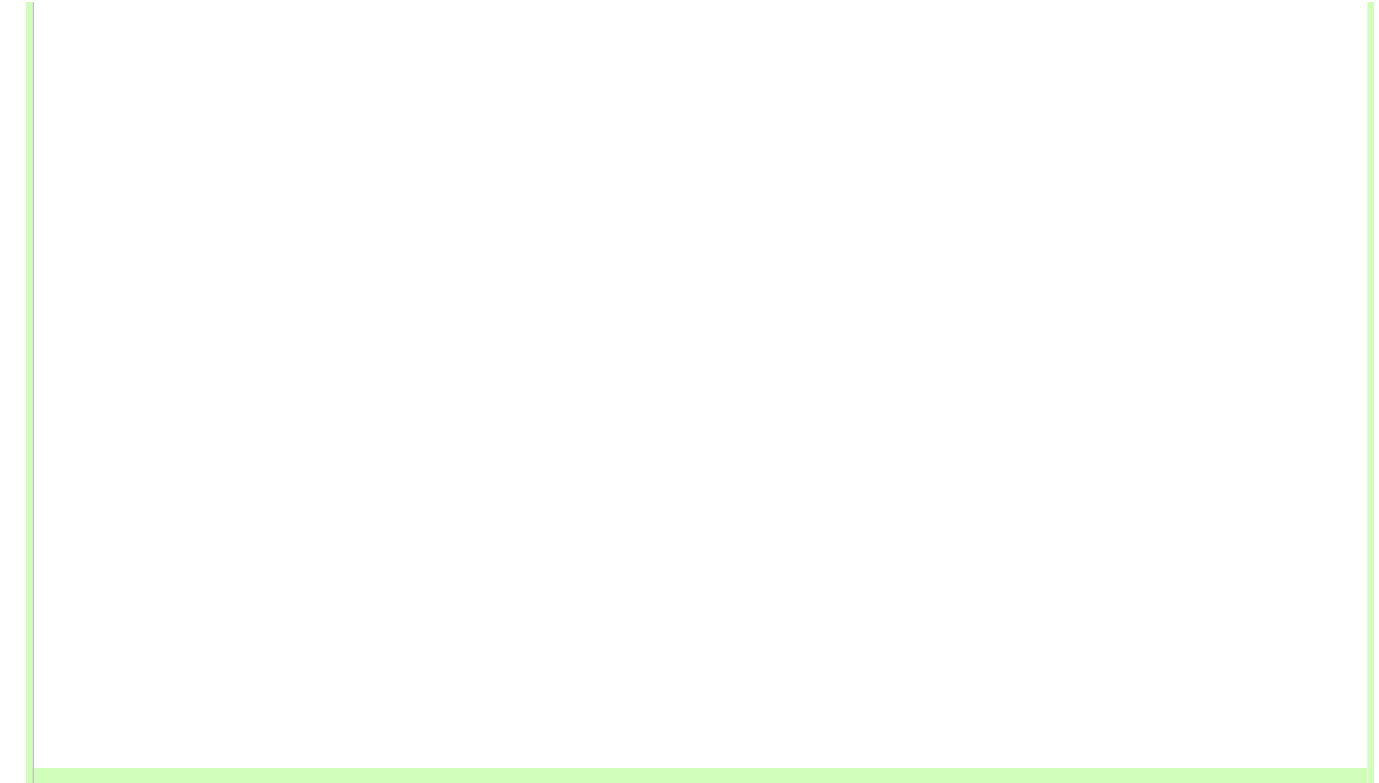


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39 (c) The term "Expenses" shall be mean all direct and indirect losses, liabilities, damages, expenses, including fees and expenses of attorneys, fees and expenses of accountants, court costs, transcript costs, fees and expenses of experts, witness fees and expenses, travel expenses, printing and binding costs, telephone charges, delivery service fees, the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents), judgments, fines, penalties (whether civil, criminal or other), ERISA excise taxes assessed on a person with respect to an employee benefit plan, and amounts paid or payable in connection with any judgment, award or settlement, including any interest, assessments, any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any indemnification or expense advancement payments, and all other disbursements or expenses incurred in connection with (i) the investigation, preparation, prosecution, defense, mediation, arbitration, appeal or settlement of a Proceeding, (ii) serving as an actual or prospective witness, or preparing to be a witness in a Proceeding, or other participation in, or other preparation for, any Proceeding, or otherwise being asked to participate in or respond to any discovery related to a Proceeding, (iii) any compulsory interviews or depositions related to a Proceeding, (iv) any non-compulsory interviews or depositions related to a Proceeding, subject to the person receiving advance written approval by the Corporation to participate in such interviews or depositions, and (v) responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses shall also include any federal, state, local and foreign taxes imposed on such person as a result of the actual or deemed receipt of any payments under this Article VI. (d) The term "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporate law and neither currently is, nor in the five (5) years previous to its selection has been, retained to represent (i) the Corporation or the Covered Person in any matter material to either such party (other than with respect to matters concerning the Covered Person under this Article VI) or other indemnitees concerning similar indemnification arrangements or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Corporation or the Covered Person in an action to determine the Covered Person's rights under this Article VI. (e) The term "not opposed to the best interest of the Corporation," when used in the context of a Covered Person's service with respect to employee benefit plans maintained or sponsored by the Corporation, describes the actions of a person who acts in good faith and in a manner he or she reasonably believes to be in the best interests of the participants and beneficiaries of an employee benefit plan. (f) The term "Official Capacity" shall mean (i) service as a director or officer of the Corporation or (ii) while serving as a director or officer of the Corporation, service, at the request of the Corporation, as an officer, director, manager, member, partner, tax matters partner, employee, agent, fiduciary, trustee or other representative of the Corporation or an Other Enterprise. (g) The term "Proceeding" shall mean any threatened, pending or completed action, suit, investigation (including any internal investigation), inquiry, hearing, mediation,



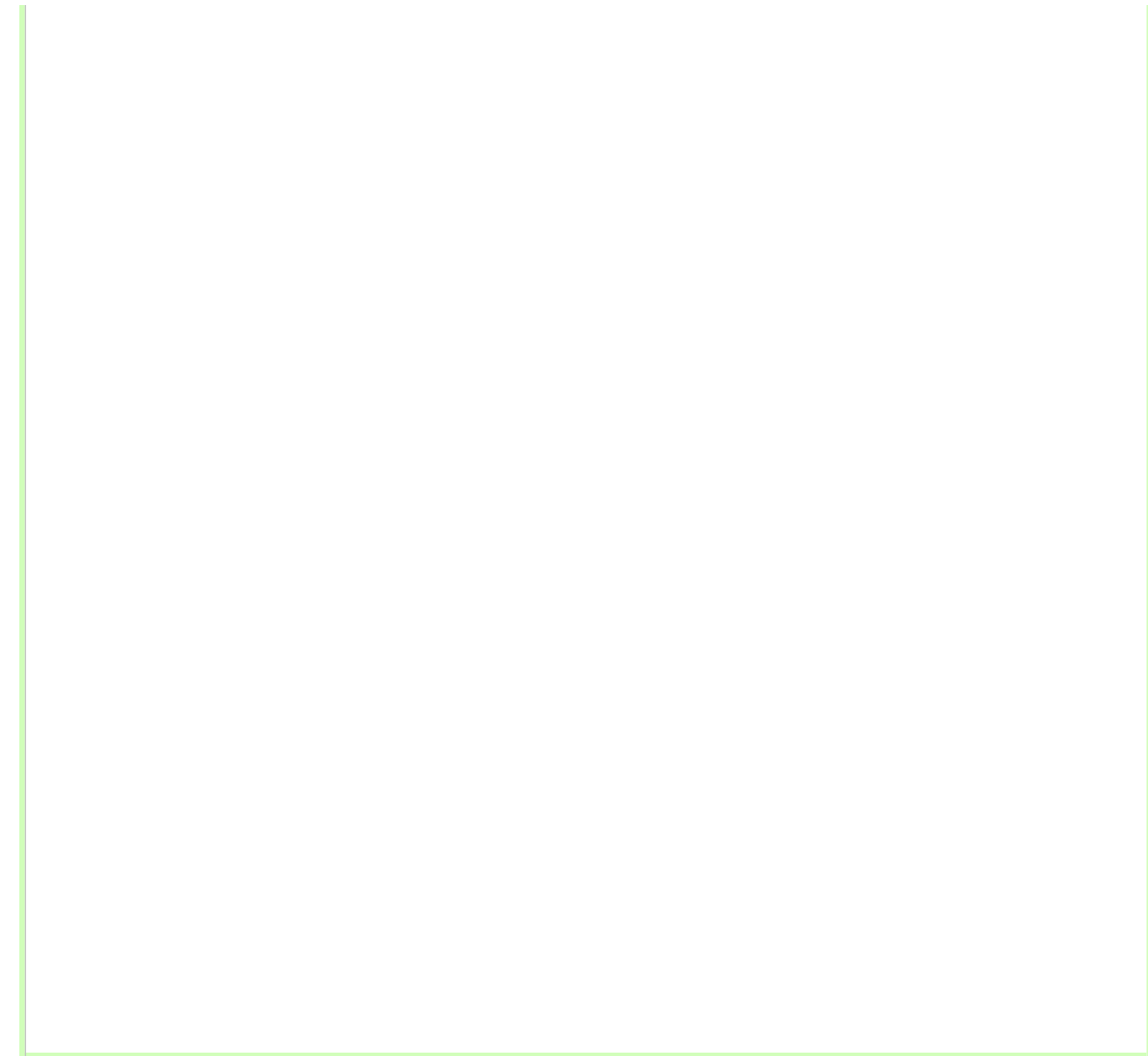
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40 arbitration, other alternative dispute mechanism or any other proceeding, whether civil, criminal, administrative, regulatory, arbitrative, legislative, investigative or otherwise and whether formal or informal, or any appeal of any kind therefrom, including an action initiated by a Covered Person to enforce a Covered Person's rights to indemnification or advancement of Expenses under these By-laws, and whether instituted by or in the right of the Corporation, a governmental agency, the Board, any authorized committee thereof, a class of its security holders or any other party, and whether made pursuant to federal, state or other law, or any inquiry, hearing or investigation (including any internal investigation), whether formal or informal, whether instituted by or in the right of the Corporation, a governmental agency, the Board, any committee thereof, a class of its security holders, or any other party that the Covered Person believes might lead to the institution of any such proceeding. (h) The term "serving at the request of the Corporation" shall include any service by an officer or director of the Corporation to the Corporation or an Other Enterprise, including any service as an officer, director, manager, member, partner, tax matters partner, employee, agent, fiduciary, trustee or other representative of the Corporation or an Other Enterprise, including service relating to an employee benefit plan and its participants or beneficiaries, at the request of, for the convenience of, or to represent the interests of, the Corporation or any subsidiary of the Corporation. For the purposes of these By-laws, a director's or officer's service to the Corporation or an Other Enterprise shall be presumed to be "serving at the request of the Corporation," unless it is conclusively determined to the contrary by a majority vote of the directors of the Corporation, excluding, if applicable, such director. With respect to such determination, it shall not be necessary for the Covered Person to show any actual or prior request by the Corporation or its Board for such service to the Corporation or such Other Enterprise. INTENT OF ARTICLE: The intent of this Article VI is to provide for indemnification to the fullest extent permitted by the applicable laws of the State of Delaware. To the extent that such applicable laws may be amended or supplemented from time to time, this Article VI shall be amended automatically and construed so as to permit indemnification to the fullest extent from time to time permitted by applicable law. Neither an amendment nor repeal of this Article VI, nor the adoption of any provision of these By-laws inconsistent with this Article VI, shall eliminate or reduce the effect of this Article VI in respect of any matter occurring, or action or proceeding accruing or arising or that, but for this Article VI, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision. ARTICLE VII AMENDMENTS AMENDMENTS BY STOCKHOLDERS: Except as otherwise provided in the Certificate of Incorporation, the DGCL or other applicable law or regulation, these By-laws may be altered, amended or repealed by the stockholders of the Corporation at any annual meeting of the stockholders or at any special meeting thereof called in accordance with these By-laws by the affirmative vote of the holders of shares constituting a majority of the voting power of all of the then outstanding shares of capital stock generally entitled to vote thereat in the election of directors if, in addition to any other notice or requirements contained herein or pursuant to the



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41 DGCL, the Exchange Act and other applicable law or regulation, notice of such alteration, amendment or repeal is contained in or accompanies the notice or waiver of notice of such meeting of stockholders, which notice shall also include or be accompanied by the text of any resolution calling for any such alteration, amendment or repeal. AMENDMENTS BY THE BOARD. Except as otherwise provided in the Certificate of Incorporation, the DGCL or other applicable law or regulation, these By-laws may be amended, altered or repealed by the Board, by resolution adopted by the affirmative vote of a majority of the Entire Board at any regular or special meeting of the Board, if, in addition to any other notice or requirements contained herein or pursuant to the DGCL, the Exchange Act, and other applicable law or regulation, notice of such alteration, amendment or repeal is contained in or accompanies the notice or waiver of notice of such meeting, which notice shall also include or be accompanied by the text of any resolution calling for any such alteration, amendment or repeal; provided, however, that no By-law provision validly adopted or amended by action of the stockholders may be repealed or amended by the Board, and no By-law provision repealed by action of the stockholders may be added subsequent to the date of such repeal by the Board, such actions with respect to such By-law provisions being reserved to the stockholders. ARTICLE VIII FORUM As authorized by Section 115 of the General Corporation Law of the State of Delaware, unless the Board, acting on behalf of the Corporation, consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any and all internal corporate claims, including, but not limited to, (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any stockholder, director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine.



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1 DENNY'S CORPORATION AMENDED AND RESTATED INSIDER TRADING POLICY (as of August 28, 2024) In the course of conducting the business of Denny's Corporation ("Denny's" and together with its affiliates, the "Company"), you may at times have information about the Company or another entity that generally is not available to the public. The Company recognizes that its employees have great confidence in and are enthusiastic about the Company's future and this Policy is not intended to dampen this confidence and enthusiasm. This Policy applies to all employees of Denny's. In addition, as set forth in Addendum A attached hereto, "Additional Restrictions for Designated Persons."

directors and certain officers and Designated Employees of the Company are subject to somewhat stricter guidelines than these by virtue of the positions they hold. I. PURPOSE This Policy governs the handling of confidential information about the Company, and also establishes procedures and restrictions that govern trading and transactions by personnel of the Company in the Company's securities, including the Company's common stock, preferred stock, debt securities, such as debentures, bonds and notes (collectively, "Company Securities"). Company Securities also include instruments that derive value from the price of the Company's securities ("Derivative Securities"). This Policy also applies to transactions in the securities of any other entity ("Other Securities") made on the basis of material nonpublic information regarding that entity where the information is obtained through the Company or by virtue of a person's employment or other relationship with the Company. II. DEFINITION OF INSIDER TRADING AND MATERIAL NONPUBLIC INFORMATION Insider Trading Unlawful insider trading occurs when a person uses material nonpublic information obtained through his or her employment or other involvement with the Company to (i) make decisions to purchase, sell or otherwise trade the Company Securities or Other Securities; or (ii) provide that information to others outside the company who may trade on the basis of that information (a "tippee"). The prohibitions against insider trading apply to trading, tipping and making recommendations to trade by virtually any person, including all persons associated with the Company, if the information involved is "material" and "nonpublic." These terms are defined below.



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2 Material Information Information should be regarded as "material" if there is a substantial likelihood that a reasonable investor would consider that information important in making a decision to buy, hold or sell Company Securities or Other Securities. Any information that could be expected to affect the price of Company Securities or Other Securities, whether positive or negative, should be considered material. There is no bright-line standard for assessing materiality. Rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight when the effect on the market can be quantified. When doubt exists, the information should be presumed to be material. If you are unsure whether information of which you are aware is material or nonpublic, you should consult with the Company's Policy Administrative Officer (described below) prior to trading.

While it is not possible to define all categories of material information, some examples of information that could be regarded as material are: • Quarterly and annual earnings or losses and other similar financial information; • Earnings guidance or projections about earnings or other financial information, including amendments to or confirmations of any previously announced guidance, or the decision to suspend the use of such guidance; • Possible tender offers or proxy fights; • Significant write-offs or impairments; • Initiating a dividend or changes in a dividend; • Offerings of securities; • Pending or proposed acquisitions, mergers, joint ventures, or divestitures; • Pending or proposed significant new projects; • A significant food safety or similar issue in a company or franchise restaurant; • The occurrence of material cybersecurity incidents, intentional or otherwise, or disruptions in the Company's information technology systems, or those of a major franchisee, as well as the Company's remediation efforts in connection with material cybersecurity incidents or disruptions in information technology systems; • A restructuring of assets, personnel or operations; • News of significant changes in the Board of Directors or senior management; • Significant transactions with Company insiders, such as officers or directors or members of their families; • Bank borrowings or other financing transactions, other than in the ordinary course of the Company's business



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3 • Regulatory enforcement of existing regulations targeting the Company of significant impact; • Pending or threatened significant litigation or the resolution of such litigation involving the Company or any franchisee; • Severe liquidity problems or impending bankruptcy; • A change in auditors or notification that the auditor's reports may no longer be relied upon; or • An imposition of a ban on trading in securities. When Information Is Considered Public Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated to the marketplace. As a general rule, information should not be considered fully absorbed by the marketplace until the close of business on the first full trading day after the information is widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through: • A filing with the Securities and Exchange Commission (the "SEC"); • A press release issued via a national newswire service; • Discussion during a publicly accessible tele-conference held by the Company, such as a quarterly earnings call; • A broadcast on a widely available radio or television program; or • Publication in a widely available newspaper (such as The Wall Street Journal) or magazine. Safeguarding Material Information Material nonpublic information about the Company or its business must be kept in strict confidence. Premature or selective disclosure of nonpublic material information may jeopardize potential business relationships and transactions of the Company and may violate federal securities law restrictions on selective disclosure of such information. Conversations in public places, such as elevators, restaurants and airplanes should be limited to matters that do not involve information of a sensitive or confidential nature. Similarly, you may not discuss the Company or its business on the Internet, including in an Internet "chat room" or similar Internet-based forum, such as Facebook or Twitter. III. ADMINISTRATION OF THE POLICY The Board has designated its Corporate Secretary to be the officer in charge of compliance with this Policy (the "Policy Administrative Officer") and the implementation and

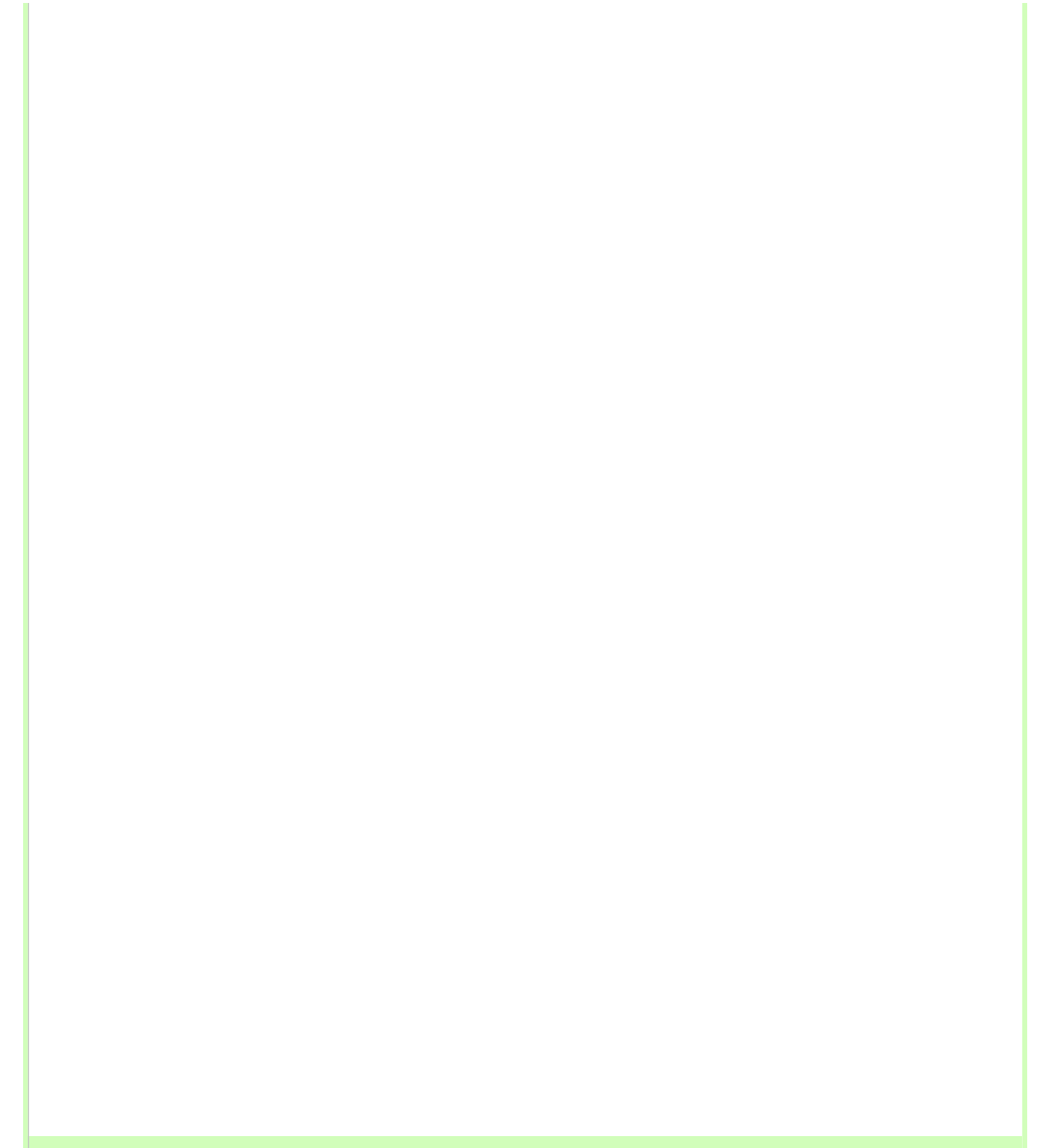


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4 administration of the Policy. In the Corporate Secretary's absence, the Chief Financial Officer, General Counsel or another employee designated by the Policy Administrative Officer shall be responsible for administration of this Policy. All determinations and interpretations by the Policy Administrative Officer shall be final and not subject to further review. IV. PERSONS SUBJECT TO THIS POLICY This Policy applies to all directors, officers, employees, consultants and independent contractors of the Company. This Policy also applies to family members, other members of a person's household and entities controlled by any person covered by this Policy, as further described below under the heading "Transactions Subject to the Policy." In addition, the Policy Administrative Officer may from time to time designate "others" who will be subject to this policy. Individual Responsibility Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company Securities or Other Securities while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that any family member or entity whose transactions are subject to this Policy, as discussed below, also complies with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual. An insider may, from time to time, have to forgo a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the material nonpublic information and even though the insider believes he or she may suffer an economic loss or forgo anticipated profit by waiting. Any action on the part of the Company, the Policy Administrative Officer or any other employee or director does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. V. CERTAIN TRADING RESTRICTIONS Event-Specific Trading Restriction Periods From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Policy Administrative Officer may not trade Company Securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Policy Administrative Officer, designated persons should refrain from trading in Company Securities until these results are announced. In that situation, the Policy Administrative Officer may notify these persons that they should not trade in the Company's Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period may not be announced to the Company as a whole, and should not be communicated to any other person. Even if the Policy Administrative Officer has not designated you as a person who should not trade due to



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5 an event-specific restriction, you should not trade while aware of material nonpublic information. VI. TRANSACTIONS SUBJECT TO THE POLICY This Policy applies to any and all transactions in Company Securities and Other Securities. No person subject to this Policy who is aware of material nonpublic information as described in this Policy may, directly or indirectly, through Family Members or Controlled Entities (as defined below), buy or sell securities or engage in any other action to take advantage of, or pass on to others, nonpublic material information. Post-Termination Transactions This Policy continues to apply to transactions in Company Securities even after an individual terminates service with the Company. If an individual is in possession of material nonpublic information when his or her service terminates, including resignation, that individual may not trade in Company Securities or Other Securities until that information has become public or is no longer material. Transactions by Family Members This Policy applies to your Family Members, which are defined to mean, collectively: • family members (including a spouse or domestic partner, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws) who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities or Other Securities are directed by you or are subject to your influence or control, such as parents, children or other family members who consult with you before they trade in Company Securities or Other Securities. You are responsible for the transactions of your Family Members and therefore you should make them aware of the need to confer with you before they trade in Company Securities or Other Securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not apply to personal securities transactions of Family



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6 Special and Prohibited Transactions Even in circumstances where a director, officer or employee is not aware of any material nonpublic information, the Board has determined that certain types of transactions involving Company Securities are prohibited. Such transactions include:

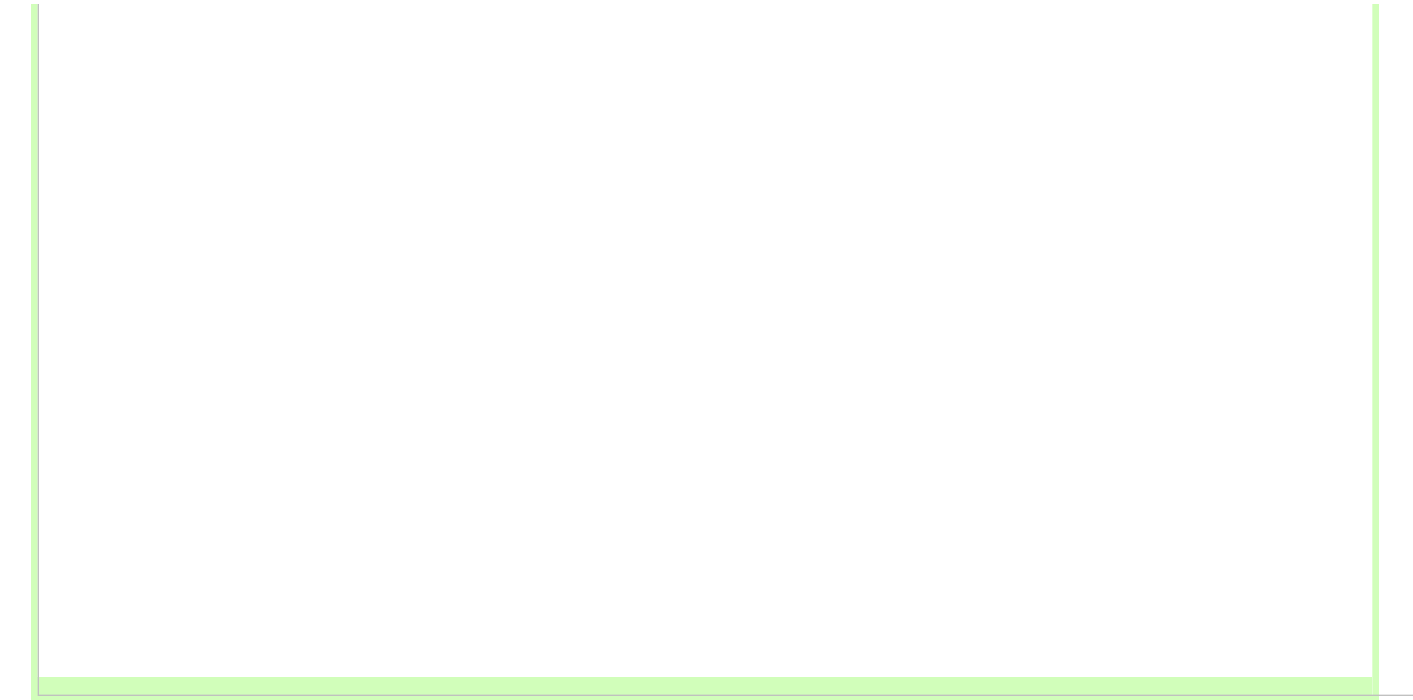
- Short sales. Short sales of Company Securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller lacks confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of Company Securities are prohibited by this Policy. In addition, Section 16(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prohibits officers and trustees from engaging in short sales.
- Call and put options. A call option is a Derivative Security that entitles the holder to purchase a security at a specified price at any time before a future date. A put option is a Derivative Security that entitles the holder to sell a security at a specified price at any time before a future date. Call options and put options allow the purchaser and the seller, in effect, to speculate in the underlying security on a leveraged basis. This can focus an investor's attention on short-term performance at the expense of longterm objectives. For this reason, the Board of Directors has determined that no person subject to this Policy is permitted to buy or sell call options or put options on Company Securities or other derivative securities involving Company Securities. This prohibition includes transactions involving combinations of call options and put options, sometimes described as "spreads" and "collars."
- Hedging transactions. A hedging transaction is a transaction designed to limit risks related to the ownership of a security by hedging or offsetting, any decrease in the market value of such security. Certain forms of hedging transactions, including without limitation the purchase of certain financial instruments such as prepaid variable forward contracts, equity swaps, collars, and exchange funds, allow an investor to lock in much of the value of such investor's share holdings, often in exchange for all or part of the potential for upside appreciation in the shares. Such transactions, if engaged in by an officer, director or employee of the Company with respect to Company Securities, would allow such person to continue to own the Company Securities but without the full risks and rewards of ownership. When that occurs, the person may no longer have the same objectives as the Company's other stockholders. Therefore, persons subject to this Policy are prohibited from engaging in any hedging transactions with respect to Company Securities. Please contact the Policy Administrative Officer concerning any other special transactions, including but not limited to, pledging, margin transactions, standing and limit orders.

VII. EXEMPTIONS FROM THIS POLICY

- Certain Stock Option Exercises. Except as set forth below, this Policy DOES NOT apply to the exercise of an employee stock option or director stock option acquired pursuant to the Company's compensation plans or to any transaction effected as part



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7 of the withholding of Company Securities to satisfy tax withholding requirements. This policy DOES apply, however, to any sale of Company Securities as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating cash needed to pay the exercise price of an option. In other words, you are entitled to exercise the option for Company Securities by paying cash or tendering other Company Securities, but any simultaneous or subsequent sale of the Company Securities would be subject to this Policy. • Bona Fide Gifts of Securities. Bona fide gifts of securities ARE NOT transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Company Securities while the officer, employee, or director is aware of material nonpublic information, or the person making the gift is covered by the Company's "black out" periods and has reason to believe that the recipient intends to sell the Company Securities during a blackout period. • Long-Term Incentive Plan Awards. Except as set forth below, this Policy DOES NOT apply to the granting or vesting of options, restricted share awards, performance share awards or similar awards under the Company's Long-Term Incentive Plan (the "LTIP") issued through any equity-based incentive plan that has been approved by the Company's stockholders, or an Equity Plan, and under which grants are approved in accordance with the terms thereof. This Policy does not apply to a transaction effected as part of the withholding of Company Securities to satisfy tax withholding requirements. This Policy DOES apply to any sale of Company Securities received pursuant to an award under an Equity Plan. • Other Company Transactions. This Policy DOES NOT apply to any other purchase of Company Securities from the Company or sales of Company Securities to the Company. • Mutual Funds. Transactions in mutual funds, exchange-traded funds, index funds or other "broad basket" funds that own or hold Company Securities as one of many investments are NOT subject to this Policy. VIII. ADOPTION AND EFFECT OF 10b5-1 TRADING PLANS Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets certain conditions specified in the Rule (a "Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions. To comply with this Policy, a Rule 10b5-1 Plan must be approved by the Policy Administrative Officer or other designated Company employee. More information concerning trading plans may be obtained directly from the Policy Administrative Officer. A Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.



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3 Any Rule 10b5-1 Plan must be submitted for approval no later than five days prior to the entry into the Rule 10b5-1 Plan. No further preapproval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required. The Company may at its discretion file a Form 8-K and/or issue a press release to announce entry into a Rule 10b5-1 Plan by executive officers and such other officers as shall be determined from time to time. Any Rule 10b5-1 Plan must also provide for a "cooling off" period that must occur before trading can occur under the plan. Specifically, if you are a director of the Company, or an officer of the Company who is subject to the requirements of Section 16 under the Exchange Act (a "Section 16 Officer"), trading under your Rule 10b5-1 Plan may not begin until after the expiration of a cooling off period ending on the later of (1) 90 days after your adoption of your Rule 10b5-1 Plan or (2) two business days following the disclosure of Denny's financial results on Form 10-Q or Form 10-K, as applicable, for the fiscal quarter in which your Rule 10b5-1 Plan was adopted, up to a maximum of 120 days. For all other persons, the Rule 10b5-1 Plan may not begin until after the expiration of a 30-day cooling-off period after adoption of the Rule 10b5-1 Plan. A cooling off period is required by SEC rules and designed to minimize the risk of a claim that you were aware of material nonpublic information concerning Denny's when you entered into the Rule 10b5-1 Plan and that the plan was not entered into in good faith. There are other requirements relating to Rule 10b5-1 Plans that must be complied with, such as restrictions on the adoption of multiple such plans, or the use of Rule 10b5-1 Plans to accomplish single trades. For more information, please contact the Policy Administrative Officer. IX. CONSEQUENCES OF VIOLATIONS Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities as well as foreign authorities. While the regulatory authorities concentrate their efforts on traders and tippees, the federal securities laws may also impose liability on companies and other persons in positions of control if they fail to take reasonable steps to prevent insider trading by Company personnel. There are no limits on the size of the transaction that can trigger insider trading liability. Relatively small trades have in the past occasioned investigations by the SEC and lawsuits. There are strict criminal and civil penalties for committing illegal insider trades: • A criminal prosecution can result in a fine of up to \$5 million and imprisonment for up to 20 years for each act. • In a civil action brought by the SEC, a person who has been found to have engaged in insider trading, or of having communicated material nonpublic information to another person who engages in insider trading, can be held liable for a penalty up to three times the profit gained, or the loss avoided, by the person who traded. • The SEC has the authority to obtain a court order barring a director or officer who has engaged in insider trading from serving, either permanently or for a period of time, as a director or officer of any public company.



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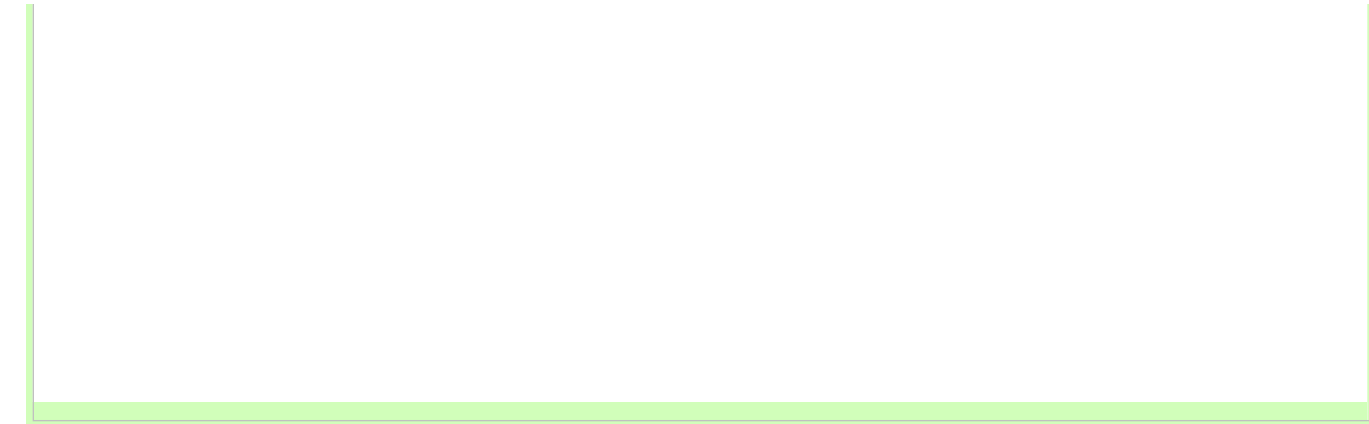
9. In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. X. WAIVERS; MODIFICATIONS Exceptions to this Policy may be made only by the written approval of the Policy Administrative Officer. The Company reserves the right to amend or rescind this Policy or any portion of it at any time and to adopt different policies and procedures at any time. XI. CONTACT INFORMATION Any person who has a question about this Policy or its application to any proposed transaction should obtain additional guidance from the Policy Administrative Officer.



A-1 ADDENDUM TO DENNY'S CORPORATION INSIDER TRADING POLICY ADDITIONAL RESTRICTIONS FOR THE BOARD OF DIRECTORS AND DESIGNATED EMPLOYEES INTRODUCTION This Addendum explains additional requirements and procedures which apply to all members of the Board of Directors (each a "Director") and Designated Employees. The positions of the Designated Employees are listed on attached Schedule A. The Company may from time to time designate other individuals or positions that are subject to this Addendum and will amend Schedule A from time to time as necessary to reflect such changes or the resignation or change of status of any individual. Please note that this Policy applies to all Company Securities which you hold or may acquire in the future. Capitalized terms used but not defined in this Addendum have the meanings given in the Company's Insider Trading Policy. Acknowledgement and Certification Each Director and Designated Employee is required to read the Insider Trading Policy and this Addendum and to acknowledge that they have received a copy of both and that they will comply with the terms thereof. Please sign the acknowledgment and certification form either electronically (if circulated in electronic format) or by signing the attached certification form and returning to the office of the Corporate Secretary.



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A-2 GENERAL RULES To avoid even the appearance of impropriety, the Company has established additional restrictions on trading Company Securities for Directors and Designated Employees. Directors and Designated Employees are prohibited from trading in Company Securities during certain time periods (see below, Blackout Periods), must notify and obtain pre-clearance from the Policy Administrative Officer prior to transacting in Company Securities and must observe other restrictions designed to minimize the risk of apparent or actual insider trading. PRE-CLEARANCE PROCEDURES Directors, Designated Employees, and their Family Members and Controlled Entities, may not engage in any transaction involving the Company's securities (including buying or selling stock, the exercise of stock options, gifts, loans, contributions to a trust, or any other transfers) without first obtaining pre-clearance of the proposed transaction from the Policy Administrative Officer. Pre-clearance must be obtained at least two business days prior to a proposed transaction. The request for pre-clearance must be made in writing and the clearance must be confirmed in writing. Email shall be deemed sufficient for pre-clearance procedures. Notwithstanding the foregoing, pre-clearance is not required for any trades made pursuant to a pre-arranged 10b5-1 Trading Plan adopted in accordance with the requirements of the Company's Insider Trading Policy. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under federal laws and regulations. Any advice will relate solely to the restraints imposed by law and will not constitute advice regarding the investment aspects of any transaction. Clearance of a transaction is valid only for a two (2) week period. If the transaction order is not placed within that two (2) week period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. In addition to the foregoing pre-clearance requirements, those subject to this Addendum are personally responsible for determining whether they are in possession of material "nonpublic" information and for complying with the applicable securities laws. BLACKOUT PERIODS In addition to being subject to the limitations set forth in the Company's Insider Trading Policy, those individuals subject to this Addendum (and their Family Members and Controlled Entities) are subject to the following blackout periods, during which they may not trade in the Company's securities (except by means of pre-arranged 10b5-1 Trading Plans established in compliance with the Company's Insider Trading Policy). Quarterly Blackout. Because the announcement of the Company's quarterly financial results generally has the potential to have a material effect on the market for Company Securities, you may not trade in Company Securities during the period beginning at the close of business on March 15th, June 15th, September 15th and December 15th (or, if such day is not a trading day, then at the close of business on the immediately preceding trading day) and ending at the close of business on the first full trading day following the release of the Company's earnings for that quarter.



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A-3 Interim Earnings Guidance and Event-Specific Blackouts. The Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, SEC filing on Form 8-K or other means designed to achieve widespread dissemination of the information. You should anticipate that trading will be blacked out while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market which is generally no earlier than the close of business on the first full trading day following the release of such information. From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Policy Administrative Officer may not trade Company Securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Policy Administrative Officer, designated persons should refrain from trading in Company Securities even sooner than the typical blackout period described above. In that situation, the Policy Administrative Officer may notify these persons that they should not trade in Company Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period may not be announced to the Company as a whole, and should not be communicated to any other person. Even if the Policy Administrative Officer has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of material nonpublic information. Even if a blackout period is not in effect, at no time may you trade in Company Securities if you are aware of material nonpublic information about the Company. The failure of the Policy Administrative Officer to notify you of an event-specific blackout will not relieve you of the obligation not to trade while aware of material nonpublic information. SECTION 16 REPORTING AND FORM FILING REQUIREMENTS Under Section 16(a) of the Exchange Act, Directors and certain executive officers (the "Section 16 Officers") of the Company must file forms with the SEC when they engage in certain transactions involving the Company's equity securities. In this context, in addition to basic traditional equity interests such as common stock, "equity securities" of the Company also include any securities that are exchangeable for or convertible into, or that derive their value from, an equity security of the Company. These other securities are known as derivative securities, and include options, warrants, convertible securities, and stock appreciation rights. Directors and Section 16 Officers are responsible for complying with all form filing requirements under the Exchange Act, including but not limited to filing of Form 3, Form 4, and Form 5, in a timely manner. A Form 3 (initial statement) must be filed within ten (10) calendar days of becoming a Director or Section 16 Officer and a Form 4 (change in beneficial ownership of securities) must be filed before the end of the second business day after any such change in securities ownership. As a convenience for you, the Company may assist you with these required filings, but ultimately each Director and Section 16 Officer bears legal responsibility for complying with these requirements.



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A-5 to the pledged securities. Any Director or Designated Employee who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the Policy Administrative Officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.



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A-6 SCHEDULE A DIRECTORS AND DESIGNATED EMPLOYEES Board of Directors Chief Executive Officer and President President, Keke's Executive Vice President, Chief Global Development Officer Executive Vice President, Chief Information Officer Executive Vice President, Chief Legal & Administrative Officer and Corporate Secretary Executive Vice President, Chief People Officer Executive Vice President, Chief Financial Officer Senior Vice President, Chief Accounting Officer and Corporate Controller Senior Vice President, Corporate Finance and Treasury



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A-7 ACKNOWLEDGMENT AND CERTIFICATION FORM I have received and read the Denny's Corporation Insider Trading Policy and Addendum thereto applicable to Directors and Designated Employees. I agree to comply fully with the policies and procedures contained in the Insider Trading Policy and, if applicable, the Addendum. Printed Name Signature Date

Exhibit 21.1

Subsidiaries of Denny's Corporation

Name	State of Incorporation
Denny's, Inc.	Florida
DFO, LLC	Delaware
Denny's Realty, LLC	Delaware
East Main Insurance Company	South Carolina
Keke's, Inc.	Florida
Keke's Franchise Organization, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-120093, 333-151850, 333-168434, 333-181468, 333-216655, 333-217843 and 333-256287) on Form S-8 and the registration statements (Nos. 333-117902 and 333-239004) on Form S-3 of our reports dated February 26, 2024 February 24, 2025, with respect to the consolidated financial statements of Denny's Corporation and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Greenville, South Charlotte, North Carolina
February 26, 2024 24, 2025

Exhibit 31.1

CERTIFICATION

I, Kelli F. Valade, certify that:

1. I have reviewed this report on Form 10-K of Denny's Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 26, 2024 24, 2025

By: /s/ Kelli F. Valade
Kelli F. Valade
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Robert P. Verostek, certify that:

1. I have reviewed this report on Form 10-K of Denny's Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 26, 2024 24, 2025

By: /s/ Robert P. Verostek

Robert P. Verostek
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Kelli F. Valade
Chief Executive Officer
of Denny's Corporation

and

Robert P. Verostek
Executive Vice President and Chief Financial Officer
of Denny's Corporation

Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Denny's Corporation (the "Company") on Form 10-K for the year ended December 27, 2023 December 25, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kelli F. Valade, Chief Executive Officer of the Company, and I, Robert P. Verostek, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

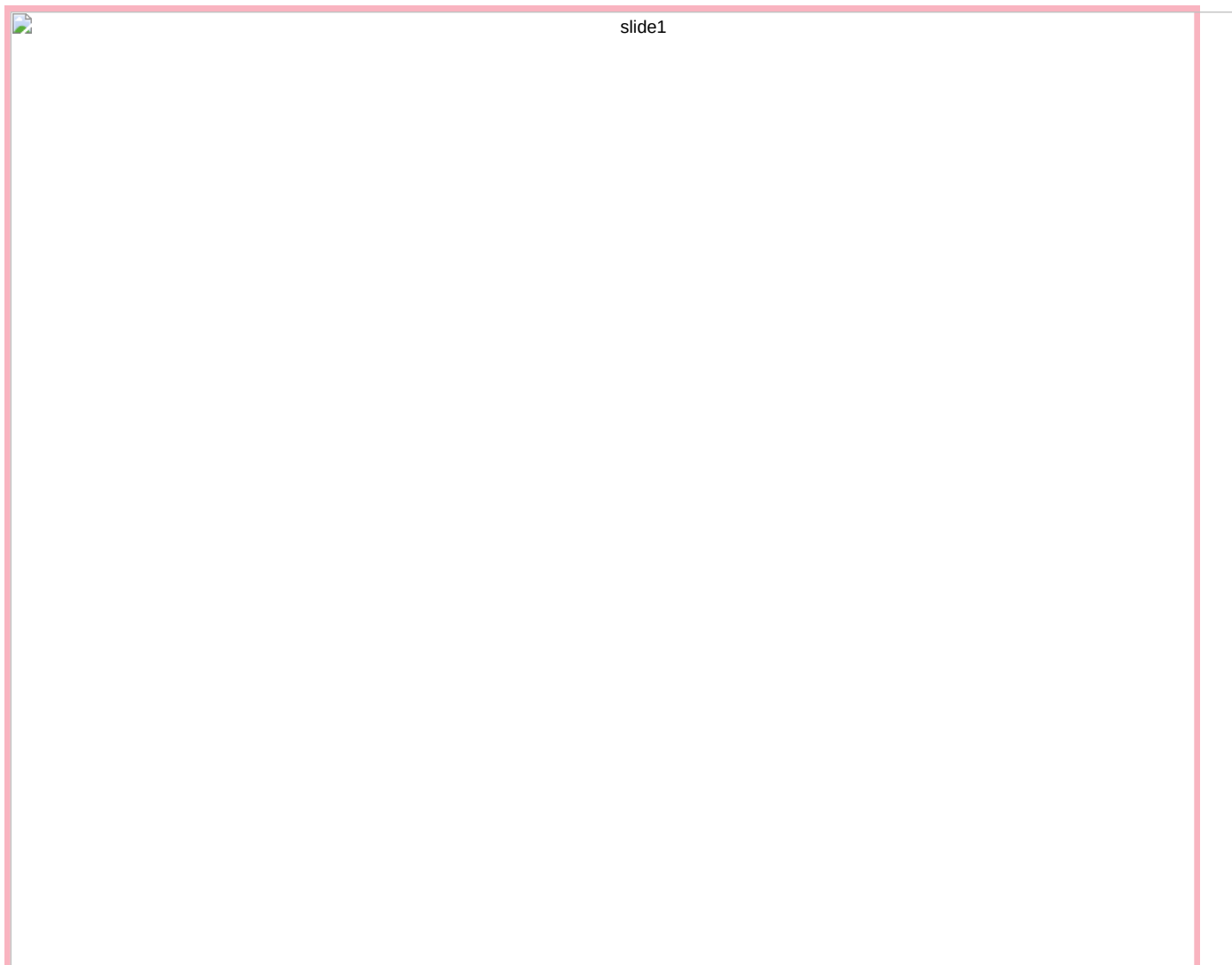
Date: February 26, 2024 24, 2025

By: /s/ Kelli F. Valade
Kelli F. Valade
Chief Executive Officer

Date: February 26, 2024 24, 2025

By: /s/ Robert P. Verostek
Robert P. Verostek
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Denny's Corporation and will be retained by Denny's Corporation and furnished to the Securities and Exchange Commission or its staff upon request.



DENNY'S CORPORATION DODD-FRANK CLAWBACK POLICY On November 7, 2023, the Board of Directors (the "Board") of Denny's Corporation (the "Company"), upon recommendation of the Compensation and Incentives Committee (the "Compensation Committee") of the Board, has adopted the following Dodd-Frank Clawback Policy (this "Policy"), effective as of October 2, 2023 (the "Effective Date"). 1. Purpose. The purpose of this Policy is to provide for the recoupment of certain incentive compensation pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, in the manner required by Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated thereunder, and the Applicable Listing Standards (as defined below) (collectively, the "Dodd-Frank Rules"). This Policy is in addition to the Company's Incentive Compensation Clawback Policy (the "Non-Dodd-Frank Clawback Policy") which, for the avoidance of doubt, shall apply to incentive compensation (as described therein) received before the Effective Date of this Policy. 2. Administration. This Policy shall be administered by the Compensation Committee. Any determinations made by the Compensation Committee shall be final and binding on all affected individuals. 3. Definitions. For purposes of this Policy, the following capitalized terms shall have the meanings set forth below. (a) "Accounting Restatement" shall mean an accounting restatement of the Company's financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (i.e., a "Big R" restatement), or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (i.e., a "little r" restatement). (b) "Affiliate" shall mean each entity that directly or indirectly controls, is controlled by, or is under common control with the Company. (c) "Applicable Exchange" shall mean The Nasdaq Stock Market. (d) "Applicable Listing Standards" shall mean Nasdaq Listing Rule 5608. (e) "Clawback Eligible Incentive Compensation" shall mean Incentive-Based Compensation Received by a Covered Executive (i) on or after the Effective Date, (ii) after beginning service as a Covered Executive, (iii) if such individual served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation (irrespective of whether such individual continued to serve as a Covered Executive upon or following the Restatement Trigger Date), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period.



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2- (l) "Clawback Period" shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Trigger Date and any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of at least nine months shall count as a completed fiscal year), (d) "Company Group" shall mean the Company and its Affiliates, (h) "Covered Executive" shall mean any "executive officer" of the Company as defined under the Dodd-Frank Rules, and, for the avoidance of doubt, includes each individual identified as an executive officer of the Company in accordance with Item 401(b) of Regulation S-K under the Exchange Act, (i) "Erroneously Awarded Compensation" shall mean the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid. With respect to any compensation plan or program that takes into account Incentive-Based Compensation, the amount contributed to a notional account that exceeds the amount that otherwise would have been contributed had it been determined based on the restated amount, computed without regard to any taxes paid, shall be considered Erroneously Awarded Compensation, along with earnings accrued on that notional amount, (j) "Financial Reporting Measures" shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall for purposes of this Policy be considered Financial Reporting Measures. For the avoidance of doubt, a measure need not be presented in the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission (the "SEC") in order to be considered a Financial Reporting Measure, (k) "Incentive-Based Compensation" shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure, (l) "Received" shall mean the deemed receipt of Incentive-Based Compensation. Incentive-Based Compensation shall be deemed received for this purpose in the Company's fiscal period during which the Financial Reporting Measure specified in the applicable Incentive-Based Compensation award is attained, even if payment or grant of the Incentive-Based Compensation occurs after the end of that period, (m) "Restatement Trigger Date" shall mean the earlier to occur of (i) the date the Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.



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3-4. Recoupment of Erroneously Awarded Compensation. Upon the occurrence of a Restatement Trigger Date, the Company shall recoup Erroneously Awarded Compensation reasonably promptly, in the manner described below. For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation under this Policy is not dependent on if or when restated financial statements are filed following the Restatement Trigger Date. (a) Process. The Compensation Committee shall use the following process for recoupment: (i) First, the Compensation Committee will determine the amount of any Erroneously Awarded Compensation for each Covered Executive in connection with such Accounting Restatement. For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation

directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Compensation Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Applicable Exchange). (ii) Second, the Compensation Committee will provide each affected Covered Executive with a written notice stating the amount of the Erroneously Awarded Compensation, a demand for recoupment, and the means of recoupment that the Company will accept. (b) Means of Recoupment. The Compensation Committee shall have discretion to determine the appropriate means of recoupment of Erroneously Awarded Compensation, which may include without limitation: (i) recoupment of cash or shares of Company stock, (ii) forfeiture of unvested cash or equity awards (including those subject to service-based and/or performance-based vesting conditions), (iii) cancellation of outstanding vested cash or equity awards (including those for which service-based and/or performance-based vesting conditions have been satisfied), (iv) to the extent consistent with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), offset of other amounts owed to the Covered Executive or forfeiture of deferred compensation, (v) reduction of future compensation, and (vi) any other remedial or recovery action permitted by law. Notwithstanding the foregoing, the Company Group makes no guarantee as to the treatment of such amounts under Section 409A, and shall have no liability with respect thereto. Except as set forth in Section 4(d) below, in no event may the Company Group accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of a Covered Executive's obligations hereunder. (c) Failure to Repay. To the extent that a Covered Executive fails to repay all Erroneously Awarded Compensation to the Company Group when due (as determined in accordance with Section 4(a) above), the Company shall, or shall cause one or more other members of the Company Group to, take all actions reasonable and appropriate to recoup such Erroneously Awarded Compensation from the applicable Covered Executive. To the extent permitted by applicable law, the applicable Covered Executive shall be required to reimburse the Company Group for any and all expenses reasonably incurred (including legal fees) by the Company Group.



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4- in recouping such Erroneously Awarded Compensation in accordance with the immediately preceding sentence. (d) Exceptions. Notwithstanding anything herein to the contrary, the Company shall not be required to recoup Erroneously Awarded Compensation if one of the following conditions is met and the Compensation Committee determines that recoupment would be impracticable: (i) The direct expense paid to a third party to assist in enforcing this Policy against a Covered Executive would exceed the amount to be recouped, after the Company has made a reasonable attempt to recoup the applicable Erroneously Awarded Compensation, documented such attempts, and provided such documentation to the Applicable Exchange; (ii) Recoupment would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recoup any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the Applicable Exchange, that recoupment would result in such a violation and a copy of the opinion is provided to the Applicable Exchange; or (iii) Recoupment would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder. 5. Reporting and Disclosure. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Dodd-Frank Rules. 6. Indemnification Prohibition. No member of the Company Group shall be permitted to indemnify any current or former Covered Executive against (i) the loss of any Erroneously Awarded Compensation that is recouped pursuant to the terms of this Policy, or (ii) any claims relating to the Company Group's enforcement of its rights under this Policy. The Company may not pay or reimburse any Covered Executive for the cost of third-party insurance purchased by a Covered Executive to fund potential recoupment obligations under this Policy. 7. Acknowledgment. To the extent required by the Compensation Committee, each Covered Executive shall be required to sign and return to the Company the acknowledgement form attached hereto as Exhibit A pursuant to which such Covered Executive will agree to be bound by the terms of, and comply with, this Policy. For the avoidance of doubt, each Covered Executive will be fully bound by, and must comply with, the Policy, whether or not such Covered Executive has executed and returned such acknowledgment form to the Company. 8. Interpretation. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. The Compensation Committee intends that this Policy be interpreted consistent with the Dodd-Frank Rules. 9. Effective Date and Retroactive Application. The Policy shall be effective as of the Effective Date, provided that amounts approved, awarded, granted, or paid prior to the Effective Date shall be subject to recoupment in accordance with the terms herein. In addition, the



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9.5- Compensation Committee may recover Erroneously Awarded Compensation under this Policy as described in Section 4(b) from amounts approved, awarded, granted or paid prior to the Effective Date. 10. Amendment; Termination. The Compensation Committee may amend or terminate this Policy from time to time in its discretion, including as and when it determines that it is legally required to do so by any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed. 11. Other Recoupment Rights. The Compensation Committee intends that this Policy be applied to the fullest extent of the law. The Compensation Committee may require that any employment agreement, equity award, cash incentive award, or any other agreement entered into on or after the Effective Date be conditioned upon the Covered Executive's agreement to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group, whether arising under applicable law, regulation or rule, pursuant to the terms of any other policy of the Company Group, pursuant to any employment agreement, equity award, cash incentive award, or other agreement applicable to a Covered Executive, or otherwise, including the Non- Dodd-Frank Clawback Policy (the "Separate Clawback Rights"). Notwithstanding the foregoing, there shall be no duplication of recovery of the same Erroneously Awarded Compensation under this Policy and the Separate Clawback Rights, unless required by applicable law. 12. Arbitration of Disputes. In the event of any claim or dispute regarding the application of this Policy, the Company and the employee shall have the right to have such claim or dispute reviewed by submission to final and binding arbitration conducted in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association and the Federal Arbitration Act, 9 U.S.C. §1, et. seq. 13. Successors. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.



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A-1 Exhibit A DENNY'S CORPORATION DODD-FRANK CLAWBACK POLICY ACKNOWLEDGEMENT FORM By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Denny's Corporation Dodd-Frank Clawback Policy (the "Policy"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "Acknowledgement Form") shall have the meanings ascribed to such terms in the Policy. By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company Group. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company Group reasonably promptly to the extent required by, and in a manner permitted by, the Policy, as determined by the Compensation Committee of the Company's Board of Directors in its sole discretion. The undersigned acknowledges that the undersigned's execution of this Acknowledgement Form is in consideration of, and is a condition to, the receipt by the undersigned of future Incentive- Based Compensation from the Company; provided, however, that nothing in this Acknowledgement Form shall be deemed to obligate the Company to make any such awards to the undersigned in the future. To the extent not preempted by federal law, this Acknowledgement Form shall be governed by and construed in accordance with the laws of Delaware, without reference to principles of conflict of laws. Sign: _____ Name: [Employee] Date: _____

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